



UNIGOLD INC.

QUARTERLY REPORT

For the Three Months Ended March 31, 2014 and 2013

UNIGOLD INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the consolidated operating results and financial condition of Unigold Inc. ("Unigold" or the "Company") for the fiscal periods ended March 31, 2014 and 2013 should be read in conjunction with the unaudited, condensed consolidated interim financial statements of the Company and notes thereto at March 31, 2014. All financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS"), and all dollar amounts are expressed in Canadian dollars unless otherwise indicated. Additional information, including the Company's press releases, has been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") and is available online at www.sedar.com. The date of this report is May 21, 2014.

Company Overview

Unigold is a Canadian based, growth oriented, junior natural resource company focused on exploring and developing its significant land position in the Dominican Republic, within the highly prospective, Cretaceous age, Tireo Formation. The Tireo Formation, an emerging gold and base metal district, is a 75 kilometre wide series of volcanic and sedimentary rocks trending northwesterly across the island of Hispaniola. Unigold's most advanced project is their 100 percent interest in the 22,600 hectare Neita Exploration Concession, located in the west central highlands of the Dominican Republic along the border with Haiti. The license for the Concession was renewed in 2012 for another five-year term (comprised of a three-year term with two one-year extensions available upon application). Unigold operates through its wholly owned Canadian subsidiary, Unigold Resources Inc., and its 97 per cent owned subsidiary, Unigold Dominicana, S.R.L., which is incorporated in the Dominican Republic.

Forward-Looking Statements

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information concerning Unigold's exploration program and planned gold production as well as Unigold's strategies and future prospects. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved". Forward-looking information is based on the opinions and estimates of management at the date the information is made, and is based on a number of assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. Assumptions upon which such forward-looking information is based include, without limitation, availability of skilled labour, equipment, and materials; the potential of the Company's properties to contain economic metals deposits; the Company's ability to meet its working capital needs for the twelve-month period ending December 31, 2014; and the plans, costs, timing and capital for future exploration and development of the Company's property interests in the Dominican Republic. Many of these assumptions are based on factors and events that are not within the control of Unigold and there is no assurance they will prove to be correct. Factors that could cause actual results to vary materially from results anticipated by such forward-looking information include changes in market conditions, variations in ore reserves, resources, grade or recovery rates, risks relating to international operations (including legislative, political, social, or economic developments in the jurisdictions in which Unigold operates), economic factors, government regulation and approvals, environmental and reclamation risks, actual results of exploration activities, fluctuating metal prices and currency exchange rates, costs, changes in project parameters, conclusions of economic evaluations, the possibility of project cost overruns or unanticipated costs and expenses, labour disputes and the availability of skilled labour, failure of plant, equipment or processes to operate as anticipated, capital expenditures and requirements for additional capital, risks associated with internal control over financial reporting, and other risks of the mining industry. Although Unigold has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Unigold undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking information.

Nature of Operations and Going Concern

On November 12, 2013, the Company announced an initial inferred mineral resource estimate for the Candelones deposits of 39.5 M tonnes averaging 1.6 grams per tonne (“g/t”) Au containing 2.0 M ounces of gold (“Au”). The reader is cautioned that mineral resources are not mineral reserves and do not have demonstrated economic viability. However, by definition, mineral resources demonstrate “reasonable prospects for economic extraction”. The recoverability of the amounts shown for mineral properties and deferred exploration and evaluation costs are dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete its exploration programs and upon future profitable production or proceeds from disposition of such properties.

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 or be able to sell properties.

Highlights for Q1 2014

Operations

- No lost time injuries or medical aid incidents;
- No reportable spills;
- No environmental citations;
- 12,000 Hectares of regional scale litho-structural mapping completed; and,
- Technical review of geochemical and geophysical data completed.

Financial

- Unigold closed the quarter with \$3.9-million in cash.

Exploration

Neita

Unigold’s Neita concession covers a 22,616 ha area within the highly prospective Tireo Formation, a 75 kilometre wide series of volcanic and sedimentary rocks trending northwesterly through the island of Hispaniola. The Tireo Formation hosts a number of promising gold and base metal targets, both in the Dominican Republic and Haiti. Over 5.0 million ounces of gold equivalent resources have been identified in the Tireo Formation in the past year.

In 2013, Unigold announced an inferred mineral resource of 2.0 million ounces of gold at the Candelones deposit, within the Neita Concession. Candelones falls within the main gold trend, a series of significant soil anomalies defining the southern boundary of the Concession. Over 80% of the exploration to date is limited to this trend which includes the Candelones, Montazo, Guano and Naranja (“MGN”), Rancho Pedro and Juan del Bosques targets. These targets define an ENE trend that has been traced for over 10 kilometres from Candelones through to Guano.

The geological understanding of the remainder of the Concession was largely reliant on historical government mapping, Unigold’s extensive soil geochemical database and limited surface sampling, mapping, trenching and drilling. Numerous, promising, gold and copper geochemical anomalies had previously seen only cursory field inspection and limited drill testing.

While MGN remains a highly prospective target, the Company believes it important to evaluate the potential of the entire Concession. Therefore, in Q1/2014, the focus was to complete regional scale litho-structural mapping and interpretation of the remainder of the Concession and preliminary field inspection of the targets identified by soil and/or rock geochemical results.

Field work has confirmed that the regional NW litho-structural fabric dominates the geology of the Concession. The NW trending San Jose-Restauracion (“SJR”) thrust fault bisects the Concession, thrusting older rocks of the Lower Tireo over the younger Upper Tireo rocks to the south.

The area to the north of the SJR is clearly enriched in copper with one copper anomaly (with a parallel gold in soil anomaly) traceable for over ten kilometres along the contact of an intermediate intrusive (tonalite). Historical records

indicate copper grades of 0.2% to 0.3% over several tens of metres in drill core. Grab samples of 10% and greater have been recorded.

To the south of the SJR, gold in soil and gold rock geochemical samples are more prevalent. Several, strong gold in soil anomalies including the mineral resource area at Candelones, as well as MGN, Rancho Pedro, and Juan del Bosques are related to areas of silicification and argillic alteration occurring proximal to pronounced rhyolite domes that often are expressed as topographic highs. Drilling results have confirmed the presence of anomalous gold, particularly at Candelones. Elsewhere, undrilled targets include Loma de Montazo, KM6, Cerro Berro and Jimenez, all of which are defined by gold in soil and gold in rock results.

Mapping of the Corozo target area, in the northwestern corner of the Concession, identified more than 40 artisanal mine shafts. The shafts typically measure 2.0 m x 2.0 m and extend to bedrock. The shafts range in depth from 5.0 to 15.0 metres and gold has been recovered by the artisanal miners from these shafts. No active mining operations were observed and the Company reported the illegal mining activity to the Mines Directorate of the Dominican Government. The shafts are clustered around a semi-circular intrusive unit which has not been drill tested. Similar intrusive have been mapped at the Candelones Extension deposit where significant gold, copper and zinc mineralization has been identified. The historical drilling at Corozo, which returned significant copper values over several tens of metres, is located approximately 1,000 metres east of the artisanal workings.

Detailed mapping of select target areas is underway and is expected to be completed in Q2, 2014. This detailed mapping will include surface trenching and outcrop stripping to augment the geological understanding.

The Company currently plans to resume drilling operations in June 2014.

Completed work:

| Compilation data | Statistics | | |
|---------------------------------|------------|-----|-----------------|
| | Q1 2014 | YTD | PROJECT TO DATE |
| Drilling – holes | – | – | 425 |
| Drilling – metres | – | – | 97,393 |
| Trenching – metres | 89 | 89 | 30,055 |
| Geochemical analysis | 75 | 75 | 141,690 |
| Grab samples | 231 | 231 | 9,773 |
| Soil samples | – | – | 32,704 |
| Stream samples | – | – | 884 |
| Induced polarization lines – km | – | – | 196 |
| Magnetic survey lines – km | – | – | 687 |

Metallurgy

Initial metallurgical test results were received in 2012 and demonstrated:

- gold, silver and base metal recoveries of 85-90% to a ‘clean’ sulphide concentrate;
- a sulphidic concentrate at 12% of the mass; and
- multiple final processing solutions or concentrate sale are open to the Company.

The tests suggested additional work was required to evaluate the optimum grind size and to attempt to increase it as far as possible to reduce the grinding circuit capital and operating costs. However, these initial tests suggest a much coarser primary grind might be possible and a simple SAG mill circuit plus cone crushers could be considered.

In 2013, three holes (1,350 metres) were drilled at the Candelones Extension Zone to provide between 1,000 to 1,500 kilograms of material for additional metallurgical testing. The mineralization in these holes sawn in half with one half bagged tagged and stored. The remaining half core was then quarter sawn with one quarter being sent for analysis at the Company’s preferred analytical facility. Analytical results were evaluated on receipt and composite samples were prepared that were representative of the average grade of the deposit as established by the initial mineral resource estimate. These composited samples were shipped to SGS Mineral Services SA, Santiago, Chile. Results are expected in Q2, 2014.

The material categories of exploration and evaluation assets are summarized below:

| As at | January 1, 2014 | Year to date expenditures | March 31, 2014 |
|--|----------------------|------------------------------|-----------------------|
| Consulting (contract geologists and other technical specialists) | \$ 5,662,869 | \$ 201,129 | \$ 5,863,998 |
| Drilling (including supplies and logistics expenses) | 12,751,419 | 8,451 | 12,759,870 |
| Field expense (including geochemistry and geophysics) | 2,164,032 | 7,744 | 2,171,776 |
| Laboratory analysis | 4,229,346 | 70,684 | 4,300,030 |
| Travel | 1,436,765 | 32,463 | 1,469,228 |
| Wages & salaries | 3,309,986 | 78,030 | 3,338,016 |
| Other (includes legal costs, capitalized depreciation) | 4,182,670 | 180,560 | 4,363,230 |
| | \$ 33,737,087 | \$ 579,061 | \$ 34,316,148 |

Los Guandules

In January 2013, Unigold entered into an agreement with Malbex Resources Inc. to transfer its interest in the Los Guandules prospect. The transaction has not closed as both parties are waiting approval of the Los Guandules exploration licence from the Dominican Government. Malbex is considered a non-arm's length party of Unigold as a result of the fact they have a common director.

El Carrizal

In January 2013, Unigold entered into an agreement with Terreno Resources Corp. to sell its option to acquire 100% of the El Carrizal Concession. The closing of the transaction contemplated by the Agreement remains subject to the final approval of the TSX Venture Exchange and the shareholders of Terreno. The transaction has not closed as both parties are waiting approval of the El Carrizal exploration licence from the Dominican Government. Terreno is considered a non-arm's length party of Unigold as a result of the fact an investor holds more than 10% of each company.

Results of Operations

For the quarter ended March 31, 2014, the Company recorded a loss of \$391,671, or \$0.00 per share, compared with a loss of \$542,400 or \$0.00 per share, in 2013. Most operating expenses are comparable to the same period last year. Compensation expense of \$175,012 is lower than the same quarter of 2013 (\$205,714). Share-based payments (stock options) decreased to \$614 from \$28,416. Professional and consulting fees increased to \$83,621 (2013 – \$48,900) as a result of expenditures to produce an environmental and social action plan. Travel and business development decreased to \$75,348 (2013 – \$210,679). Investor relations activities were scaled back compared to 2013 due to the current market conditions which are not receptive to resource investments.

The material components of general and administrative expenses are detailed below.

| | Three Months Ending March 31, | |
|-------------------------------|-------------------------------|-----------|
| | 2014 | 2013 |
| Rent | \$ 12,465 | \$ 12,381 |
| Insurance | 10,247 | 8,475 |
| Computer supplies and support | 13,578 | 3,700 |
| Other | 22,878 | 41,641 |
| Total | \$ 59,168 | \$ 66,197 |

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.

Market appetite for investing in resource stocks is at a very low level. The price of gold declined significantly over the last 15 months, from U.S. \$1,664 per ounce at December 31, 2012 to U.S. \$1,292 at March 31, 2014. Most resource companies have seen significant stock price erosion. M&A activities and financing activities are at extremely low levels. Globally, resource nationalism has made investors wary. Many major projects have been deferred or cancelled. There has been a continuing sell-off at the junior end of the market that is starving junior exploration companies of capital. Investors are looking for low-risk, near-term, high yield opportunities that the junior mining sector cannot currently provide. The

Company may not be able to raise capital in these markets or, if financing is possible, it may be fairly small to limit dilution.

Despite the poor markets in 2013, the Company was able to raise \$5-million in a bought deal financing with the International Finance Corporation (“IFC”), a division of the World Bank. In that financing, the IFC acquired 20 million common shares of Unigold and 15 million warrants having a strike price of \$0.50 and a four-year term.

Many of Unigold’s costs are denominated in U.S. dollars. The Canadian dollar has weakened compared to the U.S. dollar throughout 2013 from 1.00 to 0.91 at March 31, 2014 which will impact on activities in 2014 as costs denominated in Canadian dollars rise. The Company has issued approximately 20.6 million warrants with expiry dates in 2014. Of those 19.9 M expired unexercised on March 8, 2014. Unigold believes that it is unlikely that the remaining 0.7 M warrants coming due in 2014 – priced at \$0.45 – will be exercised. No stock options expire in 2014.

As at March 31, 2014, the Company had cash balances of \$3,900,847 (December 31, 2013 – \$5,015,425) and working capital of \$3,798,614 (December 31, 2013 – \$4,695,879).

Outlook

The Neita Property has many exploration targets to be drilled. On the Property, there are over 25 separate gold-in-soil anomalies and copper-in-soil anomalies that are being mapped and evaluated. Targets are being prioritized and drilling is expected to resume in June or July.

As discussed under liquidity, market appetite for investing in resource stocks is at a very low level.

Unigold is well positioned with \$3.9-million in cash at March 31, 2014. Given the present challenging market conditions, the Company has moved to conserve its cash. Unigold will continue to drill its Neita project but at a slower pace. Drilling at Candelones is complete. Operations in 2014 will depend on market conditions to raise capital but a limited drilling program is planned. The Company intends to act in a fiscally responsible manner in the current market environment.

Quarterly Financial Information (Unaudited)

The following table sets out selected financial information derived from the Company’s consolidated financial statements for each of the eight most recently completed quarters:

| (\$ thousands, except per share amounts) | 2014 | 2013 | | | | 2012 | | |
|--|--------|--------|--------|--------|--------|--------|--------|---------|
| | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 |
| Revenue | – | – | – | – | – | – | – | – |
| Net income (loss) | (392) | (726) | (392) | (455) | (542) | (403) | (613) | (1,543) |
| Net income (loss) per share: Basic and diluted | (0.00) | (0.01) | (0.00) | (0.00) | (0.00) | (0.00) | (0.01) | (0.01) |
| Acquisition of exploration and evaluation assets | 507 | 1,029 | 1,515 | 2,290 | 2,128 | 1,802 | 1,661 | 1,269 |

The second quarter of 2012 included a share-based compensation expense of \$1,087,404 that increased the loss in the quarter.

Related Party Transactions

Included in the accounts for the periods ended March 31, 2014 and 2013 are payments made to officers, directors and corporations under the control or significant influence of officers and directors of the Company as follows:

| Three months ended March 31, | 2014 | 2013 |
|---|------------------|------------------|
| Management services fees paid to corporations controlled by or under significant influence of officers and directors of the Company: Wes Hanson | \$ 40,500 | \$ 23,500 |
| Professional fees paid to a director, Joseph Del Campo | – | 800 |
| | \$ 40,500 | \$ 24,300 |

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. 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.

Commitments, Contingencies and Contractual Obligations

The Company is a party to certain management contracts. These contracts contain clauses requiring that \$400,000 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.

The Company's exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Minimum contractual payments over the next five years are as follows:

| Year | Total | 2014 | 2015 | 2016 | 2017 | 2018 |
|--------------|-------------------|-------------------|------------------|-------------|-------------|-------------|
| Office lease | \$ 96,000 | \$46,000 | \$ 50,000 | \$ – | \$ – | \$ – |
| Services | 314,000 | 312,000 | 2,000 | – | – | – |
| | \$ 410,000 | \$ 358,000 | \$ 52,000 | \$ – | \$ – | \$ – |

Trend Information

There are no major trends that 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.

Proposed Transactions

There are no proposed transactions that will materially affect the performance of the Company. As is typical of the gold exploration sector, Unigold is continually reviewing potential property acquisition, investment and joint venture transactions and opportunities

Critical Accounting Policies and Estimates

The Company prepares its consolidated financial statements in accordance with IFRS. The most significant accounting estimates are the policy of capitalizing exploration costs on its properties and the valuation of such properties; and the stock-based compensation calculation.

The Company reviews its portfolio of exploration properties on an annual basis to determine whether a write-down of the capitalized cost of any property is required. The recoverability of the amounts shown for exploration properties and deferred exploration and evaluation assets is dependent on the existence of economically recoverable reserves, and the ability to obtain financing to complete the development of such reserves.

The Company uses the Black-Scholes model to determine the fair value of options and warrants. The main factor affecting the estimates of stock-based compensation is the stock price volatility used. The Company uses the historical price data and comparables in the estimate of future volatilities.

Risks and Uncertainties

At the present time, Unigold 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.

Liquidity and Capital Market Risk

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 Unigold 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.

Nature of Mineral Exploration and Development Projects

Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that exploration efforts will be successful. The exploration and development of mineral deposits involves significant financial and other risks over an extended period of time, which even a combination of careful evaluation, experience, and knowledge may not eliminate. Few mining properties that are explored are ultimately developed into producing mines. Major expenses are required to establish reserves by drilling and to construct mining and processing facilities. Large amounts of capital are frequently required to purchase necessary equipment. It is impossible to ensure that the current or proposed exploration programs on properties in which the Company has an interest will result in profitable commercial mining operations.

Success in establishing mineral reserves through exploration is the result of a number of factors, including the quality of management, the Company's level of geological and technical expertise, the quality of land available for exploration and other factors. Once mineralization is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable reserves through drilling, to determine the optimal metallurgical process to extract the metals from the ore and, in the case of new properties, to construct mining and processing facilities. Whether a deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit, such as its size and grade, costs and efficiencies of the recovery methods that can be employed, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of gold or silver, and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on its invested capital. Because of these uncertainties, no assurance can be given that exploration programmes will result in the establishment or expansion of resources or reserves.

The Corporation's Properties Are Subject to Title Risks

The Company has taken all reasonable steps to ensure that it has proper title to its properties. However, the Company cannot provide any guarantees that there are no prior unregistered agreements, claims or defects that may result in the Company's title to its properties being challenged. A successful challenge to the precise area and location of these claims could result in the Company being unable to operate on its properties as anticipated or being unable to enforce its rights with respect to its properties which could have a material and adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

The Company and Its Projects Are Subject to Risks of Operating in Foreign Countries

The Company's projects are subject to the risks of operating in foreign countries. The Company's foreign operations and investments and its ability to carry on its business in the normal course may be adversely affected by political and economic considerations such as civil unrest, war (including in neighbouring states), terrorist actions, labour disputes, corruption, sovereign risk, political instability, the failure of foreign parties, courts or governments to honour or enforce contractual relations, changing government regulations with respect to mining (including environmental requirements, taxation, land tenure, foreign investments, income repatriation and capital recovery), fluctuations in currency exchange and inflation rates, import and export restrictions, challenges to the Company's title to properties or mineral rights, problems renewing licenses and permits, opposition to mining from environmental or other non-governmental organizations, increased financing costs, instability due to economic under-development, inadequate infrastructure, and the expropriation of property interests. In addition, the enforcement by Unigold of its legal rights to exploit its properties or to utilize its permits and licenses may not be recognized by the court systems in the Dominican Republic. The occurrence of one or more of these risks could have a material and adverse effect on the viability and financial performance of its foreign operations, which could have a material and adverse effect on the Company's future cash flows, earnings, results of operations and financial condition. Any of these events could also result in conditions that delay or prevent the Company from exploring or developing its properties even if economic quantities of minerals are found.

Financing Risk

To fund future investments in its mineral properties the Company requires capital. The Company may not have sufficient internally generated cash flow and working capital and may have to access the capital markets. Subject to economic conditions at the time, there can be no assurance the Company would be able to raise additional debt or equity financing on acceptable terms. If the Company cannot finance its future projects it could have a material and adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

Environmental Matters

In the risks section above, reference was made to several risks impacting on environment matters. Unigold believes that it is in compliance with all environmental regulations in the Dominican Republic and has made no provision for environmental remediation costs as such costs are believed to be immaterial.

Corporate Social Responsibility ("CSR"), Safety, Health and Environment.

The Company engages in and adheres to the principles of sound Corporate Social Responsibility with the local communities and people where it operates. While the company recognizes that the funds to achieve these goals are derived from shareholders investment in the company, it also believes that those same shareholders recognize that pragmatic and cost effective CSR activity benefits all stakeholders and enables ongoing field activity with the support of local leaders, government, landowners and the community in general.

There were no lost time accidents during the period. There were no reportable environmental compliance events during the period.

In connection with the IFC financing, Unigold has undertaken to review and increase its CSR activities in the Dominican Republic. Unigold has developed a Health Safety Environment and Community ("HSEC") Policy Guidelines and Due-Diligence Checklist based on International Best Practices, OHSAS 18000, ISO 14000 and has made this document available to the public and available in both English and Spanish and is available for viewing on the company website. Unigold is implementing the HSEC Policy on site throughout its entire operations.

A strategic stakeholder mapping exercise has been undertaken. Unigold has developed a formal Stakeholder Engagement Policy and is in the process of developing a Stakeholder Communications Plan based on information derived from the stakeholder mapping exercise. Unigold is working to inform, educate, and collaborate with all of its stakeholders in an effort to consult and gain the social license to operate.

The Company has retained AMEC Consulting to develop its management systems policies. The management system policies include designing and implementing a surface water participatory monitoring program that will identify existing water quality and quantity conditions in the exploration impact areas, communicating these to the local population and to serve as a baseline for the future ESIA. The Company is also developing a Human Resource Policy and Employee Grievance Mechanism, a Security Policy and Procedure, Land Acquisition and Compensation for Exploration and completing a Rapid Biodiversity Assessment.

Future Accounting Changes

Accounting standards and interpretations issued but not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards are not yet effective for the period ended March 31, 2014, and have not been applied in preparing these consolidated financial statements as follows:

- IFRS 9, *Financial Instruments*, addresses the classification and measurement of financial assets;

These standards are being evaluated to determine their impact on the consolidated financial statements of the Company. IFRS 9 is effective for the Company's fiscal year starting January 1, 2015.

Financial Instruments

Fair Value

IFRS requires that the Company disclose information about the fair value of its financial assets and liabilities. The carrying amounts for cash and cash equivalents, sundry receivables, accounts payable and accrued liabilities on the Statements of Financial Position approximate fair value because of the limited term of these instruments.

Fair value estimates are made at the statement of financial position 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.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, other receivables, other financial assets and other investments. Cash is held with reputable Canadian financial institutions, from which management believes the risk of loss to be minimal. Financial instruments included in other receivables consist of harmonized sales tax due from the Federal Government of Canada. Other receivables are in good standing as of March 31, 2014. Management believes that the credit risk concentration with respect to financial instruments included in other receivables is minimal.

Liquidity Risk

As at March 31, 2014, the Company has working capital of \$3,798,614 (December 31, 2013 – \$4,695,879). As of March 31, 2014, the Company has a cash balance of \$3,900,847 (December 31, 2013 – \$5,015,425) to settle current accounts payable and accrued liabilities of \$180,487 (2013 – \$424,730).

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's financings are in Canadian dollars. Certain of the Company's transactions with its subsidiary, Unigold Dominicana, S.R.L. are incurred in foreign currencies and are therefore subject to gains or losses due to fluctuations in exchange rates. The Company is therefore subject to foreign exchange risk. As at March 31, 2014, the Company had cash balances of \$71,775 (December 31, 2013 – \$71,775) in United States dollars ("U.S. \$"). U.S. \$ accounts payable as at March 31, 2014 were U.S. \$33,820 (December 31, 2013 – U.S. \$13,547).

Interest Rate Risk

The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its financial institutions. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its financial institutions. As of March 31, 2014, interest rate risk is minimal since the Company has no interest-bearing debt instruments.

Commodity Price Risk

The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of certain minerals.

Sensitivity Analysis

The Company is exposed to foreign currency risk of fluctuations on financial instruments that are denominated in U.S. dollars and the Dominican Republic Peso related to cash balances, other investments and accounts payable. Sensitivity to a plus or minus 5% change in the foreign exchange rate would not have resulted in a significant fluctuation in loss for the period ended March 31, 2014. The Company does not undertake currency hedging activities to mitigate its foreign currency risk.

Capital Management

Unigold considers its capital structure to consist of total equity attributable to equity holders of the Company. 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. The Company's objective in managing capital is to safeguard its ability to operate as a going concern. The Company is in the development stage and as such is dependent on external financing. In order to carry out planned exploration and development, and pay for administrative and operating costs, the Company will spend its existing working capital. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its exploration properties and maximize shareholder returns. The Company satisfies its capital requirements through careful management of its cash resources and by equity issues, as necessary, based on the prevalent economic conditions of both the industry and the capital markets and the underlying risk characteristics of the related assets. Management reviews its capital management approach on an ongoing basis. During 2013, agreements to sell non-core exploration properties were signed. The Company is not subject to externally imposed capital requirements.

Report on Internal Control over Financial Reporting and Disclosure Controls and Procedures

In connection with Exemption Orders issued in November 2007 by each of the British Columbia Securities Commission and Ontario Securities Commission, the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the consolidated financial statements and the accompanying related MD&A. In contrast to the certificate under National Instrument 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR at www.sedar.com. Management believes that based upon the evaluations and actions taken to date, reasonable assurance can be provided that there is no material misstatement of the financial results reported as of March 31, 2014.

Outstanding Share Data

Details about the Company's outstanding common shares as at May 21, 2014 are as follows:

| | |
|--|-------------|
| Common shares issued and outstanding | 243,713,238 |
| Potential issuance of common shares – warrants | 26,097,000 |
| Stock options issued to directors, employees, officers and consultants | 17,850,000 |

Qualified Person

The foregoing scientific and technical information has been prepared or reviewed by Wes Hanson, P.Geo., the Chief Operating Officer of the Company. He also supervises all work associated with the Company's exploration programs in the Dominican Republic. Mr. Hanson is a "qualified person" within the meaning of National Instrument 43-101. W. Lewis P. Geo. And A. San Martin MAusIMM(CP), both employed by Micon have reviewed and approved statements associated with the initial mineral resource.

UNIGOLD INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Periods Ended March 31, 2014 and 2013
Expressed in Canadian Dollars
Unaudited

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, the statements must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of financial statements by an entity's auditor.

Management has prepared the information and representations in this interim report. The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards and, where appropriate, reflect management's best estimates and judgement. The financial information presented throughout this report is consistent with the data presented in the condensed consolidated interim financial statements.

Unigold Inc. maintains adequate systems of internal accounting and administrative controls, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors, through its Audit Committee, is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Audit Committee is composed of three directors. This Committee meets periodically with management and the external auditors to review accounting, auditing, internal control and financial reporting matters.

s/ Andrew Cheatle
Chief Executive Officer

s/ John Green
Chief Financial Officer

May 21, 2014

UNIGOLD INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

| As at, | March 31, 2014 (unaudited) | December 31, 2013 |
|---|-------------------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash | \$ 3,900,847 | \$ 5,015,425 |
| Other receivables | 28,892 | 23,262 |
| Other financial assets and prepaids | 49,362 | 81,922 |
| Total current assets | 3,979,101 | 5,120,609 |
| Non-current assets | | |
| Property, plant and equipment (Note 6) | 1,111,846 | 1,163,516 |
| Exploration properties (Note 7) | 729,030 | 729,030 |
| Exploration and evaluation assets (Note 7) | 34,316,148 | 33,737,087 |
| Total assets | \$ 40,136,125 | \$ 40,750,242 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | \$ 180,487 | \$ 424,730 |
| Total liabilities | 180,487 | 424,730 |
| Equity attributable to shareholders of the Company | | |
| Share capital (Note 8(a)) | 54,094,860 | 54,094,860 |
| Reserve for warrants (Note 8(b)) | 1,553,601 | 3,374,178 |
| Reserve for share-based payments (Note 8(c)) | 2,508,636 | 2,547,313 |
| Accumulated deficit | (18,204,290) | (19,693,670) |
| Total equity attributable to shareholders of the Company | 39,952,807 | 40,322,681 |
| Non-controlling interest | 2,831 | 2,831 |
| Total equity | 39,955,638 | 40,325,512 |
| Total liabilities and equity | \$ 40,136,125 | \$ 40,750,242 |

Nature of operations (Note 1)

Going concern (Note 2)

Commitments and contingencies (Notes 7 and 16)

Approved on Behalf of the Board:

s/ Joseph Del Campo
Director

s/ Andrew Cheatle
Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

UNIGOLD INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited-Expressed in Canadian Dollars)

| | Share capital | | Warrants | Other reserves | | Accumulated Deficit | Equity attributable to shareholders |
|---------------------------------|--------------------|----------------------|---------------------|---------------------|----------------------|------------------------|-------------------------------------|
| | Number of shares | Amount | | Share-based payment | Total other reserves | | |
| Balance, January 1, 2014 | 243,713,238 | \$ 54,094,860 | \$ 3,374,178 | \$ 2,547,313 | \$ 5,921,491 | \$ (19,693,670) | \$ 40,322,681 |
| Share-based payment | – | – | – | 21,797 | 21,797 | – | 21,797 |
| Transfer to deficit on expiry | – | – | (1,820,577) | (60,474) | (1,881,051) | 1,881,051 | – |
| Net loss for the period | – | – | – | – | – | (391,671) | (391,671) |
| Balance March 31, 2014 | 243,713,238 | \$ 54,094,860 | \$ 1,553,601 | \$ 2,508,636 | \$ 4,062,237 | \$ (18,204,290) | \$ 39,952,807 |

| | Share capital | | Warrants | Other reserves | | Accumulated Deficit | Equity attributable to shareholders |
|---------------------------------|--------------------|----------------------|---------------------|---------------------|----------------------|------------------------|-------------------------------------|
| | Number of shares | Amount | | Share-based payment | Total other reserves | | |
| Balance, January 1, 2013 | 222,563,238 | \$ 49,824,616 | \$ 2,348,996 | \$ 2,998,753 | \$ 5,347,749 | \$ (18,301,974) | \$ 36,870,391 |
| Exercise of options | 300,000 | 137,250 | – | (60,000) | (60,000) | – | 77,250 |
| Share-based payment | – | – | – | 101,610 | 101,610 | – | 101,610 |
| Net loss for the period | – | – | – | – | – | (542,400) | (542,400) |
| Balance March 31, 2013 | 222,863,238 | \$ 49,961,866 | \$ 2,348,996 | \$ 3,040,363 | \$ 5,389,359 | \$ (18,844,374) | \$ 36,506,851 |

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

UNIGOLD INC.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS***(Unaudited-Expressed in Canadian Dollars)*

| For the three month period ended March 31, | 2014 | 2013 |
|--|---------------------|---------------------|
| Operating expenses | | |
| Compensation (<i>Note 11</i>) | \$ 175,012 | \$ 205,714 |
| Professional and consulting fees | 83,621 | 48,900 |
| Travel and business development | 75,348 | 210,679 |
| Listing and shareholder information | 16,519 | 24,342 |
| General and administrative expenses | 59,168 | 66,197 |
| Amortization | 1,201 | 1,644 |
| Foreign exchange loss (gain) | (3,610) | 6,251 |
| Net loss for the year before the undernoted | (407,259) | (563,737) |
| Investment income | 15,588 | 21,337 |
| Total loss and comprehensive loss for the period | \$ (391,671) | \$ (542,400) |
| Net loss per share - basic & diluted (<i>Note 10</i>) | \$ (0.00) | \$ (0.00) |

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

UNIGOLD INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(Unaudited-Expressed in Canadian Dollars)

| For the three month period ended March 31, | 2014 | 2013 |
|--|---------------------|---------------------|
| Cash flows from operating activities | | |
| Net loss for the period | \$ (391,671) | \$ (542,400) |
| Adjustments to add/(deduct) non-cash items | | |
| Share-based payment | 614 | 28,416 |
| Amortization | 1,201 | 1,644 |
| Deduct investment income | (15,588) | (21,337) |
| | (405,444) | (533,677) |
| Working capital adjustments | | |
| Other receivables | (5,630) | 16,272 |
| Other financial assets and prepaids | 32,559 | (13,820) |
| Accounts payable and accrued liabilities | (244,243) | (140,245) |
| Net cash flows from operating activities | (622,758) | (671,470) |
| Cash flows from investing activities | | |
| Acquisition of property plant and equipment | – | (4,469) |
| Acquisition of exploration and evaluation assets | (507,409) | (1,992,055) |
| Exploration property option (Note 7) | – | 50,000 |
| Investment income | 15,588 | 21,337 |
| Net cash flows from investing activities | (491,821) | (1,928,475) |
| Cash flows from financing activities | | |
| Options exercised | – | 77,250 |
| Net cash flows from financing activities | – | 77,250 |
| Net (decrease) increase in cash | (1,114,579) | (2,522,695) |
| Cash, beginning of period | 5,015,426 | 8,265,454 |
| Cash, end of period | \$ 3,900,847 | \$ 5,742,759 |

Supplemental information pertaining to cash flows (Note 13)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the periods ended March 31, 2014 and 2013

Unaudited-Expressed in Canadian dollars unless otherwise stated.

1. Nature of Operations and Basis of Presentation

Nature of operations

Unigold Inc. (“Unigold” or the “Company”) was incorporated pursuant to the Business Corporations Act (Ontario) on May 9, 1990. The Company’s executive office is located at 44 Victoria Street, Suite 504, Toronto, Ontario M5C 1Y2.

Unigold is in the process of exploring its property in the Dominican Republic.

Basis of presentation

These consolidated financial statements include the accounts of the Company, 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.R.L., which is incorporated in the Dominican Republic. All material intercompany balances and transactions have been eliminated.

2. Going Concern

These condensed consolidated interim financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Because of continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing or to reach profitable levels of operation. To address its financing requirements, the Company will seek financing through measures that may include joint venture agreements, debt and equity financings, asset sales, and rights offerings to existing shareholders.

It is not possible to predict whether financing efforts will be successful or if Unigold will attain profitable levels of operation. These condensed consolidated interim financial statements do not include any adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classification that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

3. Measurement Uncertainty

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 exploration and evaluation assets, 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. All of the Company’s exploration properties 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 uncertainty.

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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the periods ended March 31, 2014 and 2013

Unaudited-Expressed in Canadian dollars unless otherwise stated.

4. Summary of Significant Accounting Policies

(a) Statement of compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* using the accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. These condensed consolidated interim financial statements have been prepared on the basis off and using accounting policies, methods of computation and presentation consistent with those applied in Unigold’s 2013 Consolidated Annual Financial Statements. The accounting policies applied in these condensed consolidated interim financial statements are based on IFRS issued and outstanding as of May 21, 2014, the date the Audit Committee approved these statements. Any subsequent changes to IFRS that are given effect in the Company’s annual consolidated financial statements for the year ending December 31, 2013 could result in restatement of these condensed consolidated interim financial statements, including the transition adjustments recognized on change-over to IFRS.

The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company’s accounting policies. See *Note 5*.

(b) Basis of preparation

The financial statements are presented in Canadian dollars. The financial statements are prepared on the historical cost basis. In addition, these financial statements are prepared using the accrual basis of accounting except for cash flow information.

(c) Accounting standards and interpretations issued but not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards are not yet effective for the period ended March 31, 2014 and have not been applied in preparing these condensed consolidated interim financial statements

- IFRS 9, *Financial Instruments*, addresses the classification and measurement of financial assets;

These standards are being evaluated to determine their impact on the consolidated financial statements of the Company. IFRS 9 is effective for the Company’s fiscal year starting January 1, 2015.

(d) Accounting policies

The accounting policies applied by the Company in these condensed consolidated interim financial statements are the same as those applied to the Company’s annual consolidated financial statements for the year ended December 31, 2013 and the corresponding interim reporting period. *Note 4* to those annual statements describes the significant accounting policies used by the Company. These interim financial statements do not include all the notes of the type normally included in an annual financial report and therefore should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2013, as they provide an update of previously reported information.

5. Significant Accounting Judgments and Estimates

The preparation of these condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the periods ended March 31, 2014 and 2013

Unaudited-Expressed in Canadian dollars unless otherwise stated.

estimates. The condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- i. the recoverability of exploration properties and exploration and evaluation assets which are included in the condensed consolidated interim statement of financial position;
- ii. the inputs used in accounting for valuation of warrants and options which are included in the condensed consolidated interim statement of financial position;
- iii. the inputs used in accounting for share-based compensation expense in the condensed consolidated interim statement of comprehensive loss;
- iv. the nil provision for asset retirement obligations which is included in the condensed consolidated interim statement of financial position;
- v. the estimated useful life of property, plant and equipment; and
- vi. the existence and estimated amount of contingencies (*Note 16*).

6. Property, Plant and Equipment

| Cost | Land | Office furniture and equipment | Computer equipment | Vehicles | Field equipment | Camp and buildings | Total |
|---------------------------|-----------|---|-----------------------|------------|--------------------|--------------------------|--------------|
| Balance January 1, 2013 | \$ 13,771 | \$ 60,244 | \$ 66,651 | \$ 275,343 | \$ 1,339,341 | \$ 301,834 | \$ 2,057,184 |
| Additions | – | – | 26,904 | – | 56,700 | 10,057 | 93,661 |
| Disposals/transfer | – | (44,618) | 44,618 | (121,943) | – | – | (121,943) |
| Balance December 31, 2013 | \$ 13,771 | \$ 15,626 | \$ 138,173 | \$ 153,400 | \$ 1,396,041 | \$ 311,891 | \$ 2,028,902 |
| Additions | – | – | – | – | – | – | – |
| Disposals/transfer | – | – | – | – | – | – | – |
| Balance March 31, 2014 | \$ 13,771 | \$ 15,626 | \$ 138,173 | \$ 153,400 | \$ 1,396,041 | \$ 311,891 | \$ 2,028,902 |

| Amortization and impairment | Land | Office furniture and equipment | Computer equipment | Vehicles | Field equipment | Camp and buildings | Total |
|--------------------------------|------|---|-----------------------|------------|--------------------|--------------------------|------------|
| Balance January 1, 2013 | \$ – | \$ 17,603 | \$ 11,255 | \$ 105,668 | \$ 467,039 | \$ 52,435 | \$ 654,000 |
| Amortization | – | 5,561 | 22,674 | 41,180 | 179,482 | 52,018 | 300,915 |
| Disposals/transfer | – | (15,539) | 15,539 | (89,529) | – | – | (89,529) |
| Balance December 31, 2013 | \$ – | \$ 7,625 | \$ 49,468 | \$ 57,319 | \$ 646,521 | \$ 104,453 | \$ 865,386 |
| Amortization | – | 400 | 4,472 | 7,206 | 37,152 | 2,440 | 51,670 |
| Disposals/transfer | – | – | – | – | – | – | – |
| Balance March 31, 2014 | \$ – | \$ 8,025 | \$ 53,940 | \$ 64,525 | \$ 683,673 | \$ 106,893 | \$ 917,056 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the periods ended March 31, 2014 and 2013

Unaudited-Expressed in Canadian dollars unless otherwise stated.

| Carrying amounts | Land | Office furniture and equipment | Computer equipment | Vehicles | Field equipment | Camp and buildings | Total |
|----------------------|--------|--------------------------------|--------------------|----------|-----------------|--------------------|-----------|
| At December 31, 2013 | 13,771 | 8,001 | 88,705 | 96,081 | 749,520 | 207,438 | 1,163,516 |
| At March 31, 2014 | 13,771 | 7,601 | 84,233 | 88,875 | 712,368 | 204,998 | 1,111,846 |

Vehicles, field equipment and camp and buildings relate to the Company's exploration activities. During the three month period ended March 31, 2014, \$51,670 (2013 – \$61,233) of amortization was capitalized to exploration and evaluation assets.

7. Exploration Properties and Exploration and Evaluation Assets

Exploration properties and deferred exploration and evaluation costs consist of the following:

| | Balance January 1, 2013 | 2013 Additions/ Recoveries | Balance December 31, 2013 | 2014 Additions | Balance March 31, 2014 |
|--|-------------------------|----------------------------|---------------------------|----------------|------------------------|
| Exploration property interests | | | | | |
| Neita, Dominican Republic | \$ 283,747 | \$ – | \$ 283,747 | \$ – | \$ 283,747 |
| Los Guandules, Dominican Republic | 340,827 | – | 340,827 | – | 340,827 |
| El Carrizal, Dominican Republic | 154,456 | (50,000) | 104,456 | – | 104,456 |
| | 779,030 | (50,000) | 729,030 | – | 729,030 |
| Exploration and evaluation assets | | | | | |
| Neita, Dominican Republic | 26,774,036 | 6,963,051 | 33,737,087 | 557,878 | 34,294,965 |
| Los Guandules, Dominican Republic | – | – | – | – | – |
| El Carrizal, Dominican Republic | – | – | – | – | – |
| | \$ 26,774,036 | \$ 6,963,051 | \$ 33,737,087 | \$ 557,878 | \$ 34,294,965 |

Neita

The Company owns 100% of the exploration rights for gold, silver, copper, zinc and all associated minerals on the Neita Property in the north western Dominican Republic, as well as a sole and exclusive option for the commercial mining of the mineral deposits. In March 2012, Unigold's license was renewed until March 2015 with option for two 1-year renewals. During the period ended March 31, 2014, \$50,469 (2013 – \$61,233) of amortization was capitalized to exploration and evaluation assets and \$21,183 (2013 – \$73,184) of non-cash share-based expenses were capitalized to exploration and evaluation assets.

Los Guandules

On February 16, 2004, the Company entered into a definitive agreement with Americana de Explotaciones Mineras, S.R.L. ("Americana"), a Dominican private company, and the shareholders thereof, relating to the acquisition by the Company of the Los Guandules concession in the Dominican Republic. Under the terms of the agreement, in consideration for the payment of U.S.\$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 until February 16, 2015.

In the first quarter of 2013, Unigold entered into an agreement (the "Consent Agreement") with Malbex Resources Inc. ("Malbex") whereby Unigold has provided its consent to the acquisition of Americana by Malbex and the termination of the Unigold's option agreement with Americana. In exchange for Unigold consenting to the acquisition, Malbex has agreed to: (i) issue to Unigold 13,000,000 common shares in the capital of Malbex (the "Malbex Shares"); and (ii) grant to Unigold a 2% net smelter returns royalty in respect of all minerals produced

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the periods ended March 31, 2014 and 2013

Unaudited-Expressed in Canadian dollars unless otherwise stated.

from the property (the “NSR”). Half of the NSR may be repurchased by Malbex for \$1,000,000 which would leave Unigold with a royalty equal to 1% of net smelter returns. Additional consideration of 5,000,000 common shares of Malbex will be issued to Unigold in the event that Malbex, within the period commencing on the date upon which Americana is issued the concession agreement in respect of the property and ending five years thereafter, delineates 2,000,000 ounces of gold from the property on a National Instrument 43-101 compliant basis in the measured and/or indicated mineral resource categories. All such common shares of Malbex which may be issued to Unigold pursuant to the Consent Agreement will be subject to a hold period which will run for a period of four months from the time of the issue of such common shares.

The issuance of the Malbex Shares and the grant of the NSR is conditional on the issuance to Americana of the concession agreement in respect of the property. The agreement has been extended to July 31, 2014, due to regulatory delays in the Dominican Republic obtaining the exploration concession. Malbex is considered a non-arm’s-length party of Unigold as a result of the fact they have a common director.

El Carrizal

On May 30, 2011, the Company entered into a definitive agreement relating to the acquisition by the Company of an option to acquire the El Carrizal Concession for \$114,456 (U.S. \$120,000) and 400,000 common shares of the Company (issued and valued at \$40,000). The option is exercisable at any time until May 30, 2017 for U.S. \$100.

In the first quarter of 2013, Unigold entered into an agreement (the “Agreement”) with Terreno Resources Corp. (“Terreno”) to sell its option to acquire 100% of the El Carrizal concession. The agreement was amended June 4, 2013. As consideration for the purchase of the option, Terreno will issue to Unigold a total of 11,500,000 common shares in the capital of Terreno (the “Terreno Shares”) and make cash payments totaling \$1,000,000. An initial \$50,000 cash payment was received in the first quarter of 2013. Terreno will issue 5,750,000 common shares on exercise of the option and registration with the relevant authorities in the Dominican Republic. An additional issue of 5,750,000 common shares of Terreno to Unigold will occur as soon as practicable after such time as such issuance will not result in Unigold holding more than 10% of Terreno’s common shares outstanding. A further cash payment of \$250,000 is due within twelve months of the exercise of the option by Terreno. Two further cash payments of \$350,000 will be due within the 24 and 36 month anniversaries of the date Terreno exercises the option. In addition, Unigold will be granted a 2% net smelter returns royalty, of which half (leaving Unigold with a royalty equal to 1% of net smelter returns) can be repurchased by Terreno for US\$1,000,000. Unigold will be entitled to receive an additional 5,000,000 common shares of Terreno in the event that 2,000,000 ounces of gold are delineated on the property by Terreno on a National Instrument 43-101 compliant basis, in any category of resource. All such common shares of Terreno which may be issued to Unigold pursuant to the Agreement will be subject to a hold period which will run for a period of four months from the time of the issue of such common shares.

The closing of the transaction contemplated by the Agreement remains subject to the final approval of the TSX Venture Exchange and the shareholders of Terreno. The Agreement has been extended to August 31, 2014, due to regulatory delays in the Dominican Republic obtaining the exploration concession. Terreno is considered a non-arm’s length party of Unigold as a result of the fact an investor holds more than 10% of each company.

8. Equity Attributable to Equity Holders of the Company

(a) Common shares

Authorized, issued and outstanding shares

Common shares, no par value, authorized unlimited number of shares, issued and outstanding were 243,713,238 shares as at March 31, 2014 (December 31, 2013 – 243,713,238).

On June 10, 2013 the Company closed a private placement financing with the International Finance Corporation (“IFC”), a member of the World Bank Group. The financing was for 20,000,000 units of the Company at a price of \$0.25 per unit for aggregate gross proceeds of \$5,000,000. Each unit consisted of one common share of the Company and three-quarters of one common share purchase warrant (the “IFC warrant”). The holder of a full

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS*For the periods ended March 31, 2014 and 2013*

Unaudited-Expressed in Canadian dollars unless otherwise stated.

warrant has the right to acquire one common share of the Company at a price of \$0.50 until June 10, 2017, with certain acceleration provisions.

| | Number of shares | \$ |
|---------------------------------------|------------------|-------------|
| Balance January 1, 2013 | 222,563,238 | 49,824,616 |
| Option exercise | 300,000 | 77,250 |
| Option exercise-transfer of valuation | – | 60,000 |
| Balance March 31, 2013 | 222,863,238 | 49,961,866 |
| Option exercise | 850,000 | 173,500 |
| Option exercise-transfer of valuation | – | 124,535 |
| IFC Financing | 20,000,000 | 5,000,000 |
| Cash share issue cost | – | (81,017) |
| Value assigned IFC Warrants issued | – | (1,099,080) |
| Balance June 30, 2013 | 243,713,238 | 54,079,804 |
| Cash share issue cost | – | 15,056 |
| Balance September 30, 2013 | 243,713,238 | 54,094,860 |
| Balance December 31, 2013 | 243,713,238 | 54,094,860 |
| Balance March 31, 2014 | 243,713,238 | 54,094,860 |

(b) Reserve for warrants

A summary of share purchase warrants outstanding and changes during the periods indicated is presented below:

| | Number of Warrants | Weighted average exercise price \$ | Weighted average grant date fair value |
|--------------------------------|-----------------------|---------------------------------------|---|
| Balance January 1, 2013 | 32,384,050 | 0.35 | \$ 2,348,996 |
| Balance March 31, 2013 | 32,384,050 | 0.35 | 2,348,996 |
| Issued – IFC Warrants | 15,000,000 | 0.50 | 1,099,080 |
| Balance June 30, 2013 | 47,384,050 | 0.40 | 3,448,076 |
| Balance September 30, 2013 | 47,384,050 | 0.40 | 3,448,076 |
| Expired-transferred to deficit | (1,365,000) | 0.10 | (73,898) |
| Balance December 31, 2013 | 46,019,050 | 0.41 | 3,374,178 |
| Expired-transferred to deficit | 19,922,050 | 0.48 | (1,820,577) |
| Balance March 31, 2014 | 26,097,000 | 0.36 | \$ 1,553,601 |

As a result of the 13,765,000 unit private placement in November 2011, the Company issued 12,400,000-Warrants to purchase common shares of the Company at a price of \$0.10 per share, and 1,365,000 Broker Warrants to purchase common shares of the Company at a price of \$0.10, until November 17, 2013. The outstanding Broker Warrants expired unexercised and the expiry date of the Warrants was extended to November 17, 2015.

As a result of the 35,053,300 unit private placement in March 2012, the Company issued 17,526,650 2012-Warrants to purchase common shares of the Company at a price of \$0.50 per share, and 2,395,400 Broker Warrants to purchase common shares of the Company at a price of \$0.30, until March 8, 2014. The outstanding warrants expired unexercised.

As a result of the \$5,000,000 IFC financing in June 2013, the Company issued 15,000,000 IFC Warrants to purchase common shares of the Company at a price of \$0.50 per share until June 10, 2017. An “accelerator clause” applies to 50% of the warrants. If the Company has filed a NI 43-101 compliant mineral resource estimate outlining 3,000,000 ounces of gold and the stock price trades above \$1.00 for thirty days, then Unigold may call for exercise of the

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the periods ended March 31, 2014 and 2013

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warrants which, if not exercised, will expire in 60 days. The fair value of the warrants issued in this private placement was estimated at the date of grant using the Black-Scholes option pricing model with the following assumptions:

| | IFC Warrants |
|--------------------------|---------------------|
| Expected life | 4 years |
| Expected volatility | 115 % |
| Risk-free rate | 1.4% |
| Expected annual dividend | Nil |
| Grant date fair value | \$0.073 |

At March 31, the Company had warrants issued as follows:

| 2014 | | | | |
|-----------------------|---------------------------------------|--|---------------------------------------|--------------------|
| Exercise Price | Number of Warrants Outstanding | Weighted Average Remaining Contractual Life - Years | Number of Warrants Exercisable | Expiry Date |
| \$0.15 | 10,425,000 | 1.6 | 10,425,000 | Nov.17, 2015 |
| \$0.45 | 672,000 | 0.5 | 672,000 | Sep.13, 2014 |
| \$0.50 | 15,000,000 | 3.2 | 15,000,000 | June 10, 2017 |
| \$0.36 | 26,097,000 | 2.5 | 26,097,000 | |

(c) Reserve for share-based payment

A summary of share-based payment reserve activity during the periods indicated is presented below:

| | \$ |
|---|-----------|
| Balance January 1, 2013 | 2,998,753 |
| Issued – employee stock options | 101,610 |
| Exercised – employee stock options transferred to share capital | (60,000) |
| Balance March 31, 2013 | 3,040,363 |
| Issued – employee stock options | 37,813 |
| Exercised – employee stock options transferred to share capital | (124,535) |
| Expired/forfeited – transferred to deficit | (86,163) |
| Balance June 30, 2013 | 2,867,478 |
| Issued – employee stock options | 219,050 |
| Expired/forfeited – transferred to deficit | (538,277) |
| Balance September 30, 2013 | 2,548,251 |
| Issued – employee stock options | 24,091 |
| Expired/forfeited – transferred to deficit | (25,029) |
| Balance December 31, 2013 | 2,547,313 |
| Issued – employee stock options | 21,797 |
| Expired/forfeited – transferred to deficit | (60,474) |
| Balance March 31, 2014 | 2,508,636 |

9. Share - Based Payment – Employee 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

UNIGOLD INC.

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determined by the board of directors on the basis of the market price of the common shares, subject to all applicable regulatory requirements.

A summary of the Plan activity during the periods indicated is presented below:

| | Number | Weighted average exercise price \$ |
|----------------------------|-------------|------------------------------------|
| Balance January 1, 2013 | 17,370,000 | 0.23 |
| Issued | 750,000 | 0.28 |
| Exercised | (300,000) | 0.26 |
| Balance March 31, 2013 | 17,820,000 | 0.23 |
| Exercised | (850,000) | 0.20 |
| Expired/forfeited | (450,000) | 0.28 |
| Balance June 30, 2013 | 16,520,000 | 0.24 |
| Issued | 4,725,000 | 0.10 |
| Expired/forfeited | (2,870,000) | 0.27 |
| Balance September 30, 2013 | 18,375,000 | 0.20 |
| Expired/forfeited | (100,000) | 0.33 |
| Balance December 31, 2013 | 18,275,000 | 0.20 |
| Expired/forfeited | 350,000 | 0.23 |
| Balance March 31, 2014 | 17,925,000 | 0.19 |

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

| Exercise Price | 2014 | | | | Expiry Date |
|----------------|-------------------------------|---|-------------------------------|--|--------------|
| | Number of Options Outstanding | Weighted Average Remaining Contractual Life - Years | Number of Options Exercisable | | |
| \$0.26 | 3,000,000 | 0.8 | 3,000,000 | | Jan.21, 2015 |
| \$0.24 | 500,000 | 1.5 | 500,000 | | Oct.14, 2015 |
| \$0.18 | 1,600,000 | 1.7 | 1,600,000 | | Dec.1, 2015 |
| \$0.11 | 3,700,000 | 2.6 | 3,700,000 | | Nov.17, 2016 |
| \$0.32 | 75,000 | 2.8 | 75,000 | | Jan.19, 2017 |
| \$0.30 | 100,000 | 2.9 | 100,000 | | Mar.8, 2017 |
| \$0.33 | 3,525,000 | 3.2 | 3,525,000 | | Jun.26, 2017 |
| \$0.28 | 750,000 | 4.0 | 750,000 | | Mar.27,2018 |
| \$0.10 | 4,675,000 | 4.3 | 4,650,000 | | July 3, 2018 |
| \$0.20 | 17,925,000 | 2.8 | 17,900,000 | | |

As at March 31, 2014, there are 6,446,324 options available for grant (March 31, 2013 – 4,466,324). During the period ended March 31, 2014, share-based payment expense of \$21,797 was recorded (March 31, 2013 – \$101,610). Of this amount \$21,183 (2013 – \$73,194) was capitalized to exploration and evaluation assets. The weighted average exercise price of stock options exercisable as at March 31, 2014 is \$0.19 (March 31, 2013 – \$0.23).

10. Net Loss per Share

For the three month periods ended March 31, 2014 and 2013, the outstanding stock options and warrants were not included in the computation of the diluted net loss per share because the effect was anti-dilutive.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS*For the periods ended March 31, 2014 and 2013*

Unaudited-Expressed in Canadian dollars unless otherwise stated.

| Three months ended March 31, | 2014 | 2013 |
|---|-------------|-------------|
| Loss attributable to shareholders | \$ 391,671 | \$ 542,400 |
| Weighted average number of shares | 243,713,238 | 222,793,238 |
| Basic loss per share | \$ (0.00) | \$ (0.00) |
| Incremental shares on assumed exercise of options and warrants | | |
| Weighted average number of shares | 243,713,238 | 222,793,238 |
| Diluted loss per share | \$ (0.00) | \$ (0.00) |

11. Compensation

The compensation expense of the Company for the periods ended March 31, 2014 and 2013 was as follows.

| | 2014 | 2013 |
|-----------------------------|------------|------------|
| Salaries and non-wage costs | \$ 139,398 | \$ 142,298 |
| Directors' fees | 35,000 | 35,000 |
| Share-based payment | 614 | 28,416 |
| | \$ 175,012 | \$ 205,714 |

12. Related Party TransactionsThe Company's related parties as defined by IAS 24, *Related Party Disclosures*, include the Company's subsidiaries (Note 1), the Board of Directors, close family members and enterprises which are controlled by these individuals and key management as well as certain persons performing similar functions.

The remuneration of directors and key management of the Company was as follows.

| Three months ended March 31, | 2014 | 2013 |
|------------------------------|------------|------------|
| Aggregate compensation | \$ 215,500 | \$ 177,500 |
| Share-based payment | 21,183 | 89,476 |
| | \$ 236,683 | \$ 266,976 |

Included in the accounts for the periods ended March 31, 2014 and 2013 are payments made to officers, directors and corporations under the control or significant influence of officers and directors of the Company as follows:

| Three months ended March 31, | 2014 | 2013 |
|--|-----------|-----------|
| Management services fees paid to corporations controlled by or under significant influence of officers and directors of the Company: Wes Hanson | \$ 40,500 | \$ 23,500 |
| Professional fees paid to a director, Joseph Del Campo | – | 800 |
| | \$ 40,500 | \$ 24,300 |

These transactions were in the normal course of operations. See also Note 7 for property dispositions.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS*For the periods ended March 31, 2014 and 2013*

Unaudited-Expressed in Canadian dollars unless otherwise stated.

13. Supplemental Information Pertaining to Cash Flows

| Three months ended March 31, | 2014 | 2013 |
|---|-----------|--------|
| Income taxes paid | \$ – | \$ – |
| Change in accrued exploration and evaluation assets | (214,102) | 59,499 |
| Amortization included in exploration and evaluation assets (<i>Note 6</i>) | 50,469 | 61,233 |
| Share-based payments charged to exploration and evaluation assets (<i>Note 7</i>) | 21,183 | 73,184 |

14. Financial Risk Management

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from the previous period.

(a) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and other receivables.

Cash is held with a reputable Canadian financial institution, from which management believes the risk of loss to be minimal.

Financial instruments included in other receivables consist of sales tax due from the Federal Government of Canada. Other receivables are in good standing as of March 31, 2014. Management believes that the credit risk concentration with respect to financial instruments included in other receivables is minimal.

(b) Liquidity risk

The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its capital, administrative, and exploration and evaluation expenditures. The Company ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

As at March 31, 2014, the Company has working capital of \$3,798,614 (December 31, 2013 – \$4,695,879). The Company's ability to meet its financial obligations is dependent upon securing financing.

As of March 31, 2014, the Company has a cash balance of \$3,900,847 (December 31, 2013 – \$5,015,425) to settle current accounts payable and accrued liabilities of \$180,487 (2013 – \$424,730). The Company's other current assets consist of other receivables of \$28,892 (December 31, 2013 – \$23,262) and other financial assets and prepaids of \$49,363 (December 31, 2013 – \$81,922).

See also Note 2 – Going Concern.

(c) 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the periods ended March 31, 2014 and 2013

Unaudited-Expressed in Canadian dollars unless otherwise stated.

(d) Foreign exchange risk

The Company's financings are in Canadian dollars. Certain of the Company's transactions with its subsidiary, Unigold Dominicana, S.R.L. are incurred in foreign currencies and are therefore subject to gains or losses due to fluctuations in exchange rates. The Company is therefore subject to foreign exchange risk. As at March 31, 2014, the Company had cash balances of \$71,775 (December 31, 2013 – \$71,775) in United States dollars ("U.S. \$"). U.S. \$ accounts payable as at March 31, 2014 were U.S. \$33,820 (December 31, 2013 – U.S. \$13,547).

Sensitivity to a plus or minus 5% change in the foreign exchange rate would not have resulted in a significant fluctuation in the loss for the period ended March 31, 2014. The Company does not undertake currency hedging activities to mitigate its foreign currency risk.

(e) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's current policy is to earn interest on bank balances which approximate rates available from investment-grade short-term deposit certificates issued by its financial institutions. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its financial institutions. As of March 31, 2014, interest rate risk is minimal since the Company has no interest-bearing debt instruments.

A sensitivity analysis has determined that an interest rate fluctuation of 1% would not have resulted in significant fluctuation in the interest income during the period ended March 31, 2014.

(f) Fair value of financial assets and liabilities

Fair value estimates are made at the statement of financial position 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.

The book values of cash, other receivables, other financial assets, and accounts payable and accrued liabilities, approximate their respective fair values due to the short-term nature of these instruments.

The following is a summary of the Company's financial instruments:

| | As at March 31, 2014 | | December 31, 2013 | |
|--|-----------------------------|---------------------|-------------------|--------------|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Cash | \$ 3,900,847 | \$ 3,900,847 | \$ 5,015,425 | \$ 5,015,425 |
| Other receivables | 28,892 | 28,892 | 23,262 | 23,262 |
| Other financial assets | – | – | – | – |
| Accounts payable and accrued liabilities | 180,487 | 180,487 | 424,730 | 424,730 |

15. Capital Risk Management

The Company considers its capital structure to consist of equity attributable to shareholders of the Company which at March 31, 2014 was \$39,952,807 (December 31, 2013 – \$40,322,681). The Company manages its capital structure and makes adjustments to it, in order to have the funds available to support its exploration and operations activities.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS*For the periods ended March 31, 2014 and 2013*

Unaudited-Expressed in Canadian dollars unless otherwise stated.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its exploration properties and maximize shareholder returns. The Company satisfies its capital requirements through careful management of its cash resources and by utilizing its existing credit facility or equity issues, as necessary, based on the prevalent economic conditions of both the industry and the capital markets and the underlying risk characteristics of the related assets.

Management reviews its capital management approach on an ongoing basis. The Company and its subsidiaries are not subject to externally imposed capital requirements.

16. Commitments and Contingencies**(a) Legal proceedings**

The Company and its entities are party to certain legal proceedings arising in the ordinary course of business. In the opinion of management, there are no current legal proceedings or other claims outstanding, which, on final disposition, could have a material adverse effect on the financial position of the Company.

(b) Environmental matters

The Company has operated in the mineral exploration industry in the Dominican Republic for many years. The enforcement of environmental regulation in the Dominican Republic is evolving and the enforcement posture of government authorities is continually being reconsidered. The Company periodically evaluates its obligations under environmental regulations.

The Company's exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

(c) Guarantees

The Company has no guarantees outstanding.

(d) Contingencies

The Company is a party to certain employment contracts. These contracts contain clauses requiring that \$482,000 be paid on termination resulting from a change of control of the Company, \$454,000 be paid on termination for other than cause and employees may earn bonuses of up to \$184,000. As the likelihood of these events taking place is not determinable, the contingent payments have not been reflected in these consolidated financial statements.

(e) Operating contractual obligations

Minimum contractual payments over the next five years are estimated as follows:

| Year | Total | 2014 | 2015 | 2016 | 2017 | 2018 |
|--------------|------------|------------|-----------|------|------|------|
| Office lease | \$ 96,000 | \$ 46,000 | \$ 50,000 | \$ – | \$ – | \$ – |
| Services | 314,000 | 312,000 | 2,000 | – | – | – |
| | \$ 410,000 | \$ 358,000 | \$ 52,000 | \$ – | \$ – | \$ – |

The Company has entered into leases for office premises. The leases have an average life of one year six months (December 31, 2013 – three years) with renewal terms at the option of the lessee at lease payments based on market prices at the time of renewal. There are no restrictions placed upon the lessee by entering into these leases. Payments recognized as an expense were as follows:

UNIGOLD INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the periods ended March 31, 2014 and 2013

Unaudited-Expressed in Canadian dollars unless otherwise stated.

| Period ended March 31, | 2014 | 2013 |
|------------------------|-----------|-----------|
| Lease payments | \$ 12,465 | \$ 12,381 |

Non-cancellable operating lease commitments:

| | As at | March 31, 2014 | December 31, 2013 |
|---|-------|----------------|-------------------|
| Within one year | | \$ 58,000 | \$ 62,000 |
| After one year but not more than five years | | 37,000 | 50,000 |
| More than five years | | – | – |

17. Segmented Information

The Company's only activity is mineral exploration and evaluation. All of the Company's land, vehicles, field equipment, and camp and buildings (see Note 6) are physically located in the Dominican Republic. All of the Company's exploration and evaluation activities referred to in Note 7 relate to properties in the Dominican Republic.

As at and for the period ended March 31, 2014

| | Canada | Dominican Republic | Total |
|----------------------|--------------|--------------------|---------------|
| Assets | \$ 3,907,263 | \$ 36,228,862 | \$ 40,136,125 |
| Liabilities | 170,723 | 9,764 | 180,487 |
| Amortization expense | 1,201 | – | 1,201 |
| Investment income | 15,578 | 10 | 15,588 |
| Financing expense | – | – | – |
| Other expenses | 405,376 | 682 | 406,058 |

As at and for the period ended March 31, 2013

| | Canada | Dominican Republic | Total |
|----------------------|--------------|--------------------|---------------|
| Assets | \$ 6,370,042 | \$ 30,721,752 | \$ 37,091,794 |
| Liabilities | 283,339 | 278,773 | 582,112 |
| Amortization expense | 1,644 | – | 1,644 |
| Investment income | 21,337 | – | 21,337 |
| Financing expense | – | – | – |
| Other expenses | 549,833 | 12,260 | 562,093 |

Corporate information

Directors

Jose Acero

*President of Metales Antillanos S.A.
Santo Domingo, Dominican Republic*

René Branchaud, LLB ⁽²⁾⁽³⁾

*Partner in Lavery, de Billy LLP
Montreal, Quebec, Canada*

Andrew Cheatle, P.Geo., MBA, ARSM ⁽⁵⁾⁽⁶⁾

*President and Chief Executive Officer of Unigold
Thunder Bay, Ontario, Canada*

Daniel Danis, MSc, P.Geo. ⁽²⁾⁽⁵⁾

*Businessman
Laval, Quebec, Canada*

Joseph Del Campo, CPA, CMA ⁽¹⁾⁽³⁾⁽⁶⁾

*Businessman
Woodbridge, Ontario, Canada*

Joseph Hamilton, P.Geo., CFA ⁽¹⁾⁽³⁾⁽⁴⁾⁽⁵⁾

*Managing Director of Primary Capital
Orono, Ontario, Canada*

Charles Page, MSc, P.Geo. ⁽¹⁾⁽²⁾⁽⁵⁾

*Consulting Geologist
Burlington, Ontario, Canada*

(1) Audit Committee

(2) Compensation Committee

(3) Corporate Governance
and Nominating Committee

(4) Chairman

(5) Technical Committee

(6) Corporate Social Responsibility Committee

Officers

Andrew Cheatle, P.Geo., MBA, ARSM

President and Chief Executive Officer

John Green, MBA, CPA, CMA

*Chief Financial Officer and
Corporate Secretary*

Wes Hanson, P.Geo. ⁽⁶⁾

Chief Operating Officer

Stock Listing

TSX Venture Exchange, Tier 2 Company,

Trading Symbol: UGD

CUSIP: 90476X

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Investor Relations

Further information about the Company or copies of the Annual or Quarterly Reports and press releases are available from the Company's website at www.unigoldinc.com.

The Company's filings with Canadian securities regulatory authorities can be accessed on SEDAR at www.sedar.com.