UNIGOLD INC.

Second Quarter – Interim Report

June 30, 2004

Notice to Readers

The consolidated financial statements and the accompanying notes thereto contained in this report have not been reviewed or audited by the Company's auditor.

UNIGOLD INC.

Management Discussion and Analysis of Financial Results

The following discussion and analysis of the operating results and financial condition of Unigold Inc. (the "Company") should be read in conjunction with the consolidated financial statements of the Company and notes thereto for the six months ended June 30, 2004. Said financial statements were prepared in accordance with Canadian generally accepted accounting principles, but have not been reviewed or audited by the Company's auditor.

Overview

The Company is engaged in the exploration and development of mineral properties located in the Dominican Republic.

In December 2003 the Company commenced a drilling program on the Neita property in order to assist in evaluating the mineral potential of the property. To date, 10 diamond drill holes have been completed on the Los Candelones Gold Deposit (an area within the Neita property) for a total of 1,012 metres; 6 holes on the Los Candelones West and 4 holes on Los Candelones East located about 300 metres on strike and to the southeast of Los Candelones West. These diamond drill holes are the beginning of a 5,000-metre program designed to expand the known mineralization on the Los Candelones Gold Deposit and to evaluate two other mineralized alteration zones located on the Neita property. During the first half of 2004, a geophysical consulting company based in Toronto, mobilized on the Neita property to conduct a minimum of 50 line kilometers of induced polarization ("IP") on the Los Candelones, El Corozo and Montazo-Guano mineralized targets.

As a result of the drilling program, the known strike length of the mineralization on the Los Candelones Gold Deposit has been increased to the northwest a total of 100 metres and also shown that the mineralization continues down dip in excess of 175 metres and remains wide open to depth. The overall grade potential of the mineralized zone has been increased with hole SC27 which assayed 1.6 g/t gold over 68 metres including a central core which ran 2.1 g/t over 47 metres and with the adjacent and most northwesterly mineralized hole SC29 which assayed 2.1 g/t over 61 metres including 3.1 g/t over 31 metres. Drill holes SC30 and SC31 drilled as step outs, on a presumed northwest extension of the mineralized zone are barren. This zone either pinches out to the northwest or has been offset by northeast trending faulting. Additional detailed groundwork is required to determine which. On strike to the southeast about 600 metres from hole SC29, the last hole (SC35) in the recent 10 hole diamond drill program assayed 1.51 g/t gold from surface down to 48 metres. The previous hole to this, SC34 which was collared about 100 metres south of hole SC35, was drilled due westward in the wrong direction to properly intersect a parallel mineralized zone and still returned values of 0.55 g/t gold over the upper 9 metres.

A total of 13.2 line-kilometres of IP on 11 N-S trending lines spaced 200 metres apart have been completed on the Los Candelones Gold Deposit. The IP chargeability and resistivity have outlined three main parallel NW-SE trending structures interpreted to be sulphide-rich with one of the structures partly coincident with the existing diamond drilling and known to be sulphide-rich and gold bearing. The ground IP geophysics on the Los Candelones area suggests that the Los Candelones West and Los Candelones East mineralized zones are in fact one continuous structural zone with a strike length in excess of 700 metres with perhaps some local structural offsetting. There is excellent potential to increase resources on this target which is outlined by a 50 ppb, irregularily shaped 1200 metre by 600 metre, gold in soil geochemical anomaly with coincident IP chargeability zones. The Company is presently compiling and evaluating all available geological, structural, geochemical and geophysical data to best position the drill holes for additional definition diamond drilling. A minimum program of about 20 drill holes is warranted to begin to outline the gold mineralized zones.

During the second quarter of 2004, 5 drill holes totaling 541.2 metres were completed on the El Corozo area of the Neita property. The first 4 holes targeted the hydrothermally altered, silicified and brecciated volcanics and sediments of El Corozo Hill, while the last hole, SCO-05, targeted a gold in soil anomaly associated with a north-south trending structure located about 1 kilometer to the south of El Corozo Hill. The first 4 drill holes on El Corozo Hill all intersected significant disseminated pyrite and lesser chalcopyrite throughout the entire lengths of hydrothermally altered and silicified core. These holes intersected narrow zones of low grade gold mineralization such as in SCO-04 which contained 3 one metre intervals assaying 0.7, 0.4 and 0.8 g/t gold. The gold mineralization in the core in SCO-04 probably corresponds on surface to a trench which assayed 0.4 g/t over 5 metres. These 4 holes also contained elevated copper mineralization throughout their entire lengths: SCO-01, 0.1% Cu over 120 meters including 0.2% Cu over 27 metres; SCO-02, 0.05% Cu over 117 metres; SCO-03, 0.07% Cu over 111 metres (111 m to 115.5 m not assayed); and SCO-04 0.06% Cu over 119.7 metres. The elevated copper values obtained in altered and silicified volcanics and sediments from the core from the 4 drill holes on El Corozo Hill are indications of a large hydrothermal system and might suggest proximity to a porphyry system. Additional soil geochemistry has been conducted up the stratigraphic section to the north and east and assays are pending.

Drill hole SCO-05 was completed at 69 metres. This hole encountered saprolite and weathered and oxidized intrusives to a depth of 60 metres with minor disseminated pyrite in tonalite for the last 9 metres. The hole contained low gold values up to 0.2 g/t with low copper values.

A total of 6.0 line-kilometers of IP geophysics have been completed on 4 E-W trending lines spaced 400 metres apart on the El Corozo area which is known to be 1.5 km by 2 km in size. Two northeast-southwest trending chargeability highs were delineated with higher amplitude than that found over the Los Candelones mineralization. The more easterly zone is a 200 metre wide by 1.5 kilometer long target that may be a fault contact zone between tonalite and felsic volcanic rocks. This zone trends about 150 metres to the east of Corozo Hill. The second zone trends about 500 metres to the west of El Corozo Hill and is coincident with gold and copper in soil anomalies and a gold in stream sediment anomaly. Neither of these IP chargeability zones has yet been evaluated by trenching or diamond drilling.

The largest silicification and hydrothermal alteration zone on the Neita property 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. Low but consistent gold values in trenching 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 metres while trenching on the western margin of the zone, located 2.5 km away, returned values up to 0.54 g/t gold over 100 metres. The Company is presently undertaking geological mapping and an IP geophysical survey in search of areas of increased sulphide content that should contain significant gold. A total of 8.1 line-kilometers of IP on four north-south trending lines spaced 400 metres apart have been completed over the area and preliminary results show a strong chargeability high trending east-west across the area. This zone requires detailed ground follow-up by soil geochemistry and trenching to prioritize the chargeability high zones and then followed by diamond drilling.

Mineral Properties

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

In July 2002, the Dominican Republic granted to Unigold Resources Inc. 100% of the exploration rights for gold, silver, zinc, copper and all associated minerals on both the Neita and Sabaneta properties, as well as a sole and exclusive option for the commercial mining of the mineral deposits. The initial duration of the Neita and Sabaneta fiscal reserves contracts was for six months, with 2 one-year extensions, after which the properties are required to be converted to exploration concessions. An exploration concession is issued for 3 years plus 2 one-year extensions after which it must be converted to an exploitation licence which is issued for 75 years.

According to Article 32 of Mining Law 146 of 1971 of the Dominican Republic, the same entity may not be granted one or more exploration concessions exceeding 30,000 hectares in the aggregate. Due to this limitation, the Company through Unigold Resources Inc. has applied for an exploration concession on the Neita property which covers an area of 25,221 hectares and has sold its mineral rights in respect of the Sabaneta property which totals 55,720 hectares to two separate Dominican companies, Inversiones Mineras Sabaneta, S.A. (27,600 hectares) and Inversiones Mineras Aldajo, S.A. (28,120 hectares) for total consideration to consist of US$200,000 in aggregate. These companies are expected to apply for two exploration concessions covering Sabaneta.

The application for an exploration concession for the Neita property and the sale of mineral rights for the Sabaneta property is consistent with the Company's focus on the Neita property. To date, the exploration focus has been on the Neita property which contains about 20 large hydrothermal alteration zones as identified by an airborne magnetic and radiometric survey which are partly coincident with gold in stream sediment anomalies. The Los Candelones Gold Deposit, with 4 parallel IP chargeability high zones with strike lengths varying from 400 to 900 metres, has already been identified on the Neita property.

Results of Operations

During the second quarter the Company incurred $256,131 in general and administrative expenses, and $540,621 on a year to date basis. This compares to $151,721 and $654,708 respectively for the same periods last year. The main reason for the lower year to date costs in 2004 is that 2003 included costs associated with the start-up of the Company which did not continue in 2004. In addition, 2003 included a non-cash stock option expense of $42,000. No options have been granted during 2004.

Travel, promotion and business development expenses were at a much reduced level during the second quarter and its expected that these costs will be kept at a minimum for the balance of the year in order to conserve cash.

Salaries and wages for the quarter were $78,101 and $160,941 on a year to date basis and are anticipated to be approximately $320,000 per year at current staffing levels. Other general and administrative expenses were in line with anticipated levels and are expected to continue.

Quarterly Information

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

	2004		2003				2002	
	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30
Net Revenues	$1	$1	$1	nil	$1	$1	nil	nil
Net income (loss)	$(255)	$(284)	$(323)	$(251)	$(150)	$(502)	$(384)	1,674
Per share	$(0.01)	$(0.01)	$(0.02)	$(0.01)	$(0.01)	$(0.03)	$(0.04)	$0.16

Liquidity and Financial Position

Cash on hand as of June 30, 2004 was $297,071, down $1,096,831 from the year ended December 31, 2003. Working capital has been reduced by $1,052,706 during the first half of 2004 to $248,859 from $1,301,565.

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

The Company is currently seeking to complete a brokered private placement to sell on a best efforts basis up to 5,000,000 Units of the Company at a price of $0.30 per Unit, with each Unit consisting of one common share and one whole warrant. Each whole warrant will entitle the holder thereof to purchase one common share at any time for a period of 24 months following the closing date at a price of $0.45. It is expected that the financing will close in early September 2004. For its services in connection with this offering, the Agent will be paid a cash commission equal to 8% of the gross proceeds of the offering, as well as compensation warrants equal to 10% of the total number of Units sold. Each compensation warrant will be exercisable at a price of $0.30 for a period of two years from the closing date to acquire the Unit.

Outlook

The positive drill results achieved in the first phase of the exploration program along with the favourable IP geophysics warrant additional drilling to be conducted on the Neita property.

The Neita property is host to about 20 alteration zones, as interpreted by airborne geophysics, some of which have coincident gold, copper or zinc stream sediment anomalies that will be evaluated in the near future. A 22 kilometer long structural contact zone between the Upper and Lower Tireo volcanic rocks has been shown to carry gold and copper mineralization at three widely spaced locations. This zone has seen very little work and is a high priority exploration target. Exploration over the past six months has also greatly enhanced the gold targets at Los Candelones, El Corozo and Montazo-Guano.

On the Los Candelones Gold Deposit, the diamond drilling has outlined a 700 metre long gold mineralized zone with local structural offsets. IP geophysics on this area has outlined what is interpreted as three parallel chargeability high targets only one of which has seen any amount of diamond drilling. This area warrants a 20-hole diamond drill program over the next six months to better define the mineralized zones.

The IP geophysical survey has also outlined excellent chargeability targets at El Corozo and Montazo-Guano. Detailed geology and structural interpretation are being undertaken at this time. Diamond drilling is also warranted on Montazo-Guano in the future.

Qualified Person

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

Risks and Uncertainties

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

Forward Looking Statements

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

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

August 24, 2004

UNIGOLD INC.

Consolidated Balance Sheets
(Unaudited – Canadian $)

	As at June 30, 2004	**As at December 31, 2003**
Current assets		
Cash	$ 297,071	$ 1,393,902
Other receivables	329,072	36,239
Prepaid expenses	19,432	19,432
	645,575	1,449,573
Equipment	264,882	257,356
Mineral Properties *(note 3)*	243,153	396,879
Deferred exploration costs *(note 3)*	1,485,096	817,784
Public listing status	100,000	100,000
	$ 2,738,706	**$ 3,021,592**
Current liabilities		
Accounts payable and accrued liabilities	$ 396,716	$ 148,008
Non-controlling interest	2,831	2,831
Shareholders' Equity		
Share capital *(note 4)*	7,439,446	7,429,779
Share purchase warrants	550,614	552,781
Contributed surplus	728,100	42,000
(Deficit)	(6,379,001)	(5,153,807)
	2,339,159	2,870,753
	$ 2,738,706	**$ 3,021,592**

See accompanying notes to the consolidated financial statements

Approved on Behalf of the Board:

Signed: "John P. Thompson"
Director

Signed: "Joseph Del Campo"
Director

UNIGOLD INC.

Consolidated Statements of Operations and Deficit
(Unaudited – Canadian $)

	Three months ended June 30, 2004	Three months ended June 30, 2003	Six months ended June 30, 2004	Six months ended June 30, 2003
Revenue				
Interest income	$ 798	$ 1,592	$ 1,527	$ 2,280
Administrative expenses				
Travel, promotion and business development	36,953	22,224	129,757	103,910
Salaries and wages	78,101	51,161	160,941	68,215
Listing and shareholder information	63,315	25,027	102,918	189,152
General and administrative expenses	34,430	26,777	67,805	80,747
Professional fees	50,899	14,720	64,622	114,323
Consulting fees	9,600	3,000	17,200	46,804
Stock-based compensation	--	--	--	42,000
Foreign exchange (gain) loss	(10,745)	7,012	(10,755)	5,957
Amortization	(6,422)	1,800	8,133	3,600
	256,131	151,721	540,621	654,708
Net loss for the period	(255,333)	(150,129)	(539,094)	(652,428)
Deficit, beginning of period	(6,123,668)	(4,429,908)	(5,153,807)	(3,927,609)
	(6,379,001)	(4,580,037)	(5,692,901)	(4,580,037
Retroactive restatement stock-based compensation *(note 2)*	--	--	(686,100)	--
Deficit, end of period	**$(6,379,001)**	**$(4,580,037)**	**$(6,379,001)**	**$(4,580,037)**
Basic net loss per share	**$ (0.01)**	**$ (0.01)**	**$ (0.02)**	**$ (0.04)**
Weighted average number of shares outstanding			*26,766,005*	*16,676,084*

See accompanying notes to the consolidated financial statements

UNIGOLD INC.

Consolidated Statements of Cash Flows
(Unaudited – Canadian $)

	Three months ended June 30, 2004	Three months ended June 30, 2003	Six months ended June 30, 2004	Six months ended June 30, 2003
Cash flows (used in) operating activities				
Net loss for the period	$ (255,333)	$ (150,129)	$ (539,094)	$ (652,428)
Add items not requiring cash:				
Amortization	(6,422)	1,800	8,133	3,600
Stock-based compensation	--	--	--	42,000
	(261,755)	(148,329)	(530,961)	(606,828)
Net changes in non-cash working capital balances	89,725	(65,511)	53,710	21,790
	(172,030)	(213,840)	(477,251)	(585,038)
Cash flows from financing activities				
Issuance of common shares, net of costs	--	(45,500)	9,667	411,808
Issuance (redemption) of share purchase warrants	--	45,000	(2,167)	65,833
	--	(500)	7,500	477,641
Cash flows (used in) investing activities				
Deferred exploration costs	(395,548)	(144,520)	(667,312)	(283,093)
Purchase of equipment	(12,657)	--	(15,659)	(28,445)
Sale (acquisition) of mineral property	153,726	--	153,726	(43,927)
Net change in non-cash working capital balances	(1,761)	--	(97,835)	--
	(256,240)	(144,520)	(627,080)	(355,465)
Decrease in cash	(428,270)	(358,860)	(1,096,831)	(462,862)
Cash, beginning of period	725,341	523,971	1,393,902	627,973
Cash, end of period	**$ 297,071**	**$ 165,111**	**$ 297,071**	**$ 165,111**
Supplemental Information				
Income taxes paid	---	---	---	---
Interest paid	---	---	---	---

See accompanying notes to the consolidated financial statements

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, 2004 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2004. 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, 2003.

2. Change in Accounting Policy – Stock Based Compensation

The Company has adopted the new recommendations of the Canadian Institute of Chartered Accountants ("CICA") handbook Section 3870 with respect to stock based compensation awards to employees of the Company. 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 for all awards be measured and recorded in the financial statements at fair value for fiscal years beginning on or after January 1, 2004.

The Company, as permitted by Section 3870, has chosen to apply this Section retroactively in fiscal year 2004 with a restatement of deficit as at January 1, 2004. The cumulative effect at January 1, 2004 of this accounting change is an increase in deficit of $686,100 and an increase in contributed surplus of $686,100. Had the December 31, 2003 financial statements been restated, expenses would have increased by $686,100 and basic loss per share would have increased by $0.04.

3. Mineral Properties and Deferred Exploration Costs

Mineral properties and deferred exploration costs consist of the following:

	June 30, 2004		December 31, 2003	
	Mineral Properties	Deferred exploration costs	Mineral properties	Deferred exploration costs
Neita	$159,726	$1,485,096	$159,726	$817,784
Sabaneta	----	----	153,726	----
Los Guandules	83,427	----	83,427	----
	$243,153	$1,485,096	$396,879	$817,784

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

In July 2002, the Dominican Republic granted to Unigold Resources Inc. 100% of the exploration rights for gold, silver, zinc, copper and all associated minerals on both the Neita and Sabaneta properties, as well as a sole and exclusive option for the commercial mining of the mineral deposits. The initial duration of the Neita and Sabaneta fiscal reserves contracts was for six months, with 2 one-year extensions, after which the properties are required to be converted to exploration concessions. An exploration concession is issued for 3 years plus 2 one-year extensions after which it must be converted to an exploitation licence which is issued for 75 years.

According to Article 32 of Mining Law 146 of 1971 of the Dominican Republic, the same entity may not be granted one or more exploration concessions exceeding 30,000 hectares in the aggregate. Due to this limitation, the Company through Unigold Resources Inc. has applied for an exploration concession on the Neita property which covers an area of 25,221 hectares and has sold its mineral rights in respect of the Sabaneta property which totals 55,720 hectares to two separate Dominican companies, Inversiones Mineras Sabaneta, S.A. (27,600 hectares) and Inversiones Mineras Aldajo, S.A. (28,120 hectares) for total consideration to consist of US$200,000 in aggregate of which US$100,000 is due upon the signing of the sales agreement between Unigold Resources Inc. and the two Dominican companies and US$100,000 ninety days from the date of signing. These companies are expected to apply for two exploration concessions covering Sabaneta.

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 (paid);
(b) US$20,000 on July 10, 2003 (paid);
(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 (see also Note 8).

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 the following amounts (see also Note 8):

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

Los Guandules

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

Royalty Interest, Dominican Republic

The Company has entered into a letter of intent with the Dominican Republic Government ("DRG") to purchase a 3.2% net smelter return ("NSR") held by the DRG on the Pueblo Viejo gold deposit currently being evaluated by Placer Dome Inc. The Company would be entitled to earn up to US$175 million from future revenues generated from the 3.2% NSR. Revenues in excess of US$175 million would be shared 40/60 between the Company and the DRG. In return the Company will make a payment of US$21,362,000 upon the signing of a formal agreement and

US$21,362,000 upon an announcement by Placer Dome Inc. that commercial production has commenced. Payments will be made in cash and/or in any other form of consideration acceptable to the DRG. In addition, the Company will be required to provide funding to a Dominican non-profit organization created to support and assist the Dominican people. The Company will be required to contribute a total of US$4,280,000 in cash and 1,300,000 common shares of the Company.

Negotiations are on hold until after the government changes on August 16, 2004. The acquisition is subject to satisfactory completion of certain conditions.

4. **Share Capital**

Authorized - unlimited number of common shares without par value
Issued - 26,774,735 common shares

Transactions during the period are as follows:

	Number of Shares	Amount
Balance, December 31, 2003	26,758,069	$ 7,429,779
Shares Issued:		
Share purchase warrants exercised	16,666	9,667
Balance, June 30, 2004	26,774,735	$ 7,439,446

Share Purchase Warrants
As at June 30, 2004, the following share purchase warrants are outstanding:

Exercise Price	Number of Shares	Estimated Value	Expiry Date
$0.75	416,666	$ 20,833	Sept 3, 2004 (i)
$0.20	450,000	$ 45,000	Nov 4, 2004
$0.30	410,500	$ 72,248	July 4, 2005
$0.45/0.55	3,023,334	$256,233	Oct 9, 2005
$0.30	912,000	$136,800	Oct 9, 2005
$0.45/0.55	166,667	$ 12,500	Oct 20, 2005
$0.30	50,000	$ 7,000	Oct 20, 2005
	5,429,167	$550,614	

(i) The expiry date of these warrants, originally March 3, 2004, has been extended to September 3, 2004. The exercise price, being $0.75, remains unchanged.

A summary of warrants outstanding and changes during the period is presented below:

	June 30, 2004		December 31, 2003	
	Number #	Weighted average exercise price	Number #	Weighted average exercise price
Outstanding, beginning of period	5,445,833	$0.44	----	---
Issued	----		5,445,833	$0.44
Exercised	(16,666)	$0.45	----	---
Outstanding, end of period	5,429,167	$0.44	5,445,833	$0.44

Stock Options

As at June 30, 2004, the Company had stock options issued to directors, officers and employees of the Company outstanding as follows:

Number of Options	Exercise Price	Expiry Date
1,305,000	$0.75	February 13, 2008
160,000	$0.33	May 7, 2008
350,000	$0.40	August 21, 2008
600,000	$0.48	October 9, 2008
2,415,000		

5. Basic Loss per Share

Basic loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated using the treasury method and reflects the maximum possible dilution from the potential exercise of stock options and warrants. Diluted loss per share is the same as basic loss per share since the conversion of stock options and warrants would be anti-dilutive.

6. Income Taxes

The estimated taxable income for the period is nil. Tax assets arising from differences in tax values and accounting values have been reduced by an equivalent valuation allowance. The valuation allowance will be adjusted in the period that it is determined that it is more likely than not that some portion or all of the future tax assets will be realized.

For further information on the Company's actual losses for tax purposes, refer to Note 8 of the December 31, 2003 audited consolidated financial statements. The benefit of these losses and the estimated loss for the period ended have not been recognized in these unaudited consolidated financial statements.

7. Commitment

The Company is committed to minimum amount rentals under a long-term lease for premises which expires January 31, 2006. Minimum rental commitments under the lease approximate $122,508. Minimum rental commitments for successive years are as follows: 2004 (July – December) - $38,687; 2005 - $77,373; and 2006 - $6,448.

8. Subsequent Events

(i) On July 10, 2004 the Company made a US$100,000 payment to the Dominican Republic Government regarding the Neita and Sabaneta properties (see Note 3).

(ii) The Company expects completing a brokered private placement of a maximum of 5,000,000 Units of the Company at a price of $0.30 per Unit in early September 2004. Each Unit will consist of one common share and one whole warrant. Each whole warrant will entitle the holder thereof to purchase one common share at any time for a period of 24 months following the closing date at a price of $0.45. For its services in connection with this offering, the agent will be paid a cash commission equal to 8% of the gross proceeds of the offering, as well as compensation warrants equal to 10% of the total number of Units sold. Each compensation warrant will be exercisable at a price of $0.30 for a period of two years from the closing date to acquire the Unit.

UNIGOLD

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