



UNIGOLD INC.
(A Development Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED

MARCH 31, 2009

(Expressed in Canadian Dollars)

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's Discussion and Analysis

For the three month period ended March 31, 2009

The following discussion and analysis of the operating results and financial condition of Unigold Inc. ("Unigold" or the "Company") has been prepared as of May 20, 2009 and should be read in conjunction with the unaudited consolidated financial statements of the Company and notes thereto for the three month period ended March 31, 2009. 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 note 3 of the notes to the unaudited consolidated financial statements for more details. There is no assurance as to the ultimate full recovery of these funds.

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

Forward Looking Statements

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

Company Overview

Unigold is focused on gold exploration in the Dominican Republic within the 75 kilometres wide Cretaceous age Tiro Formation volcano-sedimentary rocks, which host the world class Pueblo Viejo gold deposit. Unigold's Neita Property covers 22,616 hectares of this favorable 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 4,500 grab samples, 11,000 metres of trenching, 13,000 soil samples, thousands of line kilometres of airborne and ground geophysics, extensive stream sediment sampling, and more than 23 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 ore bodies, 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 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.

As a result of the current economic environment, the Company has reduced field staff and deferred the amount of exploration work that it would normally be carrying out. The Company is also pursuing business opportunities in the Middle East that would bring an asset into the Company that could be more readily financed. This is in addition to considering joint venture opportunities with companies having access to capital.

Exploration

Exploration expenditures of \$368,472 were recorded in the first quarter of 2009. This brings the inception to date amount spent to \$11,043,783. The exploration focus in the first quarter of 2009 has been on surface exploration and this has resulted in a new discovery named Loma Naranjo.

Loma Naranjo, is located 8 kilometres north-east of the Los Candelones deposit. Loma Naranjo is part of a huge epithermal alteration zone which covers an area of more than 16 square kilometers. 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 by 400 metres) located in a valley between Loma Guano and Loma Naranjo hills.

Trenching on the Naranjo flank 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

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 flank 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.

An exploratory drilling campaign to further confirm these results is planned in the second quarter of 2009.

See press release No. 2009-01, dated February 24, 2009 for further assay results on the Loma Naranjo and assay results obtained from trenches on different epithermal targets within the Neita Property.

Results of Operations

For the quarter ended March 31, 2009, the Company recorded a net loss of \$274,447, or \$Nil per share, compared with a net loss of \$270,585, or \$Nil per share, in 2008

Revenue is limited to interest earned on cash balances and short term investments and amounted to \$243 in the first quarter of 2009, compared to \$439 for the same period in 2008. The Company has chosen not to accrue for any interest earned on the restructured asset-backed commercial paper it holds.

Administrative expenses increased slightly to \$274,690 in the first quarter of 2008, compared to \$271,024 recorded in the first quarter of 2007. Travel and business development expenditures were higher in the first quarter of 2009 and reflect the investigations of business opportunities in the Middle East.

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
March 31, 2009	\$ 243	\$ (274,447)	\$ Nil
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

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 recovery of the \$11.2 million in the restructured asset-backed commercial paper ("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 \$5,450,000.

As at March 31, 2009, the Company has a working capital deficiency of \$5,081,093. Included in this deficiency, is a drawdown of \$5,130,000 from the line of credit mentioned above.

See Note 3, 6 and 13 of the notes to the unaudited 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 three month period ended March 31, 2009 and 2008 are payments made to corporations under the control or significant influence of officers and directors of the Company as follows:

	<u>2009</u>	<u>2008</u>
Management Services fees paid to corporations controlled by or have significant influence by officers and directors of the Company	\$ 54,000	\$ 45,235
Travel and business development expenditures paid to a corporation controlled by a director of the Company	\$ 30,000	\$ -
Professional fees paid to an officer and director of the Company	\$ 21,500	\$ 14,000
Deferred exploration costs paid to a corporation controlled by an officer and a director of the Company	\$ -	\$ 45,000

Included in prepaid expenses as at March 31, 2009 is an advance in the net amount of \$8,087 (December 31, 2008 - \$9,632) 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, 2008 - \$20,000) to an officer and director of the Company. Included in accounts payable and accrued liabilities is \$54,000 (December 31, 2008 - \$12,598) payable to a corporation controlled by a director and officer 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.

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.

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.

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 March 31, 2009, the Company has a working capital deficiency of \$5,081,093. 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 13 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 March 31, 2009, the Company had a cash balance of \$170,317 in US 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 three month period ended March 31, 2009. 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 May 20, 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	<u>5,062,000</u>
	<u>90,901,938</u>

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.

UNIGOLD INC.
(A Development Stage Company)

CONSOLIDATED BALANCE SHEETS
(Expressed in Canadian Dollars)

	As at March 31, 2009	As at December 31, 2008
	<u>(Unaudited)</u>	
Current assets		
Cash and cash equivalents	\$ 212,628	\$ 172,185
Sundry receivables	45,164	439,614
Prepaid expenses (note 8)	<u>47,474</u>	<u>39,752</u>
	305,266	651,551
Other investments (note 3)	6,197,669	6,197,669
Equipment (note 4)	408,194	430,714
Mineral properties (note 5)	624,574	624,574
Deferred exploration costs (note 5)	11,043,783	10,675,311
Public listing status	<u>100,000</u>	<u>100,000</u>
	<u>\$ 18,679,486</u>	<u>\$ 18,679,819</u>
Current liabilities		
Accounts payable and accrued liabilities (note 8)	\$ 136,376	\$ 158,066
Cheques issued in excess of cash	119,983	74,179
Bank loan (note 6)	<u>5,130,000</u>	<u>4,880,000</u>
	<u>5,386,359</u>	<u>5,112,245</u>
Commitments and Contingencies (notes 1, 3, and 11)		
Non-controlling interest	<u>2,831</u>	<u>2,831</u>
Shareholders' Equity		
Common shares (note 7(a))	27,331,166	27,331,166
Contributed surplus (note 7(c))	2,500,547	2,500,547
Deficit	<u>(16,541,417)</u>	<u>(16,266,970)</u>
	<u>13,290,296</u>	<u>13,564,743</u>
	<u>\$ 18,679,486</u>	<u>\$ 18,679,819</u>

Approved on Behalf of the Board:

Signed: "Dr. Talal A. Alshair"
Director

Signed: "Daniel Danis"
Director

See accompanying notes to the consolidated financial statements

UNIGOLD INC.
(A Development Stage Company)

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

(Unaudited - Expressed in Canadian Dollars)

	Three month period ended	
	March 31, 2009	March 31, 2008
	<u> </u>	<u> </u>
Revenue		
Interest income	<u>\$ 243</u>	<u>\$ 439</u>
Administrative expenses		
Listing and shareholder information	48,530	92,664
General and administrative expenses	49,309	47,901
Management services fees	58,252	49,483
Travel and business development	65,021	21,958
Professional and consulting fees	29,551	43,374
Interest expense	22,891	9,983
Foreign exchange loss	9	4,145
Amortization	<u>1,127</u>	<u>1,516</u>
	<u>274,690</u>	<u>271,024</u>
Net loss for the period	(274,447)	(270,585)
Deficit, beginning of year	<u>(16,226,970)</u>	<u>(12,998,491)</u>
Deficit, end of period	<u>\$ (16,541,417)</u>	<u>\$ (13,269,076)</u>
Loss per share - Basic and diluted	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
<i>Weighted average number of shares outstanding</i>	85,839,938	85,819,105

See accompanying notes to the consolidated financial statements

UNIGOLD INC.
(A Development Stage Company)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)

	Three month period ended	
	March 31,	March 31,
	2009	2008
Net loss for the period	\$ (274,447)	\$ (270,585)
Other comprehensive loss	<u>-</u>	<u>-</u>
Comprehensive loss for the period	<u>\$ (274,447)</u>	<u>\$ (270,585)</u>

See accompanying notes to the consolidated financial statements

UNIGOLD INC.
(A Development Stage Company)

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Three month period ended	
	March 31, 2009	March 31, 2008
	<u> </u>	<u> </u>
Cash flows from operating activities		
Net loss for the period	\$ (274,447)	\$ (270,585)
Add items not requiring cash:		
Amortization	<u>1,127</u>	<u>1,516</u>
	(273,320)	(269,069)
Net changes in non-cash working capital balances (note 9)	<u>410,842</u>	<u>310,654</u>
	<u>137,522</u>	<u>41,485</u>
Cash flows from financing activities		
Bank loan	250,000	950,000
Exercise of stock options	<u>-</u>	<u>8,250</u>
	<u>250,000</u>	<u>958,250</u>
Cash flows from investing activities		
Deferred exploration costs	<u>(347,079)</u>	<u>(954,404)</u>
Increase in cash and cash equivalents	40,443	45,431
Cash and cash equivalents, beginning of year	<u>172,185</u>	<u>114,474</u>
Cash and cash equivalents, end of period	<u>\$ 212,628</u>	<u>\$ 159,905</u>
Cash and cash equivalents consist of:		
Cash	\$ 212,628	\$ 159,905
Cash equivalents	<u>-</u>	<u>-</u>
	<u>\$ 212,628</u>	<u>\$ 159,905</u>
Supplemental Information		
Income taxes paid	\$ -	\$ -
Interest paid	22,891	9,983

See accompanying notes to the consolidated financial statements

UNIGOLD INC.

(A Development Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2009 and for the year ended December 31, 2008

(Unaudited - 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.

UNIGOLD INC.

(A Development Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2009 and for the year ended December 31, 2008

(Unaudited - Expressed in Canadian Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

UNIGOLD INC.

(A Development Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2009 and for the year ended December 31, 2008

(Unaudited - Expressed in Canadian Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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3. OTHER INVESTMENTS

As at March 31, 2009, the Company had \$11.2 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.

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3. OTHER INVESTMENTS (Continued)

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
	<u>\$11.2</u>	<u>\$ 6.2</u>	

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.

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3. OTHER INVESTMENTS (Continued)

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.

As at December 31, 2008, the Company's fair value methodology resulted in an additional impairment charge of \$1.9 million in the fourth quarter 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. There has been no change in the impairment charge as of March 31, 2009. 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 March 31, 2009 is accurate.

4. EQUIPMENT

	<u>As at March 31, 2009</u>			<u>As at December 31, 2008</u>		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>
Office furniture and equipment	\$ 20,618	\$ 10,590	\$ 10,028	\$ 20,618	\$ 10,062	\$ 10,556
Computer equipment	41,080	33,038	8,042	41,080	32,386	8,694
Vehicles	103,149	74,762	28,387	103,149	72,461	30,688
Field equipment	701,632	339,895	361,737	701,632	320,856	380,776
	<u>\$ 866,479</u>	<u>\$ 458,285</u>	<u>\$ 408,194</u>	<u>\$ 866,479</u>	<u>\$ 435,765</u>	<u>\$ 430,714</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**As at March 31, 2009 and for the year ended December 31, 2008***(Unaudited - Expressed in Canadian Dollars)***5. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS**

Mineral properties and deferred exploration costs consist of the following:

	Balance, December 31, 2007		Balance, December 31, 2008		Balance, March 31, 2009
		Additions		Additions	
<u>Mineral properties</u>					
Neita	\$ 283,747	\$ -	\$ 283,747	\$ -	\$ 283,747
Los Guandules	340,827	-	340,827	-	340,827
	<u>\$ 624,574</u>	<u>\$ -</u>	<u>\$ 624,574</u>	<u>\$ -</u>	<u>\$ 624,574</u>
<u>Deferred exploration costs</u>					
Neita	\$ 7,412,278	\$ 3,263,033	\$ 10,675,311	\$ 368,472	\$11,043,783
Los Guandules	-	-	-	-	-
	<u>\$ 7,412,278</u>	<u>\$ 3,263,033</u>	<u>\$ 10,675,311</u>	<u>\$ 368,472</u>	<u>\$11,043,783</u>
Total	<u>\$ 8,036,852</u>	<u>\$ 3,263,033</u>	<u>\$ 11,299,885</u>	<u>\$ 368,472</u>	<u>\$11,668,357</u>

Neita Property

The Company owns 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. In 2006, the regulatory authorities in the Dominican Republic granted the Neita Property the exploration concession status. The exploration concession is issued for three years plus two one-year extensions after which it must be converted to an exploitation licence which is issued for 75 years. Subsequent to March 31, 2009, 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 Explotaciones 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. Americana has extended the option period on the Los Guandules concession for two additional years, expiring on February 16, 2011.

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 March 31, 2009, the Company has drawn down \$5,130,000 (March 31, 2008 - \$1,460,000) of this credit facility and has paid \$22,891 (2008 - \$9,983) in interest. The Bank has agreed to increase the credit facility from \$6,000,000 to \$8,000,000. The Company and the Bank are in the process of completing the required documents for the facility to take effect.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**As at March 31, 2009 and for the year ended December 31, 2008***(Unaudited - Expressed in Canadian Dollars)***7. SHARE CAPITAL****(a) Common Shares**

Authorized - unlimited number of common shares without par value

Issued – 85,839,938 common shares

Transactions during the first quarter of 2009 and for the year ended December 31, 2008 are as follows:

	<u>Number of Shares</u>	<u>Amount</u>
Balance, December 31, 2007	85,814,938	\$27,320,166
Shares Issued:		
Stock options exercised	25,000	8,250
Stock options exercised - valuation	<u>-</u>	<u>2,750</u>
Balance, December 31, 2008 and March 31, 2009	<u>85,839,938</u>	<u>\$27,331,166</u>

(b) 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.

No stock options were granted during the three month period ended March 31, 2009. 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 March 31, 2009 and December 31, 2008 and changes during these periods is presented below:

	<u>December 31, 2008</u>		<u>December 31, 2008</u>	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding, beginning of year	5,062,000	\$0.42	3,080,000	\$0.69
Granted	-		3,122,000	\$0.25
Exercised	-	-	(25,000)	\$0.33
Expired	-	-	<u>(1,115,000)</u>	<u>\$0.66</u>
Outstanding, end of period	<u>5,062,000</u>	<u>\$0.42</u>	<u>5,062,000</u>	<u>\$0.42</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**As at March 31, 2009 and for the year ended December 31, 2008***(Unaudited - Expressed in Canadian Dollars)***7. SHARE CAPITAL (Continued)****(b) Stock Option Plan (Continued)**

As at March 31, 2009, the Company had stock options issued to directors, officers, employees and consultants of the Company as follows:

<u>Number of Options Outstanding</u>	<u>Number of Options Exercisable</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
340,000	340,000	\$0.25	November 10, 2009
1,600,000	1,600,000	\$0.80	October 2, 2011
<u>3,122,000</u>	<u>3,122,000</u>	\$0.25	September 4, 2013
<u>5,062,000</u>	<u>5,062,000</u>		

(c) Contributed Surplus

A summary of contributed surplus activity during the first quarter of 2009 and for the year ended December 31, 2008 is presented below:

	<u>December 31, 2008</u>	<u>December 31, 2008</u>
Balance, beginning of year	\$ 2,500,547	\$ 1,972,557
Stock-based compensation - employees	-	445,400
Stock-based compensation – non-employees	-	85,340
Stock options exercised	-	<u>(2,750)</u>
Balance, end of period	<u>\$ 2,500,547</u>	<u>\$ 2,500,547</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**As at March 31, 2009 and for the year ended December 31, 2008***(Unaudited - Expressed in Canadian Dollars)***8. RELATED PARTY CONTRACTUAL OBLIGATIONS AND TRANSACTIONS**

Included in the accounts for the three month period ended March 31, 2009 and 2008 are payments made to corporations under the control or significant influence of officers and directors of the Company as follows:

	<u>2009</u>	<u>2008</u>
Management Services fees paid to corporations controlled by or have significant influence by officers and directors of the Company	\$ 54,000	\$ 45,235
Travel and business development expenditures paid to a corporation controlled by a director of the Company	\$ 30,000	\$ -
Professional fees paid to an officer and director of the Company	\$ 21,500	\$ 14,000
Deferred exploration costs paid to a corporation controlled by an officer and a director of the Company	\$ -	\$ 45,000

Included in prepaid expenses as at March 31, 2009 is an advance in the net amount of \$8,087 (December 31, 2008 - \$9,632) 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, 2008 - \$20,000) to an officer and director of the Company. Included in accounts payable and accrued liabilities is \$54,000 (December 31, 2008 - \$12,598) payable to a corporation controlled by a director and officer 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.

9. CONSOLIDATED STATEMENTS OF CASH FLOWS

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

	<u>2009</u>	<u>2008</u>
Sundry receivables	\$ 394,450	\$ (11,938)
Prepaid expenses	(7,722)	25,825
Accounts payable and accrued liabilities	(21,690)	344,605
Cheques issued in excess of cash	45,804	(47,838)
	<u>\$ 410,842</u>	<u>\$ 310,654</u>

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10. 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 March 31, 2009, the Company has a working capital deficiency of \$5,081,093. 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 13.

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 March 31, 2009, the Company had a cash balance of \$170,317 in US 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.

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10. FINANCIAL RISK FACTORS (Continued)

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 March 31, 2009, if the fair value of the other investments had decreased/increased by 10% with all other variables held constant, net loss for the three month period ended March 31, 2009 would have been approximately \$620,000 higher/lower. Similarly, as at March 31, 2009, 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.

11. 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 were approximately \$468,000 over the following years:

<u>Year</u>	<u>Amount (\$)</u>
2009 (April to December)	162,000
2010	216,000
2011	<u>90,000</u>
	<u>468,000</u>

12. 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 three month period ended March 31, 2009. 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.

13. SUBSEQUENT EVENTS

(a) Subsequent to March 31, 2009, the Company has drawn down an additional \$320,000 from its credit facility with the Bank. (See note 6).