UNIGOLD INC.

(A Development Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTH PERIOD ENDED

SEPTEMBER 30, 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.

Management's Discussion and Analysis

For the nine month period ended September 30, 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 November 19, 2009 and should be read in conjunction with the unaudited consolidated financial statements of the Company and notes thereto for the nine month period ended September 30, 2009. Said financial statements were prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), and all monetary amounts are expressed in Canadian dollars unless otherwise indicated.

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.

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 $10.5 million (present valued at approximately $5.5 million, net of an impairment charge of $5.0 million) invested in restructured 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.

Company Overview

Unigold is focused on gold exploration in the Dominican Republic within the 75 kilometres wide Cretaceous age Tireo Formation volcano-sedimentary rocks, which host the world class Pueblo Viejo gold deposit. Unigold's Neita Property covers 22,616 hectares of this 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.

As a result of the current economic environment, and to conserve as much cash as possible, the Company has reduced field staff and deferred the amount of exploration work that it would normally be carrying out until a financing is complete.

On November 11, 2009, the Company announced a private placement financing to raise approximately $10,000,000. The proceeds will be used by the Company (i) to conduct exploration activities in respect of the mineral exploration projects of the Company located in the Dominican Republic, and (ii) for general corporate purposes. A detail of the financing is shown in the Liquidity and Capital Resources section of this report.

Exploration

Exploration expenditures of $172,057 were recorded in the third quarter of 2009, bringing the year-to-date amount to $977,413, and the inception to date expenditures to $11,652,724. The exploration focus during 2009 has been on surface exploration and this has resulted in a significant 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 kilometres. Discovery of a new gold zone on Loma Naranjo results from the follow up of numerous gold bearing grab samples occurring between Loma Naranjo and Loma Guano within a hydrothermal breccia zone (1,200 metres by 400 metres) located in a valley between Loma Guano and Loma Naranjo hills. Assay results from trenching were issued on press release No. 2009-01, dated February 24, 2009.

During the third quarter of 2009, the following field activities took place:

Drilling:
In September, one hole was drilled to a total of 100.5 metres. A 500 metre drilling campaign, consisting of 5 holes of about 100 metre each, on the Guano northern flank started on September 30, 2009. Assay results are pending.

Trenching:
Ten trenches located on Guano, Guano South, Rancho Pedro and Cobre de Liboiron area were excavated for a total of 936 metres. On Guano hill a total of 115 metres of trenches was excavated to follow the bonanza grade at surface toward the south-east. On Rancho Pedro, a total of 470 metres of trenches was excavated to follow the gold grade toward the south-east.

Grab sampling:
The grab sampling campaign on Neita has progressed. A total of 329 rockchips taken from the Guano, Montazo, Cobre de Liboiron, Gina Mocha and Rancho Pedro area were sampled.

Geophysics:
The magnetic ground survey campaign on the Montazo North Silicified-Pyrophylite hill continued. The survey covers an area of three square kilometers. Of that area, 90% has been covered with a 50 metre grid line with a 12.5 metre spaced station.

Results of Operations

For the quarter ended September 30, 2009, the Company recorded a net loss of $253,892, or $Nil per share, compared with a net loss of $762,280, or $0.01 per share, in the third quarter of 2008. On a year-to-date basis, the loss for the nine month period ended September 30, 2009 is $834,108, or $0.01 per share, compared to a loss of $1,628,514, or $0.02 per share, in the year earlier period.

Revenue is limited to interest earned on cash balances and other investments and amounted to $16,720 in the third quarter of 2009, compared to $337 for the same period in 2008. The higher interest in the third quarter of 2009, compared to 2008, is the receipt of interest earned on the restructured ABCP. The Company has chosen not to accrue for any interest earned on the restructured asset-backed commercial paper it holds until the interest is received.

Administrative expenses were $270,612 in the third quarter of 2009, compared to $231,877 (not including the $530,740 stock based compensation costs) recorded in the third quarter of 2008. Higher management services fees and foreign exchange losses, were slightly offset by lower expenditures on investor relations activities.

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
September 30, 2009	$ 16,720	$ (253,892)	$ Nil
June 30, 2009	$111,077	$ (305,769)	$(0.01)
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)

The net losses in the following quarters include an impairment charge on the restructured asset 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.

The net revenues for the quarter ended December 31, 2008, June 30, and September 30, 2009, included interest received on the restructured ABCP. The Company records interest on these long-term investments only when it's received.

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 approximately $10.5 million in the restructured ABCP investments. The Company has obtained a line of credit with a senior Canadian bank of approximately $8 million, backed by the restructured ABCP notes, to assist the Company with its working capital requirement. To the date of this report, the Company has drawn down $6,024,615.

As at September 30, 2009, the Company has a working capital deficiency of $5,474,782. Included in this deficiency, is a drawdown of $5,824,615 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 restructured ABCP investments.

On November 11, 2009, the Company entered into an agreement in connection with an offering of up to 58,823,500 units of the Company ("Units") at a price of Cdn$0.17 per Unit for gross proceeds of approximately Cdn$10,000,000 (the "Offering"). Dundee Securities Corporation together with PowerOne Capital Markets Limited (collectively the "Agents") have agreed to act as agents on a best efforts agency basis with respect to the Offering. In connection with the Offering, the Company has granted to the Agents an option which entitles the Agents, until the time which is 48 hours prior to the closing of the Offering, to increase the size of the Offering by up to an additional 8,823,525 Units which would result in additional gross proceeds to the Company of approximately Cdn$1,500,000.

Each Unit will consist of one common share of the Company and one-half of one common share purchase warrant (each whole warrant, a “Warrant"). Each Warrant shall entitle the holder thereof to acquire one common share of the Company at a price of $0.30 at any time until the date which is 24 months after the date of the closing of the Offering. In the event that the closing trading price of the common shares of the Company on the TSX Venture Exchange (or such other stock exchange or quotation system on which the common shares are listed and where a majority of the trading volume occurs) exceeds $0.45, for a period of 20 consecutive trading days, the Company may provide notice to the holders of Warrants that the Company intends to accelerate the expiry of the Warrants and that the Warrants will thereafter expire on the date which is 30 days after the date that such notice was provided to the holders of Warrants.

The net proceeds of the offering will be used by the Company (i) to conduct exploration activities in respect of the mineral exploration projects of the Company located in the Dominican Republic, and (ii) for general corporate purposes.

The Offering is expected to close on or about December 1, 2009 or such other date as is agreed between the Company and the Agents and is subject to all necessary approvals, including the approval of the TSX Venture Exchange.

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 nine month period ended September 30, 2009 and 2008 are payments made to corporations under the control or significant influence of officers and directors of the Company as follows:

	2009	2008
Management Services fees paid to corporations controlled by or have significant influence by officers and directors of the Company	$ 162,000	$ 106,170
Travel and business development expenditures paid to a corporation controlled by a director of the Company	$ 90,000	$ 10,000
Professional fees paid to an officer and director of the Company	$ 66,500	$ 46,500
Investor relations expenditures paid to a corporation controlled by a director of the Company	$ -	$ 2,500
Legal fees paid to a law firm where a director of the Company is also a partner	$ 17,438	$ -
Deferred exploration costs paid to a corporation controlled by an officer and a director of the Company	$ -	$ 105,000

Included in prepaid expenses as at September 30, 2009 is an advance in the net amount of $28,837 (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 $Nil (December 31, 2008 - $12,598) payable to a law firm where a director of the Company is also a partner. 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 the restructured 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 September 30, 2009, the Company has a working capital deficiency of $5,474,782. The Company's ability to meet its financial obligations is dependent upon securing financing and the eventual recovery of the ABCP restructured notes, as the Company has approximately $5.5 million (net of an impairment charge of $5.0 million) invested in the ABCP restructured notes. 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 September 30, 2009, the Company had a cash balance of $329,730 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 is 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 nine month period ended September 30, 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 November 25, 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	4,722,000
	89,561,938

Risks and Uncertainties

At the present time, the Company does not hold any interest in a mining property in production. The Company's viability and potential successes lie in its ability to develop, exploit and generate revenue out of mineral deposits. Revenues, profitability and cash flow from any future mining operations involving the Company will be influenced by precious and/or base metal prices and by the relationship of such prices to production costs. Such prices have fluctuated widely and are affected by numerous factors beyond the Company's control.

The Company has limited financial resources and there is no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the property interests of the Company with the possible dilution or loss of such interests.

Qualified Person

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

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

UNIGOLD INC.
(A Development Stage Company)

CONSOLIDATED BALANCE SHEETS
(Expressed in Canadian Dollars)

	As at September 30, 2009 *(Unaudited)*	As at December 31, 2008
Current assets		
Cash and cash equivalents	**$ 382,615**	$ 172,185
Sundry receivables	**30,808**	439,614
Prepaid expenses *(note 8)*	**69,441**	39,752
	482,864	651,551
Other investments *(note 3)*	**5,467,796**	6,197,669
Equipment *(note 4)*	**363,154**	430,714
Mineral properties *(note 5)*	**624,574**	624,574
Deferred exploration costs *(note 5)*	**11,652,724**	10,675,311
Public listing status	**100,000**	100,000
	$ 18,691,112	$ 18,679,819
Current liabilities		
Accounts payable and accrued liabilities *(note 8)*	**$ 67,424**	$ 158,066
Cheques issued in excess of cash	**65,607**	74,179
Bank loan *(note 6 and 13)*	**5,824,615**	4,880,000
	5,957,646	5,112,245
Commitments and Contingencies *(notes 1, 3, and 11)*		
Non-controlling interest	**2,831**	2,831
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	**(17,101,078)**	(16,266,970)
	12,730,635	13,564,743
	$ 18,691,112	$ 18,679,819

Approved on Behalf of the Board:

Signed: *"Joseph Del Campo"*
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 months ended September 30, 2009	Three months ended September 30, 2008	Nine months ended September 30, 2009	Nine months ended September 30, 2008
Revenue				
Interest income	**$ 16,720**	$ 337	**$ 128,040**	$ 1,233
Administrative expenses				
Travel and business development	**34,534**	35,457	**166,655**	67,993
Listing and shareholder information	**31,184**	52,432	**168,493**	255,413
General and administrative expenses	**39,101**	38,994	**128,690**	130,954
Professional and consulting fees	**32,591**	29,693	**124,468**	136,229
Management services fees	**58,253**	35,425	**178,171**	122,143
Stock based compensation		530,740		530,740
Interest expense	**18,108**	30,355	**58,486**	58,940
Provision for impairment of other investments *(note 3)*	**-**	-	**-**	300,000
Foreign exchange loss	**55,715**	8,006	**133,805**	22,789
Amortization	**1,126**	1,515	**3,380**	4,546
	270,612	762,617	**962,148**	1,629,747
Net loss for the period	**(253,892)**	(762,280)	**(834,108)**	(1,628,514)
Deficit, beginning of period	**(16,847,186)**	(13,864,725)	**(16,266,970)**	(12,998,491)
Deficit, end of period	**$(17,101,078)**	$(14,627,005)	**$(17,101,078)**	$(14,627,005)
Net loss per share-basic & diluted	**$ Nil**	$ (0.01)	**$ (0.01)**	$ (0.02)
Weighted average number of shares outstanding			*85,839,938*	*85,830,494*

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 months ended September 30,		Nine months ended September 30,	
	2009	**2008**	**2009**	**2008**
Net loss for the period	**$ (253,892)**	$ (762,280)	**$ (834,108)**	$ (1,628,514)
Other comprehensive loss	---	**---**	---	**---**
Comprehensive loss for the period	**$ (253,892)**	$ (762,280)	**$ (834,108)**	$ (1,628,514)

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 months ended September 30, 2009	Three months ended September 30, 2008	Nine months ended September 30, 2009	Nine months ended September 30, 2008
Cash flows from operating activities				
Net loss for the period	**$ (253,892)**	$ (762,280)	**$ (834,108)**	$(1,628,514)
Add items not requiring cash:				
Stock based compensation	-	530,740	-	530,740
Foreign exchange loss	**31,927**	-	**71,748**	-
Provision for impairment of other investments	**-**	-	**-**	300,000
Amortization	**1,126**	1,515	**3,380**	4,546
	(220,839)	(230,025)	**(758,980)**	(793,228)
Net changes in non-cash working capital balances *(note 9)*	**(79,042)**	(583,887)	**279,903**	11,291
	(299,881)	(813,912)	**(479,077)**	(781,937)
Cash flows from financing activities				
Bank loan	**390,000**	1,200,000	**944,615**	3,330,000
Exercise of stock options	**-**	-	**-**	8,250
	390,000	1,200,000	**944,615**	3,338,250
Cash flows from investing activities				
Deferred exploration costs	**(150,665)**	(561,241)	**(913,233)**	(2,569,009)
Change in other investments	**202,537**	-	**658,125**	-
	51,872	(561,241)	**(255,108)**	(2,569,009)
Increase (decrease) in cash and cash equivalents	**141,991**	(175,153)	**210,430**	(12,696)
Cash & cash equivalents beginning of period	**240,624**	276,931	**172,185**	114,474
Cash & cash equivalents, end of period	**$ 382,615**	$ 101,778	**$ 382,615**	$ 101,778
Cash and cash equivalents consist of:				
Cash			**$ 382,615**	$ 101,778
Short term deposits			**---**	--
			$ 382,615	$ 101,778
Supplemental Information				
Income taxes paid	**$ --**	$ --	**$ --**	$ --
Interest paid	**$ 18,108**	$ 30,355	**$ 58,486**	$ 58,940

See accompanying notes to the consolidated financial statements

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 $5.5 million (net of an impairment charge of $5.0 million) invested in restructured asset-backed-commercial paper in which no active market currently exists and the funds cannot be accessed. See Note 3 for 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.

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.

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.

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.

(Unaudited - Expressed in Canadian Dollars)

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	-	Held for trading
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.

(Unaudited - Expressed in Canadian Dollars)

3. OTHER INVESTMENTS

The Company owns approximately $5.5 million of fair value of long-term asset backed notes that were issued by Master Asset Vehicle II ("MAV2") and Master Asset Vehicle III ("MAV3") special purpose entities that were created as a result of the restructuring of the Company's previous investment in third party asset backed commercial paper ("ABCP") having a face value of approximately $10.5 million. When the ABCP matured but was not redeemed in 2007, it became the subject of a restructuring process that replaced the ABCP with long-term asset backed securities ("New Notes"). The restructuring was completed and the New Notes were issued on January 21, 2009.

The restructuring process 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"). 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. The Company has estimated the fair value of ABCP at September 30, 2009 using the methodology and assumptions outlined below.

The following table summarizes the Company's valuation as at September 30, 2009:

	Face Value	Fair Value Estimate	Maturity Date
	---------- Millions---------		
Master Asset Vehicle 2 Notes			
A1 and A2 (rated A)	$ 8.8	$ 5.1	December 2016
B and C	1.2	0.2	December 2016
Master Asset Vehicle 3 Tracking Note	0.2	0.1	September 2015
Ineligible Asset Tracking Note	0.3	0.1	October 2016
	$10.5	$ 5.5	

The Company's valuation methodology entails gathering as many facts as possible about the New Notes, making assumptions and estimates where certain facts are unavailable, and then applying its best estimate of prospective buyers' required yield for investing in such notes. These figures are then used to calculate the present value of the New Notes using required yield as the discount factor. Using a range of potential discount factors allows the Company to estimate a range of recoverable values.

The A1 and A2 notes comprise the major categories of the notes received totaling approximately 83% of the face value of the original investments made, and approximately 92% of the fair value estimate of the Company's holdings. In the case of the A1 and A2 notes, it is estimated that they will pay interest at a rate 0.5% less than the bankers' acceptance ("BA") rate and it is estimated that prospective buyers of these notes will require premium yields between 7% and 8% over the BA rate.

The traditional asset note is estimated to generate interest income of 0.5% above the BA rate and a prospective buyer of those notes is estimated to require a premium of 5.75% over the BA rate.

The Class B notes are not expected to pay any current interest until the Class A1 and A2 notes are paid in full. The Class C notes also will not pay any current interest and are subordinate to the Class B notes.

(Unaudited - Expressed in Canadian Dollars)

3. OTHER INVESTMENTS (Continued)

Based upon a sensitivity analysis of the assumptions used, the expected yield required by a potential investor remains the most significant assumption included in the fair value estimate. Based on this exercise the Company estimated that as at September 30, 2009, the range of potential values was between $5.1 million and $6.0 million. There can be no assurance that this estimate will be realized. Subsequent adjustments, which could be material, amy re required in future reporting periods.

The Company has designated the investments as held-for-trading financial instruments with retroactive effect from January 1, 2009. This re-designation has had no effect on the previously published financial statements as the investments were written down to their fair value with the impairment charge being recorded through income.

4. EQUIPMENT

	As at September 30, 2009			As at December 31, 2008		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Office furniture and equipment	$ 20,618	$ 11,645	$ 8,973	$ 20,618	$ 10,062	$ 10,556
Computer equipment	41,080	34,342	6,738	41,080	32,386	8,694
Vehicles	103,149	79,366	23,783	103,149	72,461	30,688
Field equipment	701,632	377,972	323,660	701,632	320,856	380,776
	$ 866,479	$503,325	$ 363,154	$ 866,479	$ 435,765	$ 430,714

5. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS

Mineral properties and deferred exploration costs consist of the following:

	Balance, December 31, 2007	Additions	Balance, December 31, 2008	Additions	Balance, September 30, 2009
Mineral properties					
Neita	$ 283,747	$ -	$ 283,747	$ -	$ 283,747
Los Guandules	340,827	-	340,827	-	340,827
	$ 624,574	$ -	$ 624,574	$ -	$ 624,574
Deferred exploration costs					
Neita	$ 7,412,278	$ 3,263,033	$ 10,675,311	$ 977,413	$11,652,724
Los Guandules	-	-	-	-	-
	$ 7,412,278	$ 3,263,033	$ 10,675,311	$ 977,413	$11,652,724
Total	$ 8,036,852	$ 3,263,033	$ 11,299,885	$ 977,413	$12,277,298

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. During the second quarter of 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 Exploitaciones Mineras, S.A. ("Americana"), a Dominican private company, and the shareholders thereof, relating to the acquisition by the Company of the Los Guandules concession in the Municipalities of Elias Pina and Dajabon, Dominican Republic. Under the terms of the agreement, in consideration for the payment of US$30,000 (which has been previously paid) and the issue of an aggregate of 330,000 common shares of the Company (issued and valued at $257,400), the Company has been granted an option to acquire, at its election, the rights of Americana under the Los Guandules concession agreement or all of the shares of Americana for the price of $1.00 at any time for a period of five years. 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 of up to an amount not exceeding $7,456,765, in Canadian dollars, and up to an amount not exceeding $746,487 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 restructured notes described in note 3.

As at September 30, 2009, the Company has drawn down $5,824,615 (September 30, 2008 - $3,840,000) of the Canadian dollar credit facility and has paid $58,486 (2008 - $58,940) in interest. No US dollars have been drawn down.

(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 nine months of 2009 and for the year ended December 31, 2008 are as follows:

	Number of Shares	Amount
Balance, December 31, 2007	85,814,938	$27,320,166
Shares Issued:		
Stock options exercised	25,000	8,250
Stock options exercised - valuation	-	2,750
Balance, December 31, 2008 and September 30, 2009	85,839,938	$27,331,166

(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 nine month period ended September 30, 2009. During the year ended December 31, 2008, the Company granted 3,122,000 stock options 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 September 30, 2009 and December 31, 2008 and changes during these periods is presented below:

	September 30, 2009		December 31, 2008	
	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	-	-	(1,115,000)	$0.66
Outstanding, end of period	5,062,000	$0.42	5,062,000	$0.42

(Unaudited - Expressed in Canadian Dollars)

7. SHARE CAPITAL (Continued)

(b) Stock Option Plan (Continued)

As at September 30, 2009, the Company had stock options issued to directors, officers, employees and consultants of the Company as follows:

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

* Subsequent to September 30, 2009, these options expired.

(c) Contributed Surplus

A summary of contributed surplus activity during the nine month period ended September 30, 2009, and for the year ended December 31, 2008 is presented below:

	September 30, 2009	December 31, 2008
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	-	(2,750)
Balance, end of period	$ 2,500,547	$ 2,500,547

(Unaudited - Expressed in Canadian Dollars)

8. RELATED PARTY CONTRACTUAL OBLIGATIONS AND TRANSACTIONS

Included in the accounts for the nine month period ended September 30, 2009 and 2008 are payments made to corporations under the control or significant influence of officers and directors of the Company as follows:

	2009	2008
Management Services fees paid to corporations controlled by or have significant influence by officers and directors of the Company	$ 162,000	$ 106,170
Travel and business development expenditures paid to a corporation controlled by a director of the Company	$ 90,000	$ 10,000
Professional fees paid to an officer and director of the Company	$ 66,500	$ 46,500
Legal fees paid to a law firm where a director of the Company is also a partner	$ 17,438	$ -
Investor relations expenditures paid to a corporation controlled by a director of the Company	$ -	$ 2,500
Deferred exploration costs paid to a corporation controlled by an officer and a director of the Company	$ -	$ 105,000

Included in prepaid expenses as at September 30, 2009 is an advance in the net amount of $28,837 (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 $Nil (December 31, 2008 - $12,598) payable to a law firm where a director of the Company is also a partner. 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:

	2009	2008
Sundry receivables	$ 408,806	$ 552
Prepaid expenses	(29,689)	44,473
Accounts payable and accrued liabilities	(90,642)	27,271
Cheques issued in excess of cash	(8,572)	(61,005)
	$ 279,903	$ 11,291

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 September 30, 2009, the Company has a working capital deficiency of $5,474,782. The Company's ability to meet its financial obligations is dependent upon securing financing and the eventual recovery of the ABCP restructured notes, as the Company has approximately $5.5 million (net of an impairment charge of $5.0 million) invested in the ABCP restructured notes. 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 September 30, 2009, the Company had a cash balance of $329,730 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.

(Unaudited - Expressed in Canadian Dollars)

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 September 30, 2009, if the fair value of the other investments had decreased/increased by 10% with all other variables held constant, net loss for the nine month period ended September 30, 2009 would have been approximately $550,000 higher/lower. Similarly, as at September 30, 2009, reported shareholders' equity would have been approximately $550,000 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 $360,000 over the following years:

Year	Amount ($)
2009 (October to December)	54,000
2010	216,000
2011	90,000
	360,000

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 nine month period ended September 30, 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 September 30, 2009, the Company has drawn down an additional $200,000 from its credit facility with the Bank. (See note 6).

(b) On November 11, 2009, the Company entered into an agreement in connection with an offering of up to 58,823,500 units of the Company ("Units") at a price of Cdn$0.17 per Unit for gross proceeds of approximately Cdn$10,000,000 (the "Offering"). Dundee Securities Corporation together with PowerOne Capital Markets Limited (collectively the "Agents") have agreed to act as agents on a best efforts agency basis with respect to the Offering. In connection with the Offering, the Company has granted to the Agents an option which entitles the Agents, until the time which is 48 hours prior to the closing of the Offering, to increase the size of the Offering by up to an additional 8,823,525 Units which would result in additional gross proceeds to the Company of approximately Cdn$1,500,000.

Each Unit will consist of one common share of the Company and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant shall entitle the holder thereof to acquire one common share of the Company at a price of $0.30 at any time until the date which is 24 months after the date of the closing of the Offering. In the event that the closing trading price of the common shares of the Company on the TSX Venture Exchange (or such other stock exchange or quotation system on which the common shares are listed and where a majority of the trading volume occurs) exceeds $0.45, for a period of 20 consecutive trading days, the Company may provide notice to the holders of Warrants that the Company intends to accelerate the expiry of the Warrants and that the Warrants will thereafter expire on the date which is 30 days after the date that such notice was provided to the holders of Warrants.

The net proceeds of the offering will be used by the Company (i) to conduct exploration activities in respect of the mineral exploration projects of the Company located in the Dominican Republic, and (ii) for general corporate purposes.

The offering is expected to close on or about December 1, 2009 or such other date as is agreed between the Company and the Agents and is subject to all necessary approvals, including the approval of the TSX Venture Exchange.