UNIGOLD

2006 Annual Report

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CORPORATE PROFILE

Unigold Inc. is an exploration company focusing on gold assets in the Dominican Republic.

Currently the Company is exploring for bulk tonnage, near surface, open pittable, epithermal gold deposits on its 226 square kilometre Neita Property.

Forward-Looking Statements:

Certain information included in this report is forward-looking and is subject to important risks and uncertainties. The results or events predicted in these statements may differ materially from actual results or events. Forward-looking statements are based on the beliefs, estimates and opinions of Unigold's management on the date the statements are made. Unigold undertakes no obligation to update these forward-looking statements of management's beliefs and estimates or opinions or other factors should they change.

All resource estimates reported in this report are calculated in accordance with the Canadian National Instrument 43-101 and the Canadian Institute of Mining and Metallurgy Classification system.

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UNIGOLD

HIGHLIGHTS & OBJECTIVES

2006 Highlights

The Company has been successful in meeting all its objectives of 2006 and can be highlighted as follows:

- Was able to double the quantity of gold mineralization to around 500,000 ounces (in-house calculations non NI 43-101 compliant) from which 130,000 ounces are of an oxidized type.
- New mineralized areas have also been identified and will be explored in 2007.
- Acquired an additional drill rig that can drill down to 400 metres and a new excavator to accelerate the exploration program.
- Exploration continued throughout the year and covered not only surface sampling works but also geophysical interpretation of previously obtained results and diamond drilling.
- Retained the services of Excelsior Communications to strengthen the Company in the Investor Relations activities and promoting the Company in Canada and USA.
- Was able to adhere to its 2006 budget.

2007 Objectives

The Company will continue its aggressive exploration program and will be spending over $3.5 million this year. The expenditures will be spent equally between surface works, drilling and geophysics.

The Company will conduct an airborne geophysical survey covering 90% of the concession areas and has already signed a contract with a specialty company. The purpose is to identify mineralized anomalies for further detailed exploration and drilling.

The Company has purchased a new diamond drilling rig which can reach 400 metres down hole and a new excavator to assist the new drill rig and expand capability of sample trenching. The Company now has in operation two drill rigs, two excavators and all needed support vehicles and equipment.

Based on the quantity of oxidized gold mineralization, the Company has delivered enough samples to the laboratory to obtain the needed heap leaching parameters. These results are anticipated in the second quarter of 2007 and will be the basis for engineering design and feasibility study in the 3rd quarter of 2007. The Company has all intentions to become a gold producer in the near future.

With the assistance of Excelsior Communications, the Company will continue its drive to improve its market share price. The Company will organize a Property Tour in March 2007 for well known writers in the mining industry and will also organize a forum gathering of potential investors from the Middle East and specifically in Saudi Arabia. This forum will be held in Jeddah, Saudi Arabia in the month of May 2007.

As a consequence of all the promotional tours, road shows, conference participations, special interviews with the Company's management and meetings with potential investors that can lead to market share price appreciation, Unigold will seek to list the Company on the Dubai Stock Exchange, once the minimum requirement of market capitalization of over $50 million U.S. is stabilized.

The Company will continue to seek economically viable projects, which can bring added value, for potential mergers and acquisitions.

The management of the Company is very optimistic that the year 2007 will be a major milestone in discoveries leading toward a very bright and prosperous future.

CHAIRMAN'S MESSAGE

THE COMPANY'S MANAGEMENT TEAM HAS OVER 150 YEARS OF EXPERIENCE

Dear Valued Shareholder,

First I want to express my sincere appreciation for the hospitality by the Government officials of the Dominican Republic extended to me personally, to the management of Unigold Inc. and to the invited participants for Unigold Inc. property tour during March 21-23, 2007. It was my pleasure to meet Mr. Carlos Morales Troncoso *(see photo)*, Mr. Onofre Rojas, Minister of State for European Development Fund and the Director of Mines Mr. Octavio Lopez who expressed "his full support to Unigold Inc. for it is one of the companies that displays a high level of social and environmental responsibility".

During the past year 2006, Unigold Inc. has realized great achievements in its endeavours of exploring its 100% owned concessions in the Dominican Republic. These achievements, however, have not been reflected in the market's share price value and thus Unigold is certainly undervalued.

The year 2007 will be the year for publicizing the value of Unigold Inc. to the public and especially to our shareholders. I believe that we, the shareholders, can contribute dramatically to this objective by appreciation of our sense of loyalty to the company and enticing our friends and acquaintances to get involved with Unigold Inc. Our role as shareholders must entail the promoting of Unigold Inc. as a company with a great future rather than its present assets. Unigold Inc. has no intentions to remain as an exploration company in the junior league but it will grow to encompass investments in other economically viable deposits or projects. I believe that size does matter in this business and Unigold Inc. can build a good strong knowledge base which will enable it to go to various parts of the world for resource development.

Left to right: Mr. Jose Acero, Board member; Mr. Carlos Morales Troncoso, Minister of State for Foreign Relations, the Dominican Republic; Dr. Talal A. Alshair, Chairman of the Board; Dr. Ibrahim M. Eitani, Member of the Board and President & CEO; Mr. Daniel Danis, Member of the Board and VP Exploration.

I am looking forward to developing Unigold Inc. as a vehicle for future investments, and for mergers and acquisitions, to make sure the future is bright. In addition, the Company's management team has over 150 years of experience in the fields of business development, management operations, mining and geology.

I am personally convinced that the future of Unigold Inc. has an open sky based only on the results obtained, thus far, from only 10% of the concession areas.

Therefore, I encourage all our shareholders to get actively involved in acquiring the company's shares as I will personally do my part.

Dr. Talal A. Alshair
Chairman of the Board

April 25, 2007

"DEDICATE INTENTIONS TO CAPTURE VALUE"

Western Dominican Republic

PRESIDENT'S MESSAGE

EXPLORATION DEFINED THE OXIDIZED ORE ZONE WHICH CONTAINS AROUND 130,000 OUNCES OF GOLD

Dear Valued Shareholder,

I am happy to report to you that our goals for 2006 have been achieved primarily by increasing the quantity of gold mineralization in the Los Candelones area. Our in-house calculations, non NI 43-101 compliant, show that the quantity of gold has been doubled to 500,000 ounces. The exploration program devised for the year was brought to fruition by the extensive soil and stream sampling, drilling and geophysics. Good quality geophysics, IP and MAG, was carried out while dealing with the interpretation of the previous geophysics anomalies obtained from 2005. The IP inversion, lead to three dimensional computer simulations which highlighted the targets for the present and future exploration plans. In the fourth quarter 2006, the Company purchased an additional drilling rig which can reach down to 400 metres in depth and a new excavator (two drill rigs and two excavators are now in operation) supported by the required vehicles, equipment, spares and accessories.

Exploration defined the oxidized ore zone which contains around 130,000 ounces of gold, in-house calculations, non NI 43-101 compliant, which can be brought to production fairly quickly by heap leaching. Enough samples from the oxidized ore have been sent to laboratory analysis and awaiting the results.

During the year, the major set backs were related to the turnover of qualified experienced geologists and drillers and to the long lead time periods of obtaining sample analysis from the laboratories. The Company was successful in getting the required manpower and is diligently keeping them, thus, not affecting the exploration program.

Due to the under value of Unigold's market share prices, the management was reluctant to enter into any process of mergers/acquisitions. This was taken so as not to dilute the shareholdings of its present shareholders and the lack of bargaining power with potential business projects. It is believed that it will be more beneficial to promote Unigold Inc. via promotional tours and road shows. Several road shows and conference participations have been completed in Canada and USA, to improve the market share prices as a first step. Once there is a noticeable market share price increase, mergers and acquisitions can only then be considered aggressively and seriously.

Drilling at Los Candelones

UNIGOLD INC. HAS OVER $7 MILLION IN ITS TREASURY, AS OF DECEMBER 31, 2006, AND IS PLANNING TO SPEND $3.5 MILLION IN 2007

In summary, Unigold is very pleased with the achieved exploration program results during 2006 and very optimistic that the concessions will yield major discoveries in 2007.

Unigold Inc. has over $7 million in its treasury, as of December 31, 2006, and is planning to spend $3.5 million in 2007. The expenditures will support the planned exploration program consisting of: surface exploration, soil and stream sampling, diamond drilling and airborne geophysical surveys over the majority of the concessions. The analysis results and reports from this airborne survey will be available at the end of the second quarter of 2007. Moreover, the formulations for the heap leaching parameters, as defined by the laboratory analysis, are expected in the second quarter of 2007 as well. Based on these results, a pre-feasibility study will commence in the third quarter of 2007 to evaluate the plans for a heap leaching mining operation.

Unigold's management is very stringent in continuing to implement its aggressive exploration program in 2007 and at the same time to seek ways and means to improve shareholders' equity by ways of diversification of its asset portfolio.

Dr. Ibrahim M. Eitani
President & CEO
Member of the Board

April 25, 2007

Trenching at Los Candelones

PROPERTIES

UNIGOLD WAS GRANTED 100% OF THE EXPLORATION RIGHTS FOR GOLD, SILVER, ZINC, COPPER AND ALL ASSOCIATED MINERALS

Property Acquisitions

In July 2002, Unigold acquired a 100% interest in Neita (25,221 hectares) and Sabaneta (55,720 hectares) of the Fiscal Reserves by way of a special contract ratified by Congress and Senate of the Dominican Republic government. These Fiscal Reserve properties were held by the Dominican Republic government and were not available for acquisition until 2002.

Unigold was granted 100% of the exploration rights for gold, silver, zinc, copper and all associated minerals on the Neita and Sabaneta properties, as well as a sole and exclusive option for the commercial mining of the mineral deposits. The initial duration of the Fiscal Reserve contract was for 6 months but with 2 one-year extensions after which the property had to be converted to a Concession. A Concession is issued for 3 years plus 2 one-year extensions after which it must be converted to an Exploitation License which is issued for 75 years.

According to Article 32 of Mining Law 146 of 1971 of the Dominican Republic, the same entity may not be granted one or more exploration concessions exceeding 30,000 hectares in the aggregate. Due to this limitation, the Company through Unigold Resources Inc. applied for an exploration concession on the Neita Property which covers an area of 22,616 hectares and sold its mineral rights in respect of the Sabaneta property.

Unigold was required to pay to the Dominican Republic government a total of US$150,000 per Fiscal Reserve over a 3-year period for exclusive exploration rights for a 100% interest in the properties. There were no fixed yearly exploration expenditures required, however, Unigold had to spend US$2.0 million over a 3-year period. Unigold has made all the required payments to the Dominican Republic government and has met its exploration expenditure requirement.

The government of the Dominican Republic has granted free zone status to the Company properties for a period of 20 years. As a result, Unigold is exempted from sales tax, corporate taxes and import-export duties during this period of time.

The Company also has an option agreement with a private Dominican Republic company to acquire a 100% interest in the Los Guandules Concession. This 13,386 hectare Concession is contiguous on the southern boundary of the Neita Property. It covers the extension of the geologically favourable Cretaceous volcanic belt which extends northwest-southeast through the Dominican Republic and which includes the world class Pueblo Viejo Gold deposit. This property contains the Rosso Gold showing which is on an extension of a mineralized structure, located on the Neita Property. Previous trenching in the 1980's on the Rosso showing has returned values up to 2.4 g/t gold over 29 metres. Float has also assayed up to 7.9% copper. Three shallow drill holes were completed in the 1980's and intersected gold mineralization.

NEITA PROPERTY

Unigold's land position in northwestern Dominican Republic

General Exploration

The Company is focusing on gold exploration in the Dominican Republic within the 75 kilometre wide Cretaceous age volcanic belt which transects the country.

The Neita Property (22,616 ha) is underlain by very favourable Cretaceous age volcanic geology in an environment known to host the world class Pueblo Viejo Gold Mine. The Neita Property contains about 20 large hydrothermal alteration zones as identified by an airborne magnetic and radiometric survey which are partly coincident with gold in stream sediment anomalies that represent prime targets for exploration.

A 22 kilometre long structural contact zone between the Upper (felsic) and Lower Tireo (mafic) volcanic rocks, which is also a gold-in-stream sediment anomaly, has been shown to carry gold (up to 11.9 g/t) and copper (up to 20% in veins) mineralization at three widely spaced locations.

Induced Polarization ("IP") geophysical surveys on the Los Candelones, El Corozo and Montazo-Guano areas has outlined excellent chargeability targets over large alteration zones which are believed to represent sulphide mineral concentrations.

More than ten large, altered and mineralized areas have been identified in the Neita Property. At least four mineralized areas contain high copper potential but low precious metal values. At least 6 other, large alteration zones, up to 3.0 kilometres in size, containing gold in soil prospects (El Corozo, Cerro Berro, Vara de Vaca, Neita, Montazo-Guano and Candelones) have been under study at different time periods with an exploration emphasis in precious metals.

El Corozo Area

In the El Corozo area, geological mapping and prospecting has outlined a 750 metres long by 75 metres wide, north-south trending topographic ridge formed by silicification and brecciation of the host mafic volcanic rocks situated adjacent to a felsic pyroclastic unit. The host north-south structure is considered to be a splay off a nearby regional north-west trending fault. The volcanics are highly altered and possess both copper and gold in soil anomalies. One strong copper and gold anomaly located to the west of the hill was a high coincident IP chargeability. Immediately to the west, a silicified float rock sample assayed 6.0 g/t gold. Other reconnaissance rock samples in the area returned results of 1.5 and 0.7 g/t gold.

Immediately to the west of the hill, stream sediment samples have assayed up to 1.1 g/t gold. Adjacent to the silicification, in the valley to the east, a 2 km oblong target is interpreted by airborne geophysics to be a large hydrothermal alteration zone. A similar 2.5 km long hydrothermal alteration zone is located immediately to the south of the silicification zone and is centred on the northwest regional structure. A quartz diorite intrusive occurs adjacent to the fault and a 0.9 g/t gold grab sample was obtained from the base of the hill. Four diamond drill holes targeted the El Corozo silicified hill encountered low gold values of up to 0.8 g/t in narrow quartz veins. All four holes encountered 0.05% to 0.1% copper mineralization from the top to the bottom of the holes. The best single interval was 0.2% copper over 27 metres (in hole SC01). The area is underlain by a large hydrothermal alteration system and the main copper/gold soil and IP chargeability target has yet to be drilled.

Montazo-Guano Area

The largest silicification and hydrothermal alteration zone occurs in the Montazo-Guano area. This target trends east-west and has a length of about 3 km and a width of about 1 km. Two separate northwest trending regional structures cut the target. Alteration may be controlled by two northeast-southwest secondary faults. Strong argillic alteration is enveloping the quartz veining. Low but consistent gold values averaging 0.3 g/t gold is widespread. Previous trenching on the eastern margin of the alteration zone returned values up to 0.56 g/t gold over 64 metres (MT02) and 0.42 g/t gold over 22 metres (GT01) while trenching on the western margin of the zone, located 2.5 km away, returned values up to 0.54 g/t gold over 100 metres. Eight scattered drill holes were completed in 1997 with grades up to 0.44 g/t gold over 16 metres (SM01). The main target has never been properly sampled or drilled. A recent stream sediment sample taken from southeast of the target ran 106 ppb gold and one reconnaissance rock sample on the western end of the target ran 928 ppb gold. A high IP chargeability is coincident with the main Guano Hill.

Loma De Montazo Area

In the Loma de Montazo area, located about 9 km southeast of El Corozo along the same northwest-southeast regional structure, the Company has identified a 4 km long, north-east trending, fault bounded hill composed predominantly of silicified and altered andesitic tuff and pyroclastic dacite. Rhyolite occurs in fault contact to the north. Airborne magnetics and radiometrics have outlined an alteration zone on the north side of the fault.

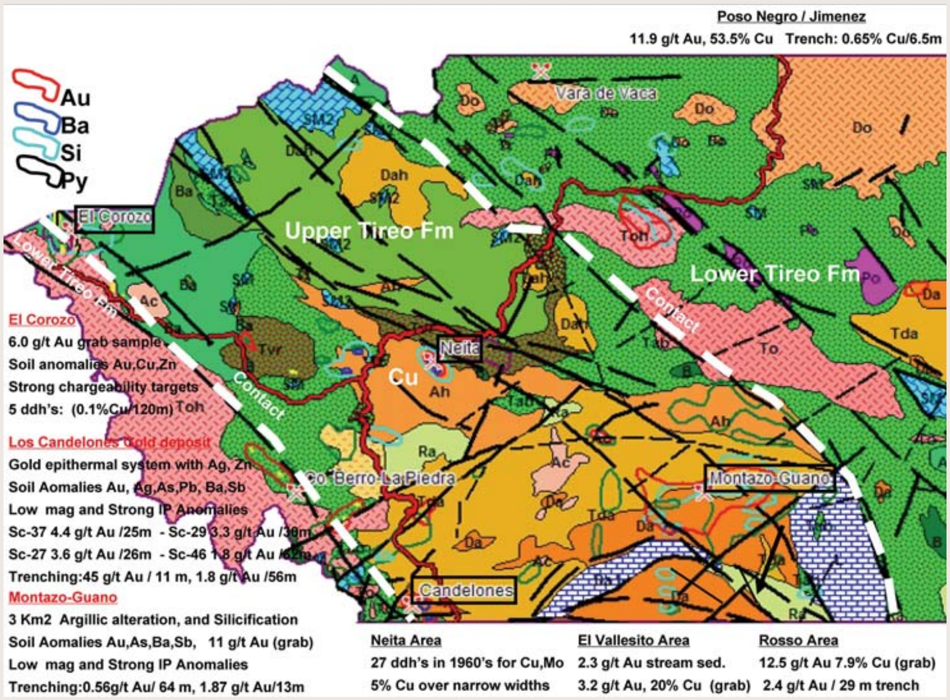
Stream sediment sampling evaluating this target has returned very encouraging values of 0.6 and 0.5 g/t gold. Reconnaissance rock geochemistry along the silicified rocks on the ridge has returned gold values of 0.3, 0.2, 0.2 and 0.1 g/t.

Neita Area (Cu)

The Neita area located just to the south of the town of Restauracion was drilled in the 1960's for copper by Mitsubishi Mining. They drilled 27 holes and intersected discontinuous copper values up to 5% in veins within andesites and fragmented andesitic tuff.

Fault Contact Area

A 22 kilometre long, northwest trending structure between mafic and felsic volcanic rocks which may represent a major gold-copper system, has been identified on the Neita property. Gold-in-stream sediments highlight the entire 22 kilometre length of the fault. Unigold has undertaken limited work on this structure but has identified significant gold and copper values in three separate locations. At Jimenez, a copper-in-soil anomaly in excess of 1,000 ppm was traced for over 1 kilometre and is open at both ends. Limited trenching uncovered a silicified quartz vein and sulphide system which assayed 0.65% copper over 6.7 metres. Nearby float rock samples assayed up to 11.9 g/t gold. About 8 kilometres to the southeast along the structure at El Vallesito, Unigold has identified an outcrop with assays of up to 3.2 g/t gold and 20% copper in veins. A further 6 kilometres to the southeast in the Rosso area, government geologists in the early 1980's, had unearthed a gold mineralized zone with values up to 2.4 g/t gold over 29 metres in trenching and found float that assayed 7.9% copper in the vicinity. This 22 kilometre strike length of northwest trending structure is a high priority target for both gold and copper mineralization. Rock sampling of a sector of the 22 kilometre long north-west trending structure between Upper and Lower Tireo, located about 1.5 km south-east of Montazo-Guano, returned excellent results with rock samples up to 1.2 g/t gold within a dacite breccia containing 30% barite.



Compilation map,
Neita Fiscal Reserve

The 2006 regional exploration on the Neita concession has also, in addition to the previously known areas, identified 5 new areas of gold occurrences:

- MATEO showing is exposed over a length of 200 metres, about 5 kilometres NNW of Los Candelones near the road going to the El Corozo mineralized area. A 14.4 g/t gold assay was returned from altered volcanics outcrop, further investigation of that area returned samples with 3.4 g/t gold, .933 g/t gold and .5 g/t gold from a brecciated unit containing 1 to 3% chalcopyrite and vuggy silica stockwork. Seventeen samples were taken in the area with four samples reporting grades higher than 1 g/t and a maximum grade of 7 g/t of gold. The showing is coincident to a portion of a long ridge trending NNW.
- NOISY showing is exposed over a length of 300 metres and unknown thickness. Eleven samples were taken from the area with four samples reporting grades higher than 1 g/t gold and with a maximum grade of 6.5 g/t of gold. The showing is located at the summit of a NW trending hill showing few outcrops. Pick and shovel trenching was recently performed to assess its width and grade. Assay results are pending.
- FOGON showing is exposed over a length of 200 metres. Seven samples were taken in the area with two samples reporting higher than 0.5 g/t gold and with a maximum grade of 1.6 g/t of gold.
- JIMENEZ showing was discovered by the Company in 2004 extending to the north where grades of up to 14 g/t gold were reported during recent prospecting. The showing forms a narrow NW trending ridge where thin (<0.5m wide) drusy, low-grade quartz veins are seen. High-grade boulders found at the bottom of the ridge suggest the presence of a parallel, overburden covered vein system on the SW flank of the ridge. This showing indicates a potential strike length of up to 1.2 kilometres.
- NARANJO SW, new showing, is on the same structural trend as the NARANJO area drilled by BRGM in 1998. Nine samples were taken with three samples reporting grades higher than 1 g/t gold and a maximum grade of 11 g/t of gold.

LOS CANDELONES

GOLD GRADES IN THE DIAMOND DRILLING STARTING NEAR SURFACE OF UP TO 4.4 G/T GOLD OVER 25 METRES

Description and Status

The Los Candelones mineralized zone in the southern part of the Neita property, is located on the western end of the Cretaceous volcanic belt that transects the Dominican Republic. The mineralized zone was first drilled in the early 1980's by the government (8 ddh, 645m) and followed up in 1997 by BRGM (14 ddh, 2090m) for the government as part of an aid package from the European Union. Diamond drilling returned values (hole SC-16) which assayed 1.0 g/t gold from surface to 90 metres with a central zone of 1.54 g/t over 44 metres and (SC-18), a hole 30 metres away, which ran 1.3 g/t gold from surface to 92 metres with a higher grade zone of 1.81 g/t over 44 metres. At the eastern end of the Los Candelones zone, located 300 metres to the southwest, four old drill holes assayed up to 1.6 g/t gold over 38 metres and old trenching assayed up to 1.55 g/t gold over 43 metres.

In the Los Candelones area, gold mineralization occurs on a hill, is structurally controlled and occurs within north-northwest trending quartz veins, and kaolinized and silicified Cretaceous age felsic pyroclastic rocks which overly flank dacite and dacitic porphyry rocks, very similar to the geological setting at the world class Pueblo Viejo Gold Deposit.

The gold mineralization at Los Candelones is a moderately sulphidized, epithermal system and occurs within a stock work associated with chalcopyrite, sphalerite, pyrite, galena, plus minor silver. The gold mineralization occurs within a 1,200 metre by 600 metre gold-in-soil anomaly and coincident IP chargeability is high which corresponds to sulphide mineralization. Time IP/Resistivity surveys were conducted over the Los Candelones grid in 2004 and 2005. The grid was made up of 23 NS lines at 100 metres spacing and some interline at 50 metre spacing to cover a total distance of 26.5 kilometres over an area of approximately 2.47 square kilometres. The used array was pole-dipole with up to six potential electrode pairs; the potential electrode separation was 25 metres for the first four electrode pairs and 50 metres for the last two.

The raw data was inverted on March - April 2006 by the Company using the University of British Columbia programs for forward modeling and inversion of DC Resistivity and IP data over 2D structures.

The obtained models showed three E-W zones with high chargeability values (>9mV/V) over 900 metre in length and variable width (from 50 to 150 metre), the depth in most of the lines is still undefined or open due to the depth of investigation of the used method (approx. 85 metre, Edwards, 1977). The top of these zones is associated with low conductivity values that correspond to alteration (silicification) zones.

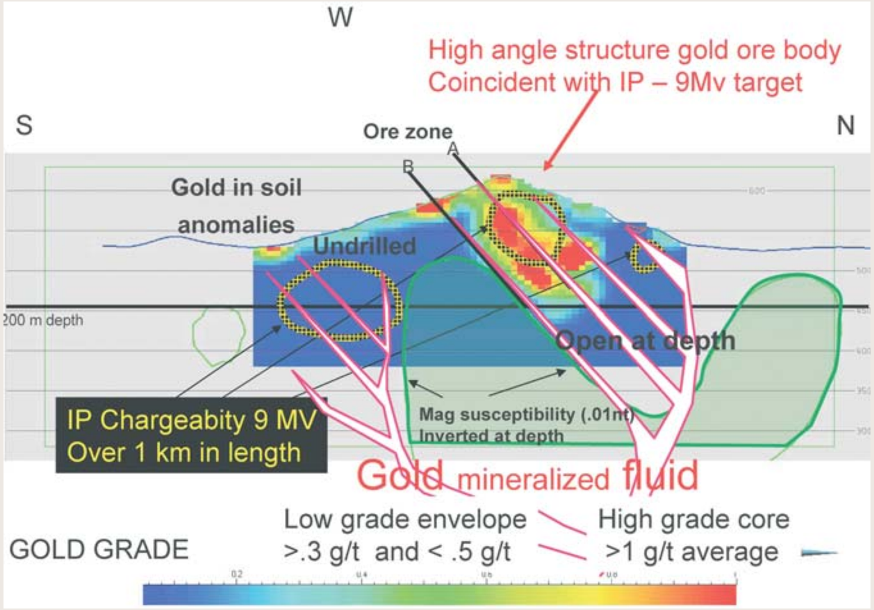
Historical trenching results within the soil anomaly included 0.5 g/t gold over 122 metres (TC41), 1.55 g/t over 43 metres (TC36) and 3.0 g/t over 24 metres (TC43). Re-sampling a trench, located about 100 metres to the NW of the last known gold mineralization ran 26 g/t gold over 16 metres (TC42).

The trenching program on the main Los Candelones hill consisted of digging new trenches and cleaning out and re-sampling old trenches in an effort to develop an oxide resource. Trench TC21 and TC22, oriented in a NE-SW direction, were cleaned out and re-sampled. TC21 assayed 1.5 g/t gold over 29.7 metres and TC22 assayed 1.2 g/t gold over 19.1 metres. A 7.1 metre access road separates the two trenches. This E-W trending along the access road assayed over 1.0 g/t gold over a 200 metre stretch in 36 chip samples each 5 metres in length. A few metres to the SW from TC22 and also oriented NE-SW to the old trench TC23 assayed 1.5 g/t gold over 19 metres. Three drill holes (SC05, SC14, and SC18), occur NE of an adjacent TC21, have intersected oxide gold mineralization of 0.66 g/t gold over 40 metres, 0.62 g/t gold over 14 metres and 0.49 g/t gold over 20 metres respectively.

Last year the Company started a trenching program of 3,200 metres on the Los Candelones gold deposit. The trenching targeted the northwest and the south part of Los Candelones hill where the Company has large IP chargeability and low conductivity anomalies in order to extend a zone found in trench TC42 assaying 26.3 g/t over 16 metres and consisting of eight two metre contiguous samples which ran 9.65, 0.61, 13.9, 29.5, 10.0, 124.5, 0.46 and 21.45 g/t gold respectively.

The trenching program was followed, in June 2006, by a 3,000 metre diamond drilling program. The program was designed to (i) outline and expand the higher grade gold zones, to confirm the mineralization continuity as shown by the IP inversion, (ii) confirm other parallel IP chargeability zones not yet tested by diamond drilling and (iii) to collect sufficient data to warrant independent resource calculations.

To date, the Los Candelones Gold Deposit has 58 diamond drill holes on main hill totaling approximately 7,225 metres. Unigold has completed 19 diamond drill holes in 2004 and 2005 totaling about 2,600 metres and 14 drill holes in 2006 for a total of 2,230 metres on the Los Candelones Gold Deposit.



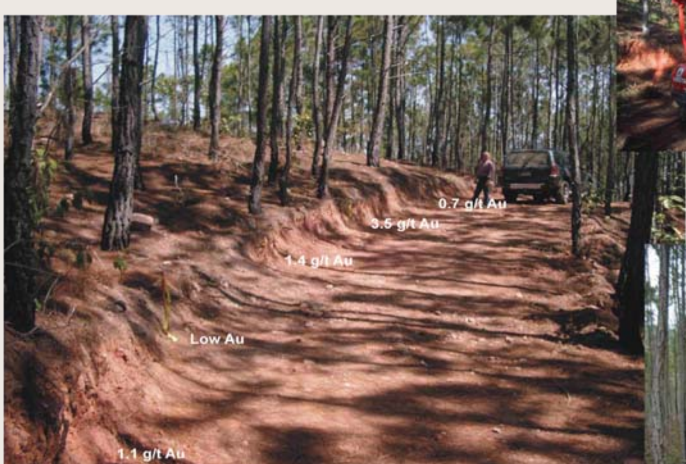
Los Candelones
Cross-section 6500N
With gold distribution
from Gocad 3D modelling

Gold grades in the diamond drilling starting near surface of up to 4.4 g/t gold over 25 metres and 2.2 g/t gold over 61 metres and including 3.1 g/t gold over 31 metres were encountered. The geological correlation between the known intercepts of the gold mineralized zones and the IP chargeability model was completed using all the holes that were drilled on Los Candelones. The results show a high positive correlation between the IP inversion and the gold occurrences. The tested proportion between the drilled and un-drilled parts of the IP inversion shows high probability to significantly improve the known gold resource in the Los Candelones gold deposit.

A detailed ground MAG done in 2006 over Los Candelones is showing a low MAG over the known mineralized zone and duplicated to the south, supporting the concept of multiple parallel high chargeability zones. Pueblo Viejo mine is clearly showing a low MAG over the mineralized area.

The 3-D compilation of the data of the tested proportion between the drilled and un-drilled parts of Los Candelones Gold Deposit shows high probability to significantly improve the known gold mineralization.

The diamond drilling has now demonstrated the on-strike and down-dip continuation of the 25 to 30 metre thick gold core of epithermal mineralization which grades from 1.0 to 4.4 g/t gold over 8 cross-sections located 25 metres apart. The core stock-work zone is enclosed within up to 100 metres of pyroclastic rocks which grade 0.3 to 0.5 g/t gold. It is expected that this mineralized zone will be relatively continuous for at least an additional 400 metres to the southeast, with small local fault offsets, and to re-join with the Los Candelones East mineralization. At Los

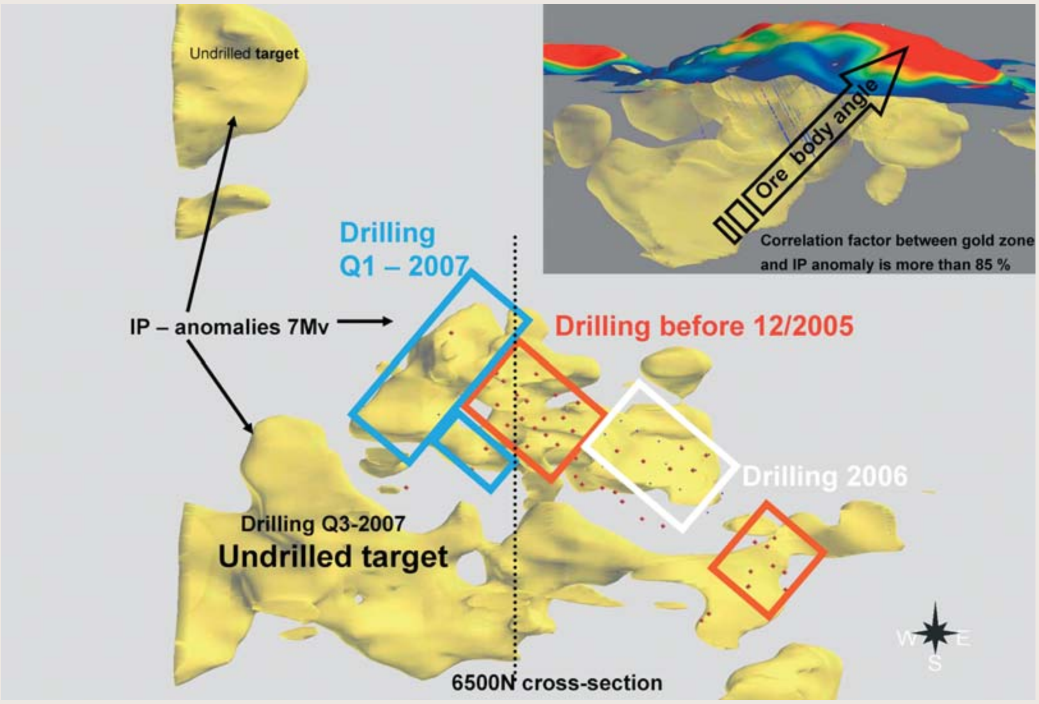



58 diamond drill holes into a 1200 m by 600 m coincident gold-in-soil anomaly and IP chargeability high. Trenching to 26.3 g/t Au over 16 metres and diamond drilling to 4.4 g/t Au over 25 metres. Chip sampling along drill access road in E-W direction ran >1 g/t gold over 200 metres.

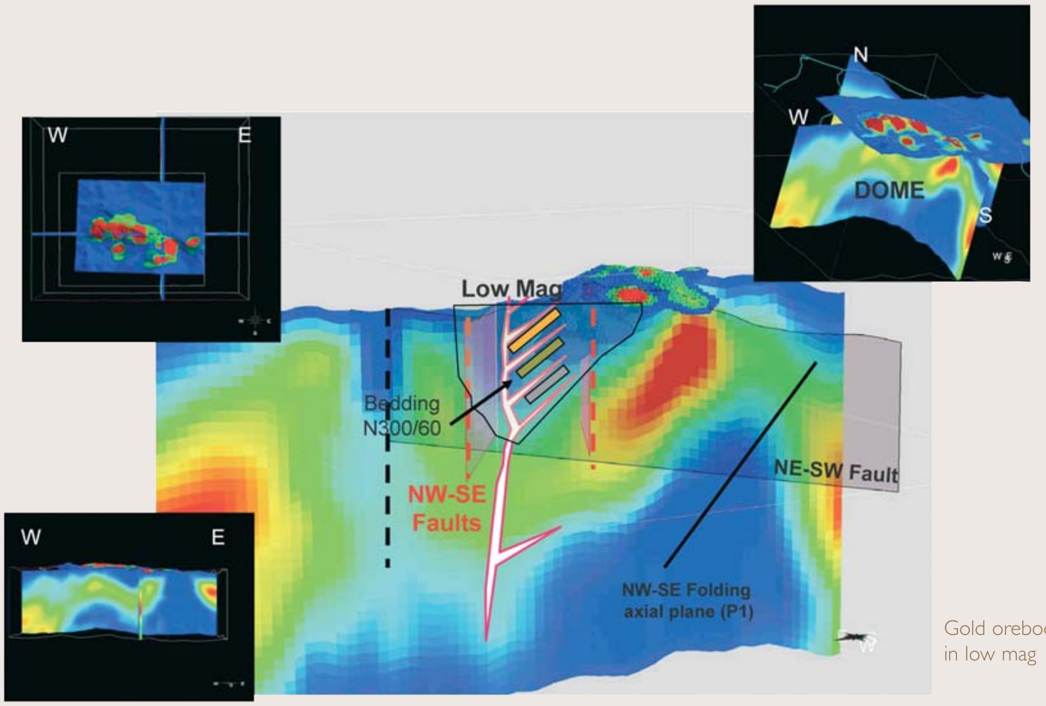
Candelones East, mineralization in trenches assayed better than 1.0 g/t gold over a length of 100 metres and the most recent drill hole (SC35) ran 1.5 g/t gold over a length of 48 metres.

The existing trenched and diamond drilled mineralized areas represent a small part of the 1,200 metre long by 600 metre wide gold-in-soil anomaly and coincident high IP chargeability which represents sulphide mineralization.

Hole DC-46 provides a good example of the extension of the core zone with more than 21 metres at 3.3 g/t within 62 metres at 1.82 g/t and trenches TC-614b and TC-630 provides a good example of the western extension of the core zone into a high grade zone demonstrating the on-strike and down-dip continuation of the gold mineralization.



Los Candelones Drilling



Gold orebody located in low mag

DRILL INTERCEPTS

HOLE DC-46 PROVIDES A GOOD EXAMPLE OF THE EXTENSION OF THE CORE ZONE WITH MORE THAN 21 METRES AT 3.3 G/T GOLD

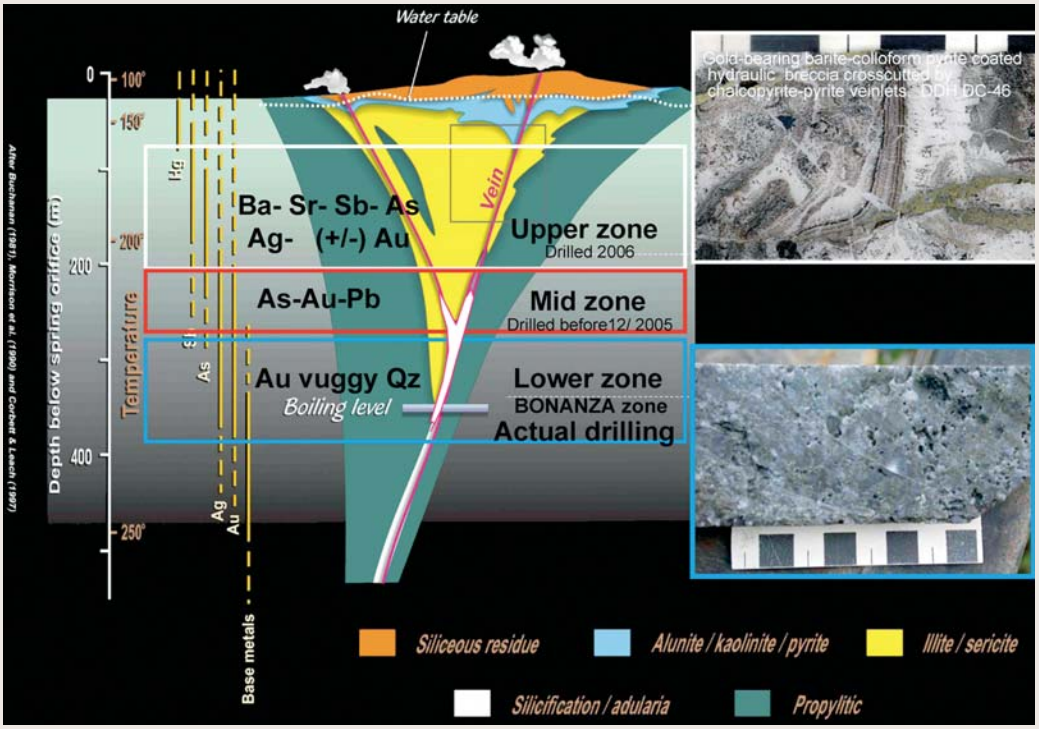
		Drill Holes		
DDH No.	From (m)	To (m)	Length (m)	Grade (g/t)
DC-45	8	22	14	0.68
	32	82	50	0.86
DC-46	13	75	62	1.81
Incl	19	40	21	3.34
Incl	64	74	10	2.55
DC-47	7	16	9	1.32
	33	46	13	0.54
DC-48	32	48	16	0.63
DC-49	37	53	16	1.26
DC-50	49	55	6	0.79
DC-51	52	69	17	0.62
DC-52	58	83	25	1.10
DC-53	23	34	11	0.58
	84	95	11	0.63
DC-54	62	117	55	0.81
Incl	87	110	23	1.30
DC-55	74	100	26	0.50
Incl	74	81	7	0.65
DC-56	85	92	7	0.74
DC-57	90	124	34	0.70
DC-58	111	151	40	0.70
Incl	119	140	21	1.10

	Trenches	
Trench No	Length (m)	Grade (g/t)
TC-613	14	0.78
TC-614	22	1.19
TC-614b	16	2.09
TC-615	6	0.98
TC-616	12	0.43
TC-619	6	0.68
TC-619b	32	3.13
TC-621	17	0.42
TC-623	12	5.95
TC-625	10	0.47
TC-626	14	1.04
TC-627	30	1.00
TC-630	56	1.80
TC-631	68	1.30
TC-633	32	0.87

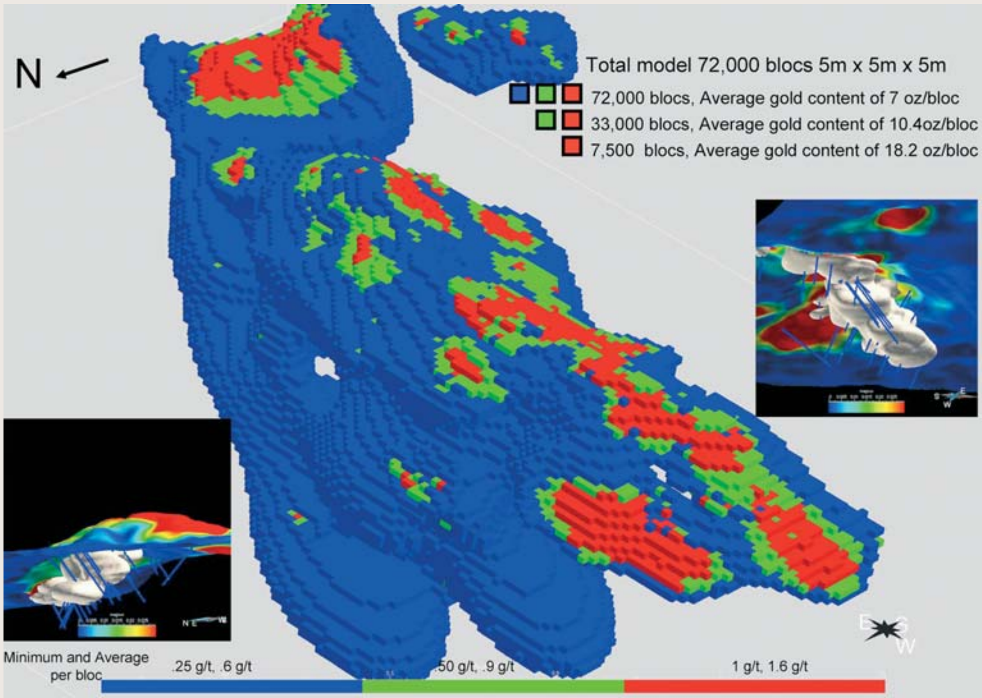
A 1 METRE VEIN WAS CHIP SAMPLED (SAMPLE 93309) RETURNED 105 G/T GOLD AND (SAMPLE 93310) RETURNED 48 G/T GOLD.

A detailed structural survey on Los Candelones is underway. The first preliminary results are confirming the possibility of a dome and basin structure type at Los Candelones. Evidences of a polyphased tectonic regime were seen in the sedimentary units near the area, associated with the barite-in-soil anomaly and the leached magnetic signature at depth under the actual gold mineralization. This should lead the drilling program to deeper targets in the south east sector of Candelones. Field evidences of an offsetting senestral fault displacing the actual gold resource were found in trenches.

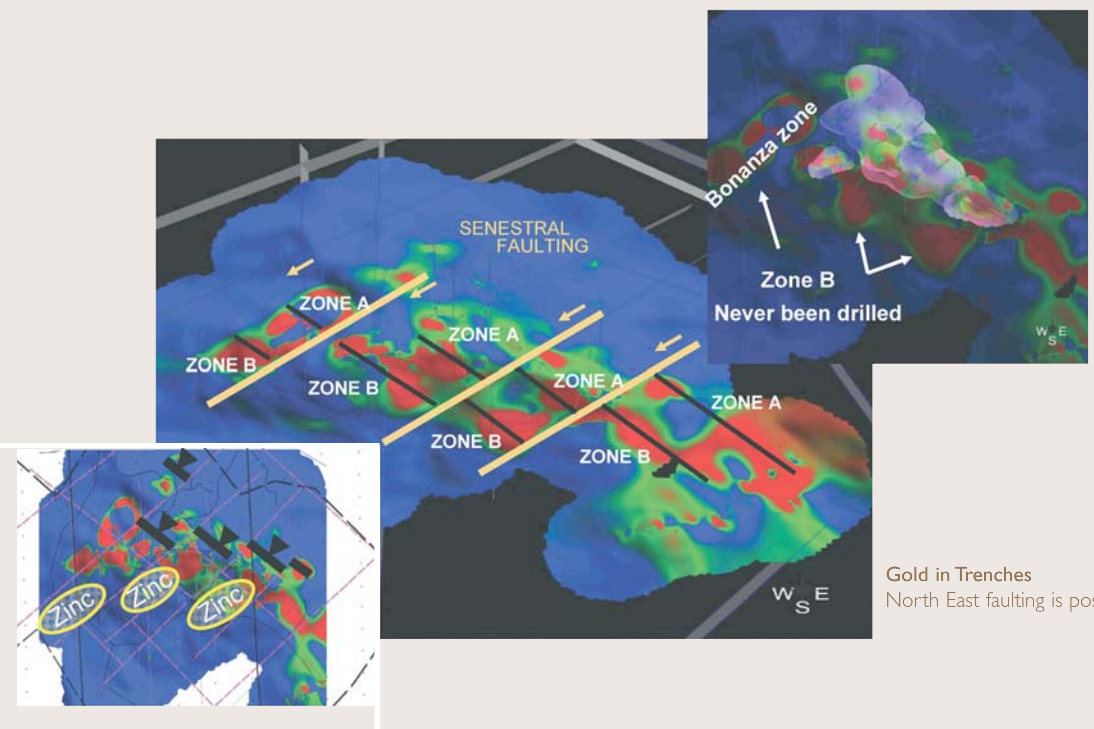
A recent field study of the Los Candelones system, conducted in December 2006, shows classic epithermal zoning starting with vuggy quartz veins system (N270/60) with high grade gold, sometimes referred to as a “Bonanza Zone” (a 1 metre vein was chip sampled (sample 93309) returned 105 g/t and (sample 93310) returned 48 g/t). The system is evolving into a main gold disseminated zone followed by gold-barite veining zone then into a barite breccia zone and closing the system with a barite cap zone.



Los Candelones Epithermal System



3D Geological Gold Distribution blocs model



Gold in Trenches
North East faulting is post-mineralization

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2006

The following discussion and analysis of the operating results and financial condition of Unigold Inc. ("Unigold" or the "Company") has been prepared as of April 25, 2007 and should be read in conjunction with the consolidated financial statements of the Company and notes thereto for the year ended December 31, 2006. Said financial statements were prepared in accordance with Canadian generally accepted accounting principles ("GAAP").

Nature of Operations

The Company is in the process of exploring its mineral properties located in the Dominican Republic and has not as yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete its exploration program and upon future profitable production or proceeds from disposition of such properties.

Forward-Looking Statements

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

Overview

In mid-2005, due to insufficient funds, the drilling program on the Company's Neita Property and specifically on the Los Candelones Gold Deposit was halted pending additional financing. In February 2006, the Company completed two private placements of common shares and received gross proceeds of approximately $4,200,000. Shairco Ltd. ("Shairco") of Jeddah, Saudi Arabia subscribed for 20,180,770 common shares of the Company at a price of $0.16 per common share for gross proceeds of approximately $3,229,000. As a result of this private placement and a previous private placement in December 2005, Shairco owned 22,000,000 common shares of the Company or approximately 36.5% of the then total number of outstanding common shares of the Company. This transaction resulted in a change of control of the Company. New management was put in place and the Company restarted its exploration activities on the Neita Property.

During 2006, $1,406,332 was spent on exploration expenditures on the Neita Property in the Dominican Republic. This brings the inception to date amount spent to $3,846,208. The main focus has been on the Los Candelones Gold Deposit where 58 diamond drill holes have been completed to date by the Company totaling about 7,255 metres.

The Company completed three private placements (including the one described above) during the year for net proceeds of $8,319,281. In addition, $2,322,500 was received from the exercise of warrants.

During the third quarter, the Company retained the services of Excelsior Communications Incorporated to strengthen its investor relations activities and effectively communicate shareholder value to investors.

The Company initiated an airborne geophysical survey at the end of March 2007 with FUGRO Airborne Surveys Corp. The survey, flown at 200-metre flight gridlines, will encompass approximately 2,600 line kilometres and will consist of magnetic, electromagnetic and radiometric readings. The Company has mandated SGS Minerals Services (Lakefield) for an investigation into cyanidation of the Los Candelones ore and to establish the parameters for a possible heap leaching of the oxidized ore of Los Candelones. Thus far, a variety of 10,000 samples are in the process of analysis with SGS.

In the fourth quarter of 2006, the Company acquired an additional drill rig, which can reach down to 400 metres in depth, and a new excavator. The Company now has two drill rigs and two excavators in operation.

Exploration Activities

The Company, since February 2006, has been re-assessing and re-evaluating the previous exploration work results obtained from the Neita Concession while continuing with surface exploration. 3-D compilation of the gold assay values from drill holes, trenching and geochemical sampling along with the results by geophysics (IP/Resistivity), has verified the previously obtained results indicated in the pre-feasibility study made by BRGM in 1998. Moreover, the 3-D compilation has also revealed that data of the tested proportion between the drilled and un-drilled parts of Los Candelones Gold Deposit shows high probability to significantly improve the known gold resource. Based on this data compilation, a 19 hole drilling program started in July 2006. A total length of 3.2 kilometres of trenching has also been completed, covering an area of almost a square kilometre. The results were press released on October 17, 2006 and on January 19 and February 6, 2007.

To date, the Los Candelones Gold Deposit has had 64 diamond drill holes totaling approximately 7,920 metres which has allowed the Company to now demonstrate the on-strike and down-dip continuation of the 25 to 30 metre thick gold core of epithermal mineralization which grades from 1.0 to 4.4 g/t gold and which is enclosed within an up to 100 metres wide lower grade gold halo. The existing trenched and diamond drilled mineralized area is a small part of the 1,200 metre long by 600 metre wide gold-in-soil anomaly and coincident IP chargeability high which represents sulphide mineralization. The Los Candelones Gold Deposit is the most advanced of several very encouraging target areas within the 226 square kilometre Neita property.

A detailed structural survey on Los Candelones is underway and the first preliminary results are confirming the possibility of a dome and basin structure type at Los Candelones. Evidences of a polyphased tectonic regime were seen in the sedimentary units near the area, associated with the barite-in-soil anomaly and the leached magnetic signature at depth under the actual gold resource should lead the drilling program on deeper targets in the south east sector of Candelones. Field evidences of an offsetting senestral fault displacing the actual gold resource were found in trench TC-42 in the high grade zones (11 metres at 45 g/t) as previously reported.

The regional exploration on the Neita Concession has also, in addition to the previously known four areas, identified five new areas of gold occurrences:

- MATEO showing is exposed over a length of 200 metres and showing a highly variable thickness due to the presence of stockwork and individual veins. Seventeen samples were taken in the area with four samples reporting grades higher than 1 gram per tonne gold (g/t) and with a maximum grade of 7 g/t of gold. The showing is coincident to a portion of a long ridge trending NNW.
- NOISY showing is exposed over a length of 300 metres and unknown thickness. Eleven samples were taken from the area with four samples reporting grades higher than 1 g/t gold and with a maximum grade of 6.5 g/t gold. The showing is located at the summit of a NW trending hill showing few outcrops. Pick and shovel trenching was recently performed to assess its width and grade. Assay results are pending.
- FOGON showing is exposed over a length of 200 metres. Seven samples were taken in the area with two samples reporting higher than 0.5 g/t gold and with a maximum grade of 1.6 g/t of gold.

- JIMENEZ showing discovered by the Company in 2004 was extended to the north where grades of up to 14 g/t gold were reported during recent prospecting. The showing forms a narrow NW trending ridge where thin (<0.5m wide) drusy, low-grade quartz veins are seen. High-grade boulders found at the bottom of the ridge suggest the presence of a parallel, overburden covered vein system on the SW flank of the ridge. This showing indicates a potential strike length of up to 1.2 kilometres.
- NARANJO SW, new showing, is on the same structural trend as the NARANJO area drilled by BRGM in 1998 but 900 metres away from the nearest drilling. Nine samples were taken with three samples reporting grades higher than 1 g/t gold and a maximum grade of 11 g/t of gold.

Selected Annual Information

The Company's selected annual information for the three most recently completed financial years as at and for the years ending December 31st was as follows:

	2006	2005	2004
Total revenue	**$ 204,186**	$ 2,376	$ 4,497
Net loss	**(1,700,592)**	(488,138)	(1,033,169)
Net loss per share - basic and diluted	**(0.03)**	(0.01)	(0.04)
Total assets	**13,047,044**	3,389,999	3,558,140
Total liabilities	**162,969**	259,013	141,668
Shareholders' equity	**12,881,244**	3,128,155	3,413,641

The higher 2006 loss reflects higher levels of activities as in 2005 the Company reduced and/or eliminated most of its overhead costs as a result of insufficient funds.

The cash receipts from the three private placements along with the exercise of the warrants during 2006 reflects the higher total assets and shareholders' equity. Higher revenues reflect higher cash balances available to invest in interest bearing deposits.

Results of Operations

For the year ended December 31, 2006, the Company recorded a net loss of $1,700,592 or $0.03 per share compared with a net loss of $488,138 or $0.01 per share in 2005.

Revenue is limited to interest earned on cash balances and term deposits and amounted to $204,186 for the year compared to $2,376 for the prior year. The higher interest income in 2006 is as a result of having higher cash balances due to the completion of the private placements.

Administrative expenses increased to $1,671,578 in 2006 compared to $490,514 recorded in 2005. The higher 2006 administrative expenses reflect higher levels of activities as in 2005 the Company reduced and/or eliminated most of its overhead costs as a result of insufficient funds, along with a stock-based compensation cost of $720,800 on the granting of stock options in the fourth quarter. This cost is a non cash item. The 2006 expenses also include a termination and settlement payment of $126,000 as a result of the change of control of the Company which occurred in the first quarter. An allowance for property receivable of $233,200 also contributed to the higher loss in 2006.

Quarterly Information

The following is a summary of selected financial information for the quarterly periods indicated:

		Net Revenues		Net Loss		Net loss per share
December 31, 2006	$	85,291	$	(1,100,076)	$	(0.02)
September 30, 2006	$	70,901	$	(69,212)	$	nil
June 30, 2006	$	33,135	$	(201,300)	$	nil
March 31, 2006	$	14,859	$	(330,004)	$	(0.01)
December 31, 2005	$	13	$	(98,155)	$	nil
September 30, 2005	$	30	$	(87,287)	$	nil
June 30, 2005	$	190	$	(160,163)	$	(0.01)
March 31, 2005	$	2,143	$	(142,533)	$	(0.004)

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.

Cash on hand as of December 31, 2006 was $7,808,720 an increase of $7,744,561 from the year ended December 31, 2005. As at December 31, 2006, the Company has a working capital of $7,935,038. The major reason for the increase in cash during the year is as a result of the Company completing three private placements along with cash received from the exercise of warrants.

On January 23, 2006, the Company completed a non-brokered private placement of 4,444,443 common shares of the Company at a price of $0.225 per common share for aggregate gross proceeds of approximately $1,000,000.

On February 1, 2006, the Company completed a non-brokered private placement of 20,180,770 common shares of the Company at a price of $0.16 per common share for aggregate gross proceeds of approximately $3,229,000 to Shairco. With this placement, Shairco owned a total of 22 million common shares of the Company or approximately 36.5% of the total number of outstanding common shares. In connection with this private placement, a 5% finder's fee was payable. This transaction resulted in a change of control of the Company.

On July 11, 2006, the Company completed a non-brokered private placement (the "Private Placement") of 9,000,000 units of the Company ("Units") at a price of $0.50 per Unit for aggregate gross proceeds of $4,500,000. Each Unit consists of one common share of the Company (a "Common Share") and one warrant (a "Warrant"), with each Warrant entitling the holder thereof to purchase one Common Share at any time for a period of 12 months following the date of the closing of the Private Placement at a price of $0.75. The agents were collectively paid a cash commission of $170,910 and were issued 455,760 compensation warrants, with each warrant entitling the holder thereof to purchase one Common Share at any time for a period of 12 months following the date of the closing of the Private Placement at a price of $0.50.

During 2006, 5,950,000 share purchase warrants and 800,000 compensation warrants from a private placement completed in 2004, were exercised for gross proceeds to the Company of $2,322,500.

In addition, 260,000 stock options were exercised for gross proceeds to the Company of $91,100.

Trend Information

There are no major trends which are anticipated to have a material effect on the Company's financial condition and results of operations in the near future.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements, no capital lease agreements and no long-term debt obligations.

Transactions with Related Parties

During the twelve months ending December 31, 2006, payments made to companies under the control or significant influence of officers and directors of the Company were as follows:

Management Services fees paid to corporations controlled by or have significant influence by officers and directors of the Company	$ 216,394
General and administrative expenses paid to a corporation controlled by an officer and director of the Company	$ 31,197
Listing and shareholder expenses paid to a corporation controlled by directors of the Company	$ 51,192
Professional fees paid to an officer of the Company	$ 30,000
Deferred exploration costs paid to a corporation controlled by an officer and director of the Company	$ 141,455

Included in prepaid expenses as at December 31, 2006 is an advance in the amount of $100,000 to a corporation controlled by an officer and director of the Company for a future listing on a foreign stock exchange and a travel advance of $20,000 to an officer and director of the Company.

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.

Fourth Quarter

The Company recorded a net loss of $1,100,076, or $0.02 per share, in the fourth quarter of 2006. The loss includes a stock-based compensation cost of $720,800 due to the Company granting a total of 1,850,000 stock options at a price of $0.80 to directors, officers and employees of the Company, and an allowance for property receivable of $233,200. The Company continued its exploration program on the Neita property in the Dominican Republic. Exploration expenditures of $771,766 were incurred in the quarter.

During the fourth quarter of 2006, and for the year ended December 31, 2006, warrants and options to purchase common shares of the Company were exercised as follows:

	4th Quarter		Year to Date	
	Shares Issued	Amount Received	Shares Issued	Amount Received
Share Purchase Warrants	5,100,000	$ 1,785,000	5,950,000	$ 2,082,500
Compensation Warrants	800,000	240,000	800,000	240,000
	5,900,000	2,025,000	6,750,000	2,322,500
Stock Options	–	–	260,000	91,100
	5,900,000	$ 2,025,000	7,010,000	$ 2,413,600

Proposed Transactions

There are no proposed transactions that will materially affect the performance of the Company.

Critical Accounting Estimates

The Company prepares its financial statements in accordance with accounting principles generally accepted in Canada. The most significant accounting estimates are the policy of capitalizing exploration costs on its mining properties and the valuation of such properties, stock-based compensation, tax accounts and property receivables. The Company reviews its portfolio of properties on an annual basis to determine whether a write-down of the capitalized cost of any property is required under Canadian generally accepted accounting principles.

Changes in accounting policies

There were no changes in accounting policies during the year ended December 31, 2006 that affected the Company.

Financial Instruments

Fair Value

Canadian generally accepted accounting principles require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying amounts for sundry receivables and accounts payable and accrued liabilities on the balance sheets approximate fair value because of the limited term of these instruments.

Foreign Exchange Risk

The Company is subject to foreign exchange risk as some of its operating and investing activities are transacted in currencies other than the Canadian dollar. The Company is therefore subject to gains and losses due to fluctuations in these currencies relative to the Canadian dollar.

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.

Outstanding Share Data

The Company's authorized share capital consists of an unlimited number of common shares of which 76,029,178 common shares are outstanding as of the date of this report. The Company currently has 9,000,000 share purchase warrants outstanding with an exercise price of $0.75, with an expiry date of July 11, 2007, and 455,760 broker warrants at an exercise price of $0.50 expiring July 11, 2007. The Company also has outstanding 3,080,000 stock options, with exercise prices ranging from $0.25 to $0.80 with expiry dates from February 13, 2008 to October 2, 2011.

Disclosure Controls and Procedures and Internal Control over Financial Reporting

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to permit timely decisions regarding public disclosure.

Management, including the Chief Executive Officer and the Chief Financial Officer, has reviewed and evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Multilateral Instrument 52-109 of the Canadian Securities Administrators) as of December 31, 2006. Management has concluded that, as of December 31, 2006, the disclosure controls and procedures were effective to provide reasonable assurance that material information relating to the Company and its subsidiaries would be made known to them by others within those entities, particularly during the period in which this report was being prepared.

Management has designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP.

Due to the small size of Unigold, there are a limited number of personnel dealing with its accounting and financial matters and, as a result, there is a lack of segregation of duties. This is not uncommon in a company the size of Unigold. The Company will review the internal controls over financial reporting and take whatever action, if any, is considered appropriate to minimize any potential risks from this weakness.

Risks and Uncertainties

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

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

Qualified Person

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

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

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements are the responsibility of the Company's management. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and reflect management's best current estimates.

Management has developed and maintains systems of internal control to ensure that the Company's assets are protected from loss or improper use, transactions are authorized and properly recorded and financial records are reliable.

The Board of Directors carries out its responsibilities for these consolidated financial statements principally through its Audit Committee. The Audit Committee meets periodically with management and the auditors to review the consolidated financial statements and the results of audit examinations.

McGovern, Hurley, Cunningham LLP, Chartered Accountants, have audited the consolidated financial statements and their report outlines the scope of their examination and gives their opinion on the consolidated financial statements.

J. Del Campo

Dr. Ibrahim M. Eitani
President & Chief Executive Officer

Joseph Del Campo
Chief Financial Officer

AUDITORS' REPORT

To the Shareholders of Unigold Inc.,
(A Development Stage Company)

We have audited the consolidated balance sheets of Unigold Inc. (A Development Stage Company) as at December 31, 2006 and 2005 and the consolidated statements of operations and deficit and cash flows for each of the years in the two-year period ended December 31, 2006. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2006 and 2005 and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2006 in accordance with Canadian generally accepted accounting principles.

McGovern, Hurley, Cunningham, LLP

McGovern, Hurley, Cunningham, LLP
Chartered Accountants
Toronto, Canada

March 22, 2007

UNIGOLD INC.
(A DEVELOPMENT STAGE COMPANY)

CONSOLIDATED BALANCE SHEETS

(CANADIAN $)

	As at December 31, 2006	As at December 31, 2005
Current assets		
Cash and cash equivalents	**$ 7,808,720**	$ 64,159
Sundry receivables	**132,360**	21,967
Prepaid expenses *(note 7)*	**156,927**	11,794
	8,098,007	97,920
Property receivable *(note 4)*	**–**	233,200
Equipment *(note 3)*	**635,655**	151,829
Mineral Properties *(note 4)*	**367,174**	367,174
Deferred exploration costs *(note 4)*	**3,846,208**	2,439,876
Public listing status	**100,000**	100,000
	$ 13,047,044	$ 3,389,999
Current liabilities		
Accounts payable and accrued liabilities	**$ 162,969**	$ 259,013
Contingencies *(notes 1 and 10)*		
Non-controlling interest	**2,831**	2,831
Shareholders' Equity		
Common shares *(note 5(a))*	**18,317,786**	8,550,122
Share purchase warrants *(note 5(b))*	**1,627,300**	495,833
Contributed surplus *(note 5(d))*	**1,997,964**	1,443,414
Deficit	**(9,061,806)**	(7,361,214)
	12,881,244	3,128,155
	$ 13,047,044	$ 3,389,999

Approved on Behalf of the Board:

Dr. Talal A. Alshair
Director

Daniel Danis
Director

See accompanying notes to the consolidated financial statements

UNIGOLD INC.
(A DEVELOPMENT STAGE COMPANY)

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

(CANADIAN $)

	For the 12 months ended December 31,	
	2006	2005
Revenue		
Interest income	**$ 204,186**	$ 2,376
Administrative expenses		
Stock-based compensation	**720,800**	–
Listing and shareholder information	**252,001**	65,268
Management services fees	**217,205**	49,283
General and administrative expenses	**139,158**	118,444
Salaries and wages	**138,348**	145,438
Travel, promotion and business development	**126,517**	19,977
Professional and consulting fees	**79,771**	45,429
Loss on disposal of fixed assets	**–**	24,413
Foreign exchange (loss) gain	**(13,330)**	13,566
Amortization	**11,108**	8,696
	1,671,578	490,514
(Loss) for the year before the undernoted	**(1,467,392)**	(488,138)
Allowance for property receivable	**233,200**	–
Net (loss) for the year	**(1,700,592)**	(488,138)
Deficit, beginning of year	**(7,361,214)**	(6,873,076)
Deficit, end of year	**$ (9,061,806)**	$ (7,361,214)
Loss per share - Basic and diluted	**$ (0.03)**	$ (0.01)
Weighted average number of shares outstanding	**63,209,178**	33,248,699

See accompanying notes to the consolidated financial statements

UNIGOLD INC.
(A DEVELOPMENT STAGE COMPANY)

CONSOLIDATED STATEMENTS OF CASH FLOWS

(CANADIAN $)

	For the 12 months ended December 31, 2006	2005
Cash flows from operating activities		
Net loss for the year	$ (1,700,592)	$ (488,138)
Add items not requiring cash:		
Loss on disposal of fixed assets	–	24,413
Amortization	11,108	8,696
Write off of property receivable	233,200	–
Stock-based compensation	720,800	–
	(735,484)	(455,029)
Net changes in non-cash working capital balances *(note 8)*	(338,771)	135,300
	(1,074,255)	(319,729)
Cash flows from financing activities		
Private placements, net of costs	8,319,281	185,152
Exercise of stock options	91,100	–
Exercise of share purchase warrants	2,082,500	17,500
Exercise of broker compensation options	240,000	–
	10,732,881	202,652
Cash flows from investing activities		
Deferred exploration costs	(1,387,415)	(464,724)
(Acquisition) Sale of equipment	(526,650)	6,500
Mineral properties, net	–	(58,565)
	(1,914,065)	(516,789)
Increase (decrease) in cash and cash equivalents	7,744,561	(633,866)
Cash and cash equivalents, beginning of year	64,159	698,025
Cash and cash equivalents, end of year	$ 7,808,720	$ 64,159
Cash and cash equivalents consists of:		
Cash	$ 484,053	$ 64,159
Cash equivalents	7,324,667	–
	$ 7,808,720	$ 64,159
Supplemental Information		
Income taxes paid		–
Interest paid	–	–
Property receivable due on property sale	–	(5,071)

See accompanying notes to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of Operations

Unigold Inc. (the "Company") is a development stage company and is in the process of exploring its mineral properties in the Dominican Republic.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write downs of the carrying values. The Company's mining assets are located outside of Canada and are subject to the risk of foreign investment, including increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations, and political uncertainties.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current state of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

2. Summary of Significant Accounting Policies

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada. The significant accounting policies are summarized as follows:

Principles of Consolidation:

These consolidated financial statements include the accounts of the Company, which is incorporated in Canada under the Ontario Business Corporations Act, and its wholly owned subsidiary, Unigold Resources Inc., which is incorporated in Canada under the Canada Business Corporations Act, and its 96.7% owned subsidiary, Unigold Dominicana, S.A., which is incorporated in the Dominican Republic.

Foreign Exchange Translation:

The Company considers the Canadian dollar to be the functional currency of its primary operations and, accordingly, amounts denominated in other currencies are translated into Canadian dollars using the temporal method. This method translates monetary balances at the rates of exchange at the dates of the consolidated balance sheet, non-monetary balances at historical exchange rates and revenue and expense items at average exchange rates during the year, except for amortization which is translated at rates pertaining to the related equipment. The resulting gains and losses are included in the consolidated statements of operations and deficit.

Mineral Properties and Deferred Exploration Costs:

Mineral properties are recorded at the direct cost of acquisition. Deferred exploration costs represent the costs incurred in conducting exploration work for unknown or unproven ore deposits. These costs are deferred until the commencement of commercial mining operations, or until such time that the interests in the associated properties are disposed of. Deferred exploration costs associated with projects, which prove to be economically unviable, are written off. Proceeds derived from the full or partial disposal of interests in properties are credited against the carrying cost of the related property.

The amounts shown for both mineral properties and deferred exploration costs represent costs incurred to date and do not necessarily reflect present or future values.

The Company reviews its mineral properties to determine if events or changes in circumstances have transpired which indicate that the carrying value of its assets may not be recoverable. The recoverability of costs incurred on the mineral properties is dependent upon numerous factors including exploration results, environmental risks, commodity risks, political risks, and the Company's ability to attain profitable production. An impairment loss is recognized when the carrying amount of the mineral properties is not recoverable and exceeds its fair value. It is reasonably possible, based on existing knowledge, that changes in future conditions in the near-term could require a change in the determination of the need for and amount of any write down.

Asset Retirement Obligations:
The Company will record a liability for the estimated future costs associated with legal obligations relating to the reclamation and closure of its mining properties. This amount is initially recorded at its discounted present value with subsequent annual recognition of an accretion amount on the discounted liability. An equivalent amount is recorded as an increase to mineral properties and deferred exploration costs and amortized over the useful life of the properties. The Company does not believe that it currently has any legal obligations relating to the reclamation of its mineral properties.

Use of Estimates:
The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the related reported amounts of revenue and expense during the report period. Such estimates and assumptions affect the carrying value of assets, impact decisions as to when exploration and development costs should be capitalized or expensed, and estimates for asset retirement obligations and reclamation costs. Other significant estimates made by the Company include factors affecting valuations of stock-based compensation, warrants, property receivable and tax accounts. Actual results could differ from those estimates. Management believes that the estimates are reasonable.

Stock-Based Compensation:
The Company has adopted the CICA Handbook Section 3870 which required the Company to follow the fair value method of accounting for all stock-based compensation arrangements. The fair value of each option granted during the period is accounted for in operations over the vesting period of the option using the Black-Scholes option pricing model on the date of the grant, with the related increase to contributed surplus.

Loss Per Share:
Basic loss per share is calculated using the weighted average number of shares outstanding. Diluted loss per share is calculated using the treasury stock method. In order to determine diluted loss per share, the treasury stock method assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. The diluted loss per share calculation excludes any potential conversion of options and warrants that would increase earnings per share or decrease loss per share.

Public Listing Status:
The public listing status was acquired as a result of a business combination in 2002 and is considered to have an indefinite life. Should the Company determine that there is an impairment in the value of this asset, an appropriate write down of value will be charged to operations.

Equipment and Amortization:

Equipment is recorded at cost. The equipment noted below is amortized over their estimated useful lives using the following annual rates and methods.

Office furniture and equipment	20% declining balance
Computer equipment	30% declining balance
Vehicles	30% declining balance
Field equipment	20% declining balance

Amortization of equipment related to exploration activities has been capitalized to deferred exploration costs.

Income Taxes:

The Company uses the liability method of accounting for income taxes. Under this method of tax allocation, future income taxes are determined based on the differences between the financial reporting amounts and tax bases of assets and liabilities. These income tax assets and liabilities are measured using the substantively enacted tax rates that are expected to be in effect in the periods in which the income tax assets and liabilities are expected to be settled or realized. A valuation allowance is provided to the extent that it is more likely than not that future income tax assets will not be realized.

3. Equipment

	As at December 31, 2006			As at December 31, 2005		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Office furniture and equipment	$ 20,618	$ 4,124	$ 16,494	$ –	$ –	$ –
Computer equipment	41,080	23,338	17,742	25,925	15,734	10,191
Vehicles	100,805	40,519	60,286	59,901	32,213	27,688
Field equipment	647,802	106,669	541,133	197,829	83,879	113,950
	$ 810,305	$ 174,650	$ 635,655	$ 283,655	$ 131,826	$ 151,829

4. Mineral Properties and Deferred Exploration Costs

Mineral properties and deferred exploration costs consist of the following:

	Balance, Dec. 31, 2004	Additions	Balance, Dec. 31, 2005	Additions	Balance, Dec. 31, 2006
Mineral properties					
Neita	$ 225,182	$ 58,565	$ 283,747	$ –	$ 283,747
Los Guandules	83,427	–	83,427	–	83,427
	$ 308,609	$ 58,565	$ 367,174	$ –	$ 367,174
Deferred exploration costs					
Neita	$ 1,916,640	$ 523,236	$ 2,439,876	$ 1,406,332	$3,846,208
Los Guandules	–	–	–	–	–
	$ 1,916,640	$ 523,236	$ 2,439,876	$ 1,406,332	$3,846,208
Total	$ 2,225,249	$ 581,801	$ 2,807,050	$ 1,406,332	$4,213,382

Neita Property

The Neita Property covers an area of 25,221 hectares in Central Cordillera in northwestern Dominican Republic. Pursuant to the July 2002 Neita Exploration Contract between the Company and the Dominican Republic government, the Company was granted 100% of the exploration rights for gold, silver, zinc, copper and all associated minerals on the Neita Property, as well as a sole and exclusive option for the commercial mining of the mineral deposits. Payments totaling US$150,000 have been made to the Dominican Republic government for the Neita Property. In the first quarter of 2006, the regulatory authorities in the Dominican Republic granted the Neita Property the exploration concession status. The exploration concession is issued for three years plus two one-year extensions after which it must be converted to an exploitation licence which is issued for 75 years.

Sabaneta Property

According to the mining laws of the Dominican Republic, the same entity may not be granted one or more exploration concessions exceeding 30,000 hectares in the aggregate. Due to this limitation, in 2004, the Company sold its mineral rights in respect of the Sabaneta property, which totals 55,720 hectares, to two separate Dominican companies, Inversiones Mineras Sabaneta, S.A. (27,600 hectares) and Inversiones Mineras Aldajo, S.A. (28,120 hectares) for total consideration to consist of US$200,000 in aggregate. The Canadian dollar equivalent of $233,200 was previously reflected as property receivable on the balance sheet. At December 31, 2006, there was uncertainty regarding the collectibility of this amount and therefore the amount was fully allowed for.

Los Guandules

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

5. Share Capital

(a) Common Shares

Authorized - unlimited number of common shares without par value
Issued - 75,729,178 common shares

Transactions during the years ended December 31 2006 and 2005 are as follows:

	Number of Shares	Amount
Balance, December 31, 2004	33,224,735	$ 8,343,302
Shares Issued:		
Private placement *(i)*	1,819,230	236,500
Share purchase warrants exercised	50,000	21,667
Share issue costs	–	(51,347)
Balance, December 31, 2005	35,093,965	$ 8,550,122
Shares Issued:		
Private placement *(ii)*	4,444,443	1,000,000
Private placement *(iii)*	20,180,770	3,228,923
Private placement *(iv)*	9,000,000	3,005,900
Stock options exercised	260,000	91,100
Stock options exercised - option valuation	–	114,250
Share purchase warrants exercised	5,950,000	2,082,500
Broker compensation options exercised	800,000	240,000
Broker compensation options exercised - valuation	–	52,000
Share purchase warrants exercised - warrant valuation	–	495,833
Broker warrants issued as share issue costs *(iv)*	–	(133,200)
Share issue costs	–	(409,642)
Balance, December 31, 2006	75,729,178	$ 18,317,786

(i) In December 2005, the Company closed a non-brokered private placement of 1,819,230 common shares of the Company at a price of $0.13 per common share for gross proceeds of $236,500 with Shairco Ltd. ("Shairco") of Jeddah, Saudi Arabia. A finder's fee of 5% of the gross proceeds was paid on the private placement.

(ii) In January 2006, the Company completed a non-brokered private placement of 4,444,443 common shares of the Company at a price of $0.225 per common share for aggregate gross proceeds of approximately $1,000,000.

(iii) In February 2006, the Company completed a non-brokered private placement of 20,180,770 common shares of the Company at a price of $0.16 per common share for aggregate gross proceeds of $3,228,923 to Shairco. A finders fee of 5% of the gross proceeds was paid on the private placement.

(iv) On July 11, 2006, the Company closed a non-brokered private placement (the "Private Placement") of 9,000,000 units of the Company ("Units") at a price of $0.50 per Unit for aggregate gross proceeds of $4,500,000. Each Unit consists of one common share of the Company (a "Common Share") and one warrant (a "Warrant"), with each Warrant entitling the holder thereof to purchase one Common Share at any time for a period of 12 months following the date of the closing of the Private Placement at a price of $0.75. The agents were collectively paid a cash commission of $170,910 and were issued 455,760 compensation warrants, with each warrant entitling the holder thereof to purchase one Common Share at any time for a period of 12 months following the date of the closing of the Private Placement at a price of $0.50 and valued at $133,200. All of the securities issued in connection with the Private Placement are subject to a four-month hold period. The gross proceeds have been prorated to Common Shares and Warrants based on the relative fair value of each component, as follows: Common Shares - $3,005,900; Warrants -

$1,494,100. The Black-Scholes option pricing model was used to determine the fair market value of the Warrants and compensation warrants using the following assumptions: expected dividend yield: 0%; expected volatility: 160%; risk-free interest rate: 4.24%; and an expected life of one year.

(b) Share Purchase Warrants

As at December 31, 2006, the following share purchase warrants are outstanding:

Exercise Price	Number of Shares	Fair Value	Expiry Date
$0.75	9,000,000	$ 1,494,100	July 11, 2007
$0.50	455,760	133,200	July 11, 2007
	9,455,760	$ 1,627,300	

A summary of share purchase warrants outstanding and changes during the years ended December 31,2006 and 2005 is presented below:

	December 31, 2006			December 31, 2005		
	Number	**Weighted average exercise price**	**Fair value**	Number	Weighted average exercise price	Fair value
Balance, beginning of year	**5,950,000**	**$ 0.35**	**$ 495,833**	10,562,501	$ 0.42	$ 984,782
Issued	**9,455,760**	**$ 0.74**	**1,627,300**	–	–	–
Expired	–	–	–	(4,562,501)	$ 0.48	(484,781)
Exercised	**(5,950,000)**	**$ 0.35**	**(495,833)**	(50,000)	$ 0.35	(4,168)
Balance, end of year	**9,455,760**	**$ 0.74**	**$ 1,627,300**	5,950,000	$ 0.35	$ 495,833

(c) Stock-based Compensation

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 ten years. The exercise price of the options shall be determined by the board of directors on the basis of the market price of the common shares, subject to all applicable regulatory requirements.

Share purchase plan
The Company has a share purchase plan that provides the directors of the Company with the authority to select those employees and members of management of the Company and designated affiliates who may participate in the share purchase plan. The Company matches the participant's contribution, which cannot exceed ten per cent of the participant's basic annual remuneration, on a quarterly basis and each participant is then issued Common Shares having a value equal to the aggregate amount contributed to the share purchase plan by the participant and the Company. The purchase price per share is the weighted average price of the Common Shares on a stock exchange for the calendar quarter in respect of which the Common Shares are issued. Such Common Shares are delivered to participants 12 months following their date of issue. A maximum of 850,000 Common Shares may be issued pursuant to the share purchase plan. To date, no Common Shares have been issued pursuant to the share purchase plan.

Share Bonus Plan
The share bonus plan permits Common Shares to be issued as a discretionary bonus to employees and management of the Company and designated affiliates. A maximum of 200,000 Common Shares may be issued pursuant to the share bonus plan. To date, no Common Shares have been issued pursuant to the share bonus plan.

A summary of the Stock Option Plan as at December 31, 2006 and 2005 and changes during the years then ended is presented below:

	December 31, 2006		December 31, 2005	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
Outstanding, beginning of year	**2,415,000**	**$ 0.50**	2,735,000	$ 0.49
Granted	**1,850,000**	**0.80**	–	–
Exercised	**(260,000)**	**0.35**	–	–
Cancelled / Expired	**(170,000)**	**0.48**	(320,000)	0.41
Outstanding, end of year	**3,835,000**	**$ 0.66**	2,415,000	$ 0.50

As at December 31, 2006, the Company had stock options issued to directors, officers and employees of the Company as follows:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Expiry Date
920,000	920,000	$ 0.75	February 13, 2008
50,000	50,000	$ 0.33	May 7, 2008
200,000	200,000	$ 0.40	August 21, 2008
235,000	235,000	$ 0.48	October 9, 2008
580,000	580,000	$ 0.25	November 10, 2009
1,850,000	1,662,500	$ 0.80	October 2, 2011
3,835,000	3,647,500		

(d) Contributed Surplus

A summary of contributed surplus activity during the years ended December 31, 2006 and 2005 is presented below:

	December 31, 2006	December 31, 2005
Balance, beginning of year	**$ 1,443,414**	$ 958,633
Stock-based compensation	**720,800**	–
Stock options exercised	**(114,250)**	–
Broker compensation options exercised	**(52,000)**	–
Share purchase warrants expired	–	484,781
Balance, end of year	**$ 1,997,964**	$ 1,443,414

6. Income Taxes

(a) Provision for Income Taxes

Major items causing the Company's income tax rate to differ from the combined Canadian federal and provincial statutory rate of approximately 36% (2005 - 36%) were as follows:

	December 31, 2006	December 31, 2005
Loss before income taxes:	**$ (1,700,592)**	$ (488,138)
Expected income tax (recovery)	**(612,000)**	(176,000)
Increase (decrease) resulting from:		
Stock-based compensation	**259,000**	–
Write off of property receivable	**84,000**	–
Share issue costs	**(147,000)**	(14,000)
Losses expiring	**156,000**	239,000
Other	**(3,000)**	20,000
Change in valuation allowance	**263,000**	(69,000)
	$ –	$ –

(b) Future Income Tax Balances

The tax effects of temporary differences that give rise to future income tax assets at December 31, 2006 and 2005 are as follows:

	December 31, 2006	December 31, 2005
Future income tax assets - long-term portion:		
Resource properties	**$ 962,000**	$ 962,000
Non-capital losses	**1,971,000**	1,788,000
Equipment	**78,000**	62,000
Share issue costs	**192,000**	128,000
Valuation allowance	**(3,203,000)**	(2,940,000)
	$ –	$ –

The Company has approximately $888,000 (2005 - $888,000) and $1,795,000 (2005 - $1,795,000) of Canadian development expenses and Canadian exploration expenditures, respectively, and $1,172,000 (2005- $1,172,000) of foreign exploration expenditures as at December 31, 2006 which, under certain circumstances, may be utilized to reduce taxable income of future years. As at December 31, 2006, the Company had available for deduction against future taxable income, non-capital losses in Canada of approximately $5,475,000 (2005 - $4,965,000) which expire as follows:

Year of Expiry	Amount
2007	$ 283,000
2008	639,000
2009	690,000
2010	1,284,000
2014	1,002,000
2015	618,000
2026	959,000
	$ 5,475,000

7. Related Party Contractual Obligations and Transactions

Included in the accounts for the twelve-month period ended December 31, 2006 are payments made to corporations under the control or significant influence of officers and directors as follows:

	2006	2005
Management Services fees paid to corporations controlled by or have significant influence by officers and directors of the Company	$ 216,394	$ 38,478
General and administrative expenses paid to a corporation controlled by an officer and director of the Company	31,197	7,000
Listing and shareholder expenses were paid to corporations controlled by directors of the Company	51,192	–
Professional fees paid to an officer of the Company	30,000	14,000
Deferred exploration costs were paid to a corporation controlled by an officer and a director of the Company	141,455	–

Included in prepaid expenses as at December 31, 2006 is an advance in the amount of $100,000 to a corporation controlled by an officer and director of the Company for a future listing on a foreign stock exchange and a travel advance of $20,000 to a director of the Company.

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.

8. Consolidated Statements of Cash Flows

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

	2006	2005
Sundry receivables	$ (110,393)	$ 27,591
Prepaid expenses	(145,133)	7,638
Accounts payable and accrued liabilities	(83,245)	100,071
	$ (338,771)	$ 135,300

9. Financial Instruments

Fair Value

Canadian generally accepted accounting principles require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying amounts for sundry receivables and accounts payable and accrued liabilities on the balance sheets approximate fair value because of the limited term of these instruments.

Foreign Exchange Risk

The Company is subject to foreign exchange risk as some of its operating and investing activities are transacted in currencies other than the Canadian dollar. The Company is therefore subject to gains and losses due to fluctuations in these currencies relative to the Canadian dollar.

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.

10. Commitments, Contingencies and Contractual Obligations

The Company is a party to certain management contracts. These contracts contain clauses requiring that US$63,000 and $54,000 be paid upon a change of control of the Company.

The Company is committed to a minimum amount rental under a lease for premises which expires February 28, 2008. Minimum rental commitments under the lease are $36,200. Minimum rental commitments for successive years are as follows: 2007 - $31,000; 2008 - $5,200.

11. Segmented Information

The Company's only activity is mineral exploration and development. All of the Company's exploration activities relate to the Dominican Republic properties referred to in Note 4.

	2006			2005		
	Canada	**Dominican Republic**	**Total**	Canada	Dominican Republic	Total
Assets	**$ 8,150,804**	**$ 4,896,240**	**$ 13,047,044**	$ 183,478	$ 3,206,521	$ 3,389,999
Liabilities	**124,019**	**38,950**	**162,969**	178,413	80,600	259,013
Interest income	**203,218**	**968**	**204,186**	1,832	544	2,376
Administrative expenses	**1,653,724**	**17,854**	**1,671,578**	479,183	11,331	490,514

12. Subsequent Events

Subsequent to December 31, 2006, 300,000 stock options were exercised at an average price of $0.28 for total proceeds to the Company of $84,000.

CORPORATE INFORMATION

Directors

Dr. Talal A. Alshair
Chairman

Jose Acero

Daniel Danis*

Joseph Del Campo*

Dr. Ibrahim M. Eitani, Ph.D,

Jens E. Hansen*

Edmond Saadah

*Member of the Audit Committee

Officers

Dr. Ibrahim M. Eitani, Ph.D
President and Chief Executive Officer

Joseph Del Campo, CMA
Chief Financial Officer

Daniel Danis, M.SC.
Chief Operating Officer

Stock Listing

TSX Venture Exchange,
Tier 2 company
Trading Symbol "**UGD**"

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Annual Meeting

The Annual Meeting of Shareholders will be held at 10:00 am, on **Thursday, June 28, 2007** at the Toronto Board of Trade, 1 First Canadian Place, 3rd Floor, MacDonald/Brule Room, Toronto, Ontario, Canada

Investor Relations

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