



**UNIGOLD INC.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the Three and Nine Months Ended September 30, 2016 and 2015

# 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 September 30, 2016 and 2015 should be read in conjunction with the unaudited, condensed consolidated interim financial statements of the Company and notes thereto at September 30, 2016. 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 November 16, 2016.

### *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 most advanced project is their 100 percent interest in the 22,613 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. The second extension was granted February 2016. Unigold operates through its wholly owned Canadian subsidiary, Unigold Resources Inc., and its 97 per cent owned subsidiary, Unigold Dominicana, S.R.L., which is incorporated in the Dominican Republic.

### *Forward-Looking Statements*

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information concerning Unigold's exploration program and planned gold production as well as Unigold's strategies and future prospects. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved". Forward-looking information is based on the opinions and estimates of management at the date the information is made, and is based on a number of assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. Assumptions upon which such forward-looking information is based include, without limitation, availability of skilled labour, equipment, and materials; the potential of the Company's properties to contain economic metals deposits; the Company's ability to meet its working capital needs for the twelve-month period ending December 31, 2015; 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 assuming open-pit mining of the deposits. This resource was estimated to be 39.5 M tonnes averaging 1.6 grams per tonne ("g/t") gold ("Au") containing 2.0 M ounces of gold. On February 24, 2015, the Company announced an updated inferred mineral resource estimate for the Candelones Extension deposit, assuming underground mining of this deposit. The updated resource estimated 5.2 M tonnes averaging 5.3 g/t Au containing 894,000 ounces of gold with 0.35 percent ("%") copper ("Cu") containing 41.2 M lbs of copper. The reader is cautioned that mineral resources are not mineral reserves and do not have demonstrated economic viability. A mineral resource is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.

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 Q3 2016***

### ***Operations***

- Exploration drilling, targeting the high grade systems identified within the Candelones Extension resource footprint by drilling in Q1, resumed in July;
- Drilling in Q3 has extended high grade mineralization to the west and down dip at Target C; and
- Drilling at Target A extended the gold-copper massive sulphides a further 60 m to the west to a total strike length of 250 m.

### ***Events Subsequent to the Quarter End***

- Drilling at Target B to evaluate the lateral extent and vertical continuity at Target B where Q1 drilling indicated potential for a sub-vertical, epithermal feeder system confirmed vertical continuity of high grade mineralization. The target remains open at depth.

## ***Exploration***

### ***Neita***

Unigold's Neita concession covers a 22,613 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. To date, over 5.0 million ounces of gold equivalent resources have been identified in the Tireo Formation by various exploration companies.

In December 2015, the Company initiated a limited diamond drilling program at the Candelones Extension deposit following up on orphaned, high grade intercepts within the Candelones Extension resource footprint. The Company believes these orphaned intercepts may potentially represent high grade shoots or feeders typical of epithermal and VHMS deposits. The Company believes that the wide spaced drill pattern that established the initial open pit mineral resource failed to adequately test for high grade mineralization within the mineral resource perimeter.

As at March 5, 2016, the Company had completed 15 holes (4,996 metres) on three separate targets (“Targets A”, “B” and ‘C’). Four holes (1,415 metres) were completed as at December 31, 2015. Results have been received for all holes (UGD PR No’s 2016-01, 02, 03, 04 and 05) of the Q1 drill program.

At Target A, at the eastern limit of the mineral resource envelope, drilling in Q1 identified two distinct, flat lying lenses of massive to semi-massive, pyrite rich sulphides with elevated gold and copper grades averaging +6.0 g/t Au and +0.6% Cu respectively. Drilling traced the upper lens of massive sulphide mineralization over a 200 metre length and over 85 metres across dip. The thickness of the massive sulphides ranged from 5 to 30 metres and returned gold grades ranging from 4.0 to 10.0 g/t with associated copper values between 0.5 to 1.5%. Drilling in Q1 did not close off the massive sulphides to the east or west, offering an excellent opportunity to increase the size and quality of the mineral resource with additional drilling.

At Target B, in the central portion of the deposit, drilling in Q1 identified what is currently interpreted to be a sub-vertical, epithermal feeder system that has been traced over a 100 metres vertical distance and measures 25 metres along strike. The feeder system, with intense quartz-silica flooding, has returned gold grades averaging 6-8 g/t Au with elevated silver, copper and zinc over 5 to 10 metre drill intervals.

At Target C, the western limit of the deposit, drilling in Q1 identified what is interpreted to be a second vertical epithermal feeder system associated with intense, sub-vertical faulting returning gold grades ranging from 5-8 g/t Au with elevated silver, copper and zinc mineralization associated with barite/quartz veining over drilled intervals of 5 to 10 m . This high-grade mineralization is open to the west, offering a third target with excellent potential to increase the quantity and quality of the mineral resource.

The Q1 results proved that the historical drill pattern failed to adequately evaluate orphaned high grade systems within the mineral resource footprint but more importantly, demonstrate opportunity to increase both the quantity (tonnage) and quality (grade) of the historical mineral resource estimates through selective, targeted drilling of these high grade targets.

During Q2, efforts focused on raising capital for follow up drilling and designing a program to follow up on the positive results identified by the Q1 drill program. The Company closed a \$4.8 million brokered private placement in May. In June, the Company announced an 8,000 metre exploration drill program designed to expand the high grade systems identified by the Q1 drilling.

Drilling at the Candelones Extension resumed on July 15, 2016. The objectives of the program are to:

- Increase the quantity (tonnage) ,quality (grade) and confidence (resource classification) of the Candelones Extension resource;
- Evaluate the extent of the high-grade mineralization identified in Q1 2016; and
- Evaluate the litho-structural controls of these high grade systems and apply that knowledge to identify additional systems within the mineral resource footprint.

Drilling in Q3 commenced at Target C at the western periphery of the Candelones Extension deposit where drilling in Q1 identified elevated gold, silver, lead, zinc and copper mineralization. The mineralization occurs in a strongly brecciated dacite with a silica-sulphide matrix. There is strong evidence of sub-vertical faulting, both pre and post mineral. The Company completed 6 holes (2,100 metres) at Target C. Results are reported in Unigold Press Releases 2016-11 (August 16, 2016) and 12 (September 7, 2016). Notable results include:

- LP16-109; 15.0m @ 3.2 g/t Au; including 4.0 m @ 10.1 g/t Au; and
- LP16-110; 12.0m @ 9.7 g/t Au.

The drilling successfully extended the footprint of the global mineral resource over 100m to the west where there was no historical drilling. It also provided further evidence suggesting that the mineralization is sub-vertical and may be controlled by sub-vertical faulting.

Drilling at Target A was designed to evaluate the western extent of the flat lying, high grade, gold-copper rich massive sulphide mineralization identified in Q1. Results were summarized in press releases 2016-13 (October 5, 2016) and 2016-14 (November 2, 2016). Notable results include:

- LP16-114; 21.2m @ 6.0 g/t Au with 0.9% copper (“Cu”);
- LP16-115; 5.7m @ 3.8 g/t Au with 1.2% Cu; and
- LP16-118; 5.0m @ 7.8 g/t Au with 0.3% Cu.

The drilling extended the gold-copper rich massive sulphides 60m to the west, defining an overall footprint in excess of 250m in length. The mineralization remains open to the east and to the west.

Drilling at Target B was designed to test the limits of the sub-vertical epithermal veining with elevated gold, silver, copper and zinc identified in Q1. Results from the initial five holes at Target B were summarized in press release 2016-14 (November 2, 2016) subsequent to the quarter end. Notable results include:

- LP16-120; 6.7m @ 3.3g/t Au with 1.9% Cu;
- LP16-123 14.7m @ 6.5 g/t Au with 0.9% Cu; and
- LP16-123; 8.0m @ 9.4 g/t Au with 0.9% Cu.

The latest results confirm that epithermal mineralization is continuous over a 100m vertical distance and remains open to depth. The results also suggest strong mineral zonation with elevated gold-silver-lead-zinc mineralization transition to dominantly gold-copper mineralization at depth.

All of the higher grade intervals identified by the drilling in 2016 occur within a broader interval of lower grade gold mineralization measuring several tens of metres in thickness and, in many cases, upwards of 100 metres in thickness. This low-grade halo continues to be closely related to the andesite-dacite contact that dips 45-65 degrees to the southeast

Exploration drilling continues to test the depth extent of Targets A and B at depth and down plunge. The Company has also decided to expand the exploration drilling to test the extent of near surface oxide mineralization at the nearby Candelones Extension deposit, roughly 1000 metres to the east. Historical drilling over a limited area identified oxide mineralization at surface averaging over 1.0 g/t Au extending from surface to a depth of 50 metres. The Company believes that this oxide mineralization offers an excellent opportunity for a starter pit offering a low grade, low strip surface deposit with excellent recovery.

The Company’s objective continues to be to increase the quantity (size), quality (grade) and confidence level (classification) of the 2013 and 2015 mineral resource estimates. (for more information please see the Technical Reports available on the company website [www.unigoldinc.com](http://www.unigoldinc.com) or at [www.sedar.com](http://www.sedar.com)).

The exploration license for the Neita concession was extended for one additional year in February 2016. Preliminary work on the next license renewal commenced in Q3 with the objective of submitting the necessary documents in Q4 2016. The Company is confident that the application will be approved allowing exploration to resume in Q1, 2017.

Completed work:

Compilation data	Statistics		
	Q3 2016	YTD	PROJECT TO DATE
Drilling – holes	16	27	479
Drilling – metres	5,823	9,404	114,208
Trenching – metres	–	–	31,559
Geochemical analysis	2,105	4,030	146,727
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, 2016	Year to date additions	September 30, 2016
Consulting (contract geologists and other technical specialists)		\$ 6,210,221	\$ 316,762	\$ 6,526,983
Drilling (including supplies and logistics expenses)		12,943,717	273,373	13,217,373
Field expense (including geochemistry and geophysics)		2,220,332	51,596	2,271,901
Laboratory analysis		4,439,622	114,002	4,553,624
Travel		1,538,751	2,346	1,541,097
Wages & salaries		4,090,043	192,540	4,282,583
Other (includes legal costs, capitalized depreciation)		5,693,218	371,742	6,064,999
		\$ 37,135,894	\$ 1,322,333	\$ 38,458,227

## Results of Operations

For the quarter ended September 30, 2016, the Company recorded a loss of \$140,204, or \$0.00 per share, compared with a loss of \$664,992 or \$0.03 per share, in 2015. The major component of the loss in Q3 2015 was a non-cash share-based payment of \$487,034 (2016 – Nil). Compensation expense declined in Q3 to \$69,941 compared to \$744,506 in 2015 as there was no share based compensation expense in Q3 2016. Listing and shareholder expenses amounted to \$8,945 (2015 – \$66,307). The increase was a result of having to list additional shares issued as a result of the Q2 2015 financing. General and administrative expenses were \$25,452 in the quarter compared to \$66,307 in 2015. The decline is as a result of cost cutting efforts including the closing to the Toronto office in January 2016.

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

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Rent	\$ 1,500	\$ 12,465	\$ 9,163	\$ 37,394
Insurance	8,365	6,021	16,941	19,798
Telephone	838	785	2,290	3,078
Computer supplies and support	10,679	8,159	19,831	17,680
Other	4,070	2,000	8,086	8,224
Total	\$ 25,452	\$ 29,430	\$ 56,311	\$ 86,174

## 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.

After four dismal years, the market's appetite for gold bullion and gold has turned around. The price of gold has increased from US\$1,062 at December 31, 2015 to US\$1,323 at September 30, 2016. The stock prices of senior producers have rebounded during the first half of the year. As a result of the increased market confidence, Unigold was able to raise funds in a brokered private placement. The initial offering announced May 2, 2016 was increased and the overallotment option was fully exercised.

On May 25, 2016, Unigold Inc. closed a private placement of 16,000,000 units of the Company (the "Units") at a price of \$0.30 per Unit for gross proceeds of \$4,800,000 (the "Private Placement"). Each Unit consists of one common share of the Company (a "Unit Share") and one common share purchase warrant (a "Warrant"). Each Warrant entitles the holder thereof to purchase one common share of the Company (a "Warrant Share" and together with the Units, Unit Shares, and Warrants, the "Securities") at an exercise price of \$0.45 at any time prior to May 25, 2018. The Company has the right to accelerate the expiry date of the Warrants on notice to the holders of Warrants if the closing price of the Company's common shares on a stock exchange in Canada is higher than \$0.90

per common share for more than 20 consecutive trading days at any time after September 26, 2016, in which case the Warrants will expire 30 days after the date on which such notice is given.

In connection with the closing of the Private Placement, the Company issued an aggregate of 1,120,000 broker units (the "Broker Units") and paid an aggregate of \$343,324 in cash to the agents. Each Broker Unit entitles the holder thereof to purchase one unit of the Company until May 25, 2018 at an exercise price of \$0.30 per unit. Each unit consists of one common share of the Company and one common share purchase warrant of the Company having the same terms as the Warrants.

The Securities, the Broker Units and the securities issuable upon the exercise of the Broker Units were subject to a four month hold period which expired September 26, 2016. The proceeds from the Private Placement are being used to fund the Company's continued exploration and development of its gold assets in the Dominion Republic, and for general working capital purposes.

As of September 30, 2016, the Company had a cash balance of \$3,352,460 (December 31, 2015– \$596,348) and a working capital of \$3,294,095 (December 31, 2015 – \$473,967).

## Outlook

The May financing has allowed Unigold to resume exploration drilling on the Candelones extension high-grade zones at depth and to the East and West. Exploration or in-fill drilling resumed during July and is planned to continue to mid-December. The Company plans to end the year with sufficient cash on hand to resume exploration in 2017.

## Quarterly Financial Information (Unaudited)

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

(\$ thousands, except per share amounts)	2016			2015				2014
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenue	–	–	–	–	–	–	–	–
Net loss	(140)	(636)	(163)	(125)	(309)	(140)	(217)	(696)
Net loss per share: Basic and diluted	(0.00)	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)	(0.03)
Acquisition of exploration and evaluation assets	743	208	371	416	84	71	204	547

The net loss in the fourth quarter of 2014 included cash contract restructuring payments of \$430,459. The net loss in Q2 2016 includes a non-cash share based payment of \$574,004. Exploration drilling was suspended Q4 2014 and resumed in Q4 2015 continuing into Q1 2016. Drilling resumed July 2016 continuing into Q4 which is the reason for the changes in the exploration and evaluation assets.

## Related Party Transactions

Included in the accounts for the periods ended September 30, 2016 and 2015 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 September 30, 2016		Nine months ended September 30, 2016	
	2015	2015	2015	2015
Management services fees paid to corporations controlled by or under significant influence of an officer of the Company	\$ 39,475	\$ 3,000	\$ 173,075	\$ 11,000
Professional fees paid to officers or former officers	123,375	68,850	154,175	180,100
	<b>\$ 162,850</b>	<b>\$ 71,850</b>	<b>\$ 327,250</b>	<b>\$ 191,100</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	2016	2017	2018	2019	2020
Office lease	\$ 2,000	\$ 2,000	\$ –	\$ –	\$ –	\$ –
Services	400,000	399,000	1,000	–	–	–
	<b>\$ 402,000</b>	<b>\$ 401,000</b>	<b>\$ 1,000</b>	<b>\$ –</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 comparable 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.

### ***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.

### ***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 September 30, 2016, 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; and
- IFRS 16 – *Leases* requires that leases over one year in length be recorded as a liability. IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment.

These standards are being evaluated to determine their impact on the unaudited, condensed consolidated interim financial statements financial statements of the Company. IFRS 9 is effective for the Company's fiscal year starting January 1, 2018. IFRS 16 is effective for annual periods beginning on or after January 1, 2019.

### ***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 September 30, 2016. Management believes that the credit risk concentration with respect to financial instruments included in other receivables is minimal.

### ***Liquidity Risk***

As of September 30, 2016, the Company has a cash balance of \$3,352,460 (December 31, 2015 – \$596,348) to settle current accounts payable and accrued liabilities of \$124,281 (December 31, 2015 – \$154,932). The Company's other current assets consist of other receivables of \$10,955 (December 31, 2015 – \$8,608) and other financial assets and prepaids of \$54,960 (December 31, 2015 – \$23,943).

### ***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 September 30, 2016, the Company had cash balances of \$50,571 (December 31, 2015 – \$14,713) in United States dollars. U.S. \$ accounts payable as at September 30, 2016 were U.S. \$nil (December 31, 2015 – 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 September 30, 2016, 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 September 30, 2016. 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 September 30, 2016.

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

Details about the Company's outstanding common shares as at November 16, 2016 are as follows:

Common shares issued and outstanding	45,621,309
Potential issuance of common shares – warrants	19,740,000
Stock options issued to directors, employees, officers and consultants	3,730,000

### ***Qualified Person***

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

## **Corporate information**

### **Directors**

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

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)(2)(3)(4)(5)</sup>  
*Managing Director of Primary Capital  
Orono, Ontario, Canada*

Ruben Padilla <sup>(5)(6)</sup>  
*Chief Geologist, Talisker Explorations Services Inc.  
Toronto, Ontario*

Charles Page, MSc, P.Geo. <sup>(1)(2)(3)(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  
*Interim President and Chief Executive Officer*

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

Wes Hanson, P.Geo. <sup>(5)(6)</sup>  
*Chief Operating Officer and Technical Director*

### **Stock Listing**

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

### **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 1102  
Toronto, Ontario  
Canada

Mailing address: P.O. Box 936 STN Adelaide  
Toronto, Ontario  
M5C 2K3

Telephone: 416.866.8157  
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).