



**UNIGOLD INC.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the Three and Six Months Ended June 30, 2015 and 2014

# UNIGOLD INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the unaudited, condensed consolidated interim operating results and financial condition of Unigold Inc. ("Unigold" or the "Company") for the fiscal periods ended June 30, 2015 and 2014 should be read in conjunction with the unaudited, condensed consolidated interim financial statements of the Company and notes thereto at June 30, 2015. 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](http://www.sedar.com). The date of this report is August 19, 2015.

### ***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, Tiroo Formation. The Tiroo 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 has a 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). The first one-year extension was granted March 2015. 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 June 30, 2016; 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. The report was produced by Micon International Limited ("Micon") and followed National Instrument 43-101 guidelines. The Technical Report (which is filed on [www.sedar.com](http://www.sedar.com)) was prepared assuming exploitation of the resources as an open-pit.

On February 24, 2015 the Company announced an updated resource estimate focusing on the high-grade mineralization zones at the Candelones Extension of 5.3 M tonnes averaging 5.27 g/t Au containing 894,000 ozs Au. The updated mineral resource estimate (which was filed on [www.sedar.com](http://www.sedar.com) April 8, 2015) was also prepared by Micon following NI 43-101 guidelines. This updated estimate considers underground exploitation of the Candelones Extension deposit, focusing on high grade gold/copper mineralization that occurs as multiple, flat lying to moderately south dipping, sub-parallel lenses, ranging from 3.0 to 6.0 metres in thickness. The high grade lenses lie within the larger mineralized envelope of lower grade gold / copper mineralization that was the focal point of the initial mineral resource estimate for the Candelones Project that was reported in November, 2013.

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 Q2 2015***

### ***Other***

- Non-brokered private placement raised \$1,020,000 from Osisko Gold Royalties Ltd. ("Osisko"); and
- Common share consolidation of 10-for-one completed to facilitate the private placement.

## ***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. The property was placed on a care and maintenance basis at year-end 2014 to conserve cash.

In Q1 2015, Unigold announced an updated, NI 43-101 inferred mineral resource of 5.3 M tonnes averaging 5.27 g/t Au containing 894,000 ozs Au and 0.35 % Copper ("Cu") containing 41,175,000 lbs Cu at the Candelones Extension deposit, within the Neita Concession. The updated mineral resource estimate represents a first step in the evaluation of the viability of a small to mid-sized underground mine and mill complex at the Candelones Extension deposit where initial drilling has identified higher grade lenses of gold and copper mineralization within the larger, lower grade, near surface resource established in November, 2013. The Company believes that should the economic and technical viability be established underground development offers significant advantages to the initial near surface development model; specifically in terms of a smaller environmental footprint, reduced capital costs, reduced permitting complexity and a reduced development timeline resulting in improved project economics. Candelones falls within the main gold trend, a series of significant soil anomalies defining the southern boundary of the Concession. The updated mineral resource was estimated by Mr. W. Lewis, P.Geol. and Mr. A. San Martin,

MAusIMM (CP) of Micon International Limited, a Toronto based consulting company, independent of Unigold. Mr. Lewis and Mr. San Martin meet the requirements of a “qualified person” as established by the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves (May, 2014) (“the CIM Standards”). The estimate is based on a long term gold price of U.S. \$ 1,200 per ounce, a long term copper price of U.S. \$ 3.00 per pound and an economic cut-off grade of 3.50 g/t gold. The exploration license for the Neita concession was extended for one additional year in March 2015.

In the second quarter of 2015 Unigold focused on marketing the updated mineral resource estimate and the concept of an underground mine and mill complex exploiting the Candelones Extension deposit. The market was not receptive to the initiative. With new funds available from the private placement, the Company plans a limited exploration program in the second half of 2015 comprising a limited, infill diamond drill program on the Candelones property. The timing and scope of this exploration work shall be dependent on the available cash resources.

Completed work:

Compilation data	Statistics		
	Q2 2015	YTD	PROJECT TO DATE
Drilling – holes	–	–	448
Drilling – metres	–	–	103,389
Trenching – metres	–	–	31,559
Geochemical analysis	–	–	142,697
Grab samples	–	–	10,108
Soil samples	–	–	32,704
Stream samples	–	–	884
Induced polarization lines – km	–	–	196
Magnetic survey lines – km	–	–	687

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

As at	January 1, 2015	Year to date additions	Year to date disposals	June 30, 2015
Consulting (contract geologists and other technical specialists)	\$ 6,158,918	\$ 13,160	\$ –	<b>\$ 6,172,078</b>
Drilling (including supplies and logistics expenses)	12,927,832	–	–	<b>12,927,832</b>
Field expense (including geochemistry and geophysics)	2,210,875	–	–	<b>2,210,875</b>
Laboratory analysis	4,430,095	–	–	<b>4,430,095</b>
Travel	1,528,613	8,390	–	<b>1,537,003</b>
Wages & salaries	3,794,519	159,705	–	<b>3,954,224</b>
Other (includes legal costs, capitalized depreciation)	5,338,826	188,499	(28,908)	<b>5,498,417</b>
	<b>\$ 36,389,678</b>	<b>\$ 369,754</b>	<b>\$ (28,908)</b>	<b>\$ 36,730,524</b>

### *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 was conditional on the grant of an exploration licence to Malbex by the Dominican Republic Ministry of Mines. Malbex was advised in March 2015 that the license would not be granted and, as a result, the agreement was terminated.

### *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 was subject to the final approval of the TSX Venture Exchange and the shareholders of Terreno. The agreement was extended several times, most recently to July 31, 2015. Terreno has determined that it has no further interest in the property and the agreement expired unexercised July 31, 2015.

## Results of Operations

For the quarter ended June 30, 2015, the Company recorded a loss of \$139,736, or \$0.01 per share, compared with a loss of \$739,071 or \$0.03 per share, in Q2 2014.

Compensation expense of \$69,122 is lower than the \$159,647 recorded in Q2 2014. The Company has no full time employees in Canada. Included in compensation is \$25,000 for directors' fees which are being accrued since the beginning of the year. Travel and business development expense has decreased to \$2,162 compared to \$54,447 in Q2 2014. Travel to the Dominican Republic has decreased since the operation was placed on care and maintenance. No business development is taking place because the market is not receptive to marketing efforts by junior gold exploration companies.

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

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Rent	\$ 12,465	\$ 12,465	\$ 24,930	\$ 24,930
Insurance	6,888	9,887	13,776	20,135
Telephone	1,221	2,270	2,292	6,428
Computer supplies and support	4,284	2,409	9,521	15,988
Other	2,389	4,272	6,225	9,533
Total	\$ 27,247	\$ 31,303	\$ 56,744	\$ 77,014

## 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 2 1/2 years, from U.S. \$1,664 per ounce at December 31, 2012 to U.S. \$1,171 at June 30, 2015. Gold dropped significantly in July ending the month below U.S. \$ 1,100. Most mineral 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 written down, 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. The shareholders approved a resolution at the 2015 Annual General and Special Meeting allowing the Board of Directors to undertake a share consolidation of up to 10-to-one if such a consolidation is required as part of a financial transaction.

Despite this poor market, Unigold was extremely fortunate to be able to raise \$1,020,000 in a private placement in June. Osisko Gold Royalties Ltd. purchased 5,100,000 post-consolidation shares at a price of \$0.20 per share and owns approximately 17% of Unigold. In order to complete the transaction, a 10-to-1 share consolidation was necessary due to the rules of the TSX Venture Exchange that prohibit issuing shares below \$0.05 per share. At the time of the transaction, Unigold was trading well below that level. In addition Osisko has acquired the following rights:

(i) Participation Right: As long as Osisko holds Unigold shares equal to at least 10% of the issued and outstanding Unigold shares on a non-diluted basis, Osisko will have the right to participate in future equity financings by Unigold on a pro rata basis to its non-diluted shareholding at the applicable time.

(ii) Nomination Right: As long as Osisko holds Unigold shares equal to at least 10% of the issued and outstanding Unigold Shares on a non-diluted basis, Osisko will be entitled to nominate the greater of: (a) two (2) nominees, and (b) the number of nominees obtained by multiplying Osisko's percentage ownership of Unigold Shares (on a non-

diluted basis) by the number of directors Unigold's management slate of nominees proposed to the Board (fractional numbers being rounded down to the nearest whole number) at any meeting of shareholders of Unigold.

(iii) Royalty Option: Osisko will be granted an option to purchase a 2% net smelter return ("NSR") royalty on Unigold's Neita property for a consideration of \$2,000,000, exercisable 90 days following the delivery of a feasibility study. Once exercised, Unigold will have the right to repurchase a 1% NSR (being 50% of the 2% NSR held by Osisko) for \$1,000,000 until 90 days following the achievement of commercial production.

(iv) Royalty/Stream Right: As long as Osisko holds Unigold Shares equal to at least 10% of the issued and outstanding Unigold Shares on a non-diluted basis, Osisko will have the right of first refusal over any royalty, stream, forward, off-take, gold loan or other agreement involving the sale of a similar interest in products from properties of Unigold that Unigold proposes to enter into from time to time. In the event that Osisko does not exercise its right of first refusal, Unigold may thereafter offer such right to a third party on terms no more favourable to such third party than those offered to Osisko.

The Company is exploring other financing activities including joint ventures, merger/acquisition transaction and asset sales. In the second quarter the Company received \$23,561 from the sale of unused vehicles and equipment.

As at June 30, 2015, the Company had cash balances of \$1,161,630 (December 31, 2014 – \$638,850) and working capital of \$1,106,740 (December 31, 2014– \$644,245).

## Outlook

Unigold has limited cash available at June 30, 2015. Given the present challenging market conditions, the Company has moved to conserve its cash. At year-end 2014, operations in the Dominican Republic were placed on a care and maintenance basis and the Dominican administration office moved to less expensive quarters. Executive management employment contracts were restructured at the end of 2014 and senior staff are working for Unigold in 2015 as consultants on an "as-needed basis" on essential activities such as addressing working capital needs and statutory financial reporting and governance.

With new funds available from the private placement, the Company plans a limited exploration program in the second half of 2015 comprising a limited, infill diamond drill program on the Candelones property. The timing and scope of this exploration work shall be dependent on the available cash resources.

## Quarterly Financial Information (Unaudited)

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

(\$ thousands, except per share amounts)	2015		2014				2013	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue	-	-	-	-	-	-	-	-
Net loss	(140)	(217)	(696)	(262)	(739)	(392)	(726)	(392)
Net loss per share: Basic and diluted	(0.01)	(0.00)	(0.03)	(0.01)	(0.03)	(0.02)	(0.03)	(0.02)
Acquisition of exploration and evaluation assets	71	204	547	809	519	507	1,029	1,515

The net loss in the fourth quarter of 2014 included cash contract restructuring payments of \$430,459. The second quarter net loss in 2014 included a non-cash write-off of exploration properties which increased the loss by \$445,283. In Q4 2013, \$215,000 of accrued expenses relating to the disposal of exploration property were written off due to delays in finalizing the deal.

## Related Party Transactions

Included in the accounts for the periods ended June 30, 2015 and 2014 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 June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Management services fees paid to corporations controlled by or under significant influence of an officer of the Company: Wes Hanson	\$ –	\$ 37,000	\$ 8,000	\$ 77,500
Professional fees paid to an officer: Joseph Del Campo	24,375	–	43,125	–
Professional fees paid to an officer: John Green	17,250	–	59,575	–
Professional fees paid to a former officer: Andrew Cheatle	–	–	10,374	–
Professional fees and expenses paid to a law firm where a director of the Company, René Branchaud, is also a partner	–	732	–	732
	<b>\$ 41,625</b>	<b>\$ 37,732</b>	<b>\$ 121,074</b>	<b>\$ 78,232</b>

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'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	2015	2016	2017	2018	2019
Office lease	\$ 24,000	\$ 24,000	\$ –	\$ –	\$ –	\$ –
Services	142,000	124,000	17,000	1,000	–	–
	<b>\$ 166,000</b>	<b>\$ 148,000</b>	<b>\$ 17,000</b>	<b>\$ 1,000</b>	<b>\$ –</b>	<b>\$ –</b>

### ***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.

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 June 30, 2015, and have not been applied in preparing these unaudited, condensed consolidated interim 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 unaudited, condensed consolidated interim financial statements of the Company. IFRS 9 is effective for the Company's fiscal year starting January 1, 2018.

## **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 June 30, 2015. Management believes that the credit risk concentration with respect to financial instruments included in other receivables is minimal.

### ***Liquidity Risk***

As of June 30, 2015, the Company has a cash balance of \$1,161,630 (December 31, 2014 – \$638,850) to settle current accounts payable and accrued liabilities of \$81,186 (2014 – \$49,230). The Company's other current assets consist of other receivables of \$11,048 (December 31, 2014 – \$17,302) and other financial assets and prepaids of \$15,248 (December 31, 2014 – \$37,323).

### ***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 June 30, 2015, the Company had cash balances of \$28,245 (December 31, 2014 – \$44,877) in United States dollars. U.S. \$ accounts payable as at June 30, 2015 were U.S. \$nil (December 31, 2014 – U.S. \$nil).

### ***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 June 30, 2015, 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 June 30, 2015. 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. 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 unaudited, condensed consolidated interim 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](http://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 June 30, 2015.

### ***Outstanding Share Data***

Details about the Company's outstanding common shares as at August 19, 2015 are as follows:

Common shares issued and outstanding	29,471,309
Potential issuance of common shares – warrants	2,542,500
Stock options issued to directors, employees, officers and consultants	1,192,500

### ***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 mineral resource estimates.

## **Corporate information**

### **Directors**

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

René Branchaud, LLB <sup>(2)(3)</sup>  
*Partner in Lavery, de Billy LLP  
Montreal, Quebec, Canada*

Daniel Danis, MSc, P.Geo. <sup>(2)(5)</sup>  
*Businessman  
Laval, Quebec, Canada*

Joseph Del Campo, CPA, CMA <sup>(1)(3)(6)</sup>  
*Businessman  
Woodbridge, Ontario, Canada*

Joseph Hamilton, P.Geo., CFA <sup>(1)(3)(4)(5)</sup>  
*Managing Director of Primary Capital  
Orono, Ontario, Canada*

Charles Page, MSc, P.Geo. <sup>(1)(2)(5)</sup>  
*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**

Joseph Del Campo, CPA, CMA  
*President and Chief Executive Officer*

John Green, MBA, CPA, CMA  
*Chief Financial Officer and  
Corporate Secretary*

Wes Hanson, P.Geo. <sup>(6)</sup>  
*Chief Operating Officer*

### **Stock Listing**

TSX Venture Exchange, Tier 2 Company,  
Trading Symbol: UGD  
CUSIP: 90476X509

### **Auditors**

McGovern, Hurley, Cunningham, LLP,  
Toronto, Ontario

### **Legal Counsel**

Bennett Jones LLP,  
Toronto, Ontario

Marat Legal, S.R.L.,  
Santo Domingo, Dominican Republic

### **Registrar & Transfer Agent**

Computershare Trust Company of Canada,

Contact information:  
Computershare Investor Services  
100 University Ave., 8th Floor  
Toronto, ON M5J 2Y1  
1 800 564-6253  
Web Contact Form:  
[www.investorcentre.com/service](http://www.investorcentre.com/service)

### **Banker**

Bank of Montreal,  
Toronto, Ontario

### **Executive Office**

44 Victoria Street  
Suite 504  
Toronto, Ontario  
M5C 1Y2  
Canada

Telephone: 416.866.8157  
Facsimile: 416.866.8674  
E-mail: [unigold@unigoldinc.com](mailto:unigold@unigoldinc.com)

### **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](http://www.unigoldinc.com).

The Company's filings with Canadian securities regulatory authorities can be accessed on SEDAR at [www.sedar.com](http://www.sedar.com).