



**UNIGOLD INC.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the Three and Nine Months Ended September 30, 2017 and 2016  
Expressed in Canadian Dollars  
Unaudited

The accompanying unaudited condensed consolidated interim financial statements of Unigold Inc. have been prepared by and are the responsibility of management. Unigold's auditors have not reviewed the unaudited condensed interim financial statements.

UNIGOLD INC.

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian Dollars)

<b>As at,</b>	<b>September 30, 2017</b> (unaudited)	December 31, 2016
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 1,712,969	\$ 2,594,593
Other receivables	13,782	32,468
Other financial assets and prepaids	23,910	19,407
<b>Total current assets</b>	<b>1,750,661</b>	2,646,468
<b>Non-current assets</b>		
Property, plant and equipment (Note 6)	473,592	564,044
Exploration properties (Note 7)	283,747	283,747
Exploration and evaluation assets (Note 7)	39,488,766	39,000,999
<b>Total assets</b>	<b>\$ 41,996,766</b>	\$ 42,495,258
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 83,939	\$ 77,913
<b>Total liabilities</b>	<b>83,939</b>	77,913
<b>Equity attributable to shareholders of the Company</b>		
Share capital (Note 8(a))	57,309,839	57,299,940
Reserve for warrants (Note 8(b))	2,150,859	3,249,939
Reserve for share-based payments (Note 8(c))	1,053,061	1,671,314
Accumulated deficit	(18,603,763)	(19,806,679)
<b>Total equity attributable to shareholders of the Company</b>	<b>41,909,996</b>	42,414,514
<b>Non-controlling interest</b>	<b>2,831</b>	2,831
<b>Total equity</b>	<b>41,912,827</b>	42,417,345
<b>Total liabilities and equity</b>	<b>\$ 41,996,766</b>	\$ 42,495,258

Nature of operations (Note 1)

Going concern (Note 2)

Commitments and contingencies (Notes 7 and 16)

Approved on Behalf of the Board:

s/ Joseph Del Campo  
Director

s/ Joseph Hamilton  
Director

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

UNIGOLD INC.

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Unaudited-Expressed in Canadian Dollars)

	Share capital		Warrants	Other reserves		Accumulated Deficit	Equity attributable to shareholders
	Number of shares	Amount		Share-based payment	Total other reserves		
<b>Balance, January 1, 2017</b>	<b>45,621,309</b>	<b>\$ 57,299,940</b>	<b>\$ 3,249,939</b>	<b>\$ 1,671,314</b>	<b>\$ 4,921,253</b>	<b>\$ (19,806,679)</b>	<b>\$ 42,414,514</b>
Net loss for the period	–	–	–	–	–	(184,116)	(184,116)
<b>Balance March 31, 2017</b>	<b>45,621,309</b>	<b>\$ 57,299,940</b>	<b>\$ 3,249,939</b>	<b>\$ 1,671,314</b>	<b>\$ 4,921,253</b>	<b>\$ (19,990,795)</b>	<b>\$ 42,230,398</b>
Transfer to deficit on expiry	–	–	(1,099,080)	(598,020)	(1,697,100)	1,697,100	–
Net loss for the period	–	–	–	–	–	(178,647)	(178,647)
<b>Balance June 30, 2017</b>	<b>45,621,309</b>	<b>\$ 57,299,940</b>	<b>\$ 2,150,859</b>	<b>\$ 1,073,294</b>	<b>\$ 3,224,153</b>	<b>\$ (18,472,342)</b>	<b>\$ 42,051,751</b>
Options exercised	50,000	9,899	–	(4,899)	(4,899)	–	5,000
Transfer to deficit on expiry	–	–	–	(15,334)	(15,334)	15,334	–
Net loss for the period	–	–	–	–	–	(146,755)	(146,755)
<b>Balance September 30, 2017</b>	<b>45,671,309</b>	<b>57,309,839</b>	<b>\$ 2,150,859</b>	<b>\$ 1,053,061</b>	<b>\$ 3,203,920</b>	<b>\$ (18,603,763)</b>	<b>\$ 41,909,996</b>

	Share capital		Warrants	Other reserves		Accumulated Deficit	Equity attributable to shareholders
	Number of shares	Amount		Share-based payment	Total other reserves		
<b>Balance, January 1, 2016</b>	29,471,309	\$ 55,075,544	\$ 1,099,080	\$ 1,304,771	\$ 2,403,851	\$(18,878,831)	\$38,600,564
Net loss for the period	–	–	–	–	–	(163,002)	(163,002)
<b>Balance March 31, 2016</b>	29,471,309	55,075,544	1,099,080	1,304,771	2,403,851	(19,041,833)	38,437,562
Private placement	16,000,000	4,800,000	–	–	–	–	4,800,000
Share issue costs	–	(454,442)	–	–	–	–	(454,442)
Warrants issued	–	(2,150,859)	2,150,859	–	2,150,859	–	–
Options exercised	150,000	29,697	–	(14,697)	(14,697)	–	15,000
Share-based payment	–	–	–	591,399	591,399	–	591,399
Net loss for the period	–	–	–	–	–	(665,535)	(665,535)
<b>Balance June 30, 2016</b>	45,621,309	57,299,940	3,249,939	1,881,473	5,131,412	(19,707,368)	42,723,984
Transfer to deficit on expiry	–	–	–	(105,572)	(105,572)	105,572	–
Share-based payment	–	–	–	49,697	49,697	–	49,697
Net loss for the period	–	–	–	–	–	(140,204)	(140,204)
<b>Balance September 30, 2016</b>	45,621,309	57,299,940	3,249,939	1,825,598	5,075,537	(19,742,000)	42,633,477
Transfer to deficit on expiry	–	–	–	(154,284)	(154,284)	154,284	–
Net loss for the period	–	–	–	–	–	(218,963)	(238,963)
<b>Balance, December 31, 2016</b>	<b>45,621,309</b>	<b>\$ 57,299,940</b>	<b>\$ 3,249,939</b>	<b>\$ 1,671,314</b>	<b>\$ 4,921,253</b>	<b>\$ (19,806,679)</b>	<b>\$ 42,414,514</b>

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

UNIGOLD INC.

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS**

(Unaudited-Expressed in Canadian Dollars)

	Three months ended September 30,		Nine months ended September 30,	
	<del>2017</del>	2016	2017	2016
<b>Operating expenses</b>				
Compensation ( <i>Note 11</i> )	\$ 75,995	\$ 69,941	\$ 254,774	\$ 744,506
Professional and consulting fees	13,653	41,523	122,380	71,149
Travel and business development	23,696	3,885	40,455	13,323
Listing and shareholder information	10,678	8,945	33,752	66,307
General and administrative expenses	21,070	25,452	60,081	56,311
Amortization	186	266	558	798
Loss on disposal of property, plant and equipment	–	–	7	4,608
Foreign exchange loss (gain)	5,025	(711)	11,321	24,437
<b>Net loss for the period before the undernoted</b>	<b>(150,303)</b>	<b>(149,301)</b>	<b>(523,328)</b>	<b>(981,439)</b>
Investment income	3,548	9,097	13,810	12,698
<b>Total loss and comprehensive loss for the period</b>	<b>\$ (146,755)</b>	<b>\$ (140,204)</b>	<b>\$ (509,518)</b>	<b>\$ (968,741)</b>
<b>Net loss per share - basic &amp; diluted (<i>Note 10</i>)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.03)</b>

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

UNIGOLD INC.

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**

(Unaudited-Expressed in Canadian Dollars)

<b>For the nine month period ended September 30,</b>	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities</b>		
Net loss for the period	\$ (509,518)	\$ (968,741)
Adjustments to add/(deduct) non-cash items		
Share based payment	–	487,034
Amortization	558	798
Loss on disposal of property, plant and equipment	7	4,608
Deduct investment income	(9,113)	(1,347)
	<b>(518,066)</b>	<b>(457,728)</b>
Working capital adjustments		
Other receivables	18,685	(2,347)
Other financial assets and prepaids	(4,502)	(31,018)
Accounts payable and accrued liabilities	6,026	(30,652)
Net cash flows from operating activities	<b>(497,857)</b>	<b>(541,665)</b>
<b>Cash flows from investing activities</b>		
Disposal of property, plant and equipment	5,761	265
Acquisition of property, plant and equipment	–	(3,920)
Acquisition of exploration and evaluation assets	(403,641)	(1,060,474)
Investment income	9,113	1,347
Net cash flows from investing activities	<b>(388,767)</b>	<b>(1,062,782)</b>
<b>Cash flows from financing activities</b>		
Private placement	–	4,800,000
Share issue costs	–	(454,442)
Exercise of options	5,000	15,000
Net cash flows from financing activities	<b>5,000</b>	<b>4,360,558</b>
<b>Net decrease in cash</b>	<b>(881,624)</b>	<b>2,744,760</b>
Cash, beginning of period	<b>2,594,593</b>	596,348
<b>Cash, end of period</b>	<b>\$ 1,712,969</b>	<b>\$ 3,352,460</b>

Supplemental information pertaining to cash flows (Note 13)

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

## **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

*For the periods ended September 30, 2017 and 2016*

Unaudited-Expressed in Canadian dollars unless otherwise stated.

### **1. Nature of Operations and Basis of Presentation**

#### ***Nature of operations***

Unigold Inc. (“Unigold” or the “Company”) was incorporated pursuant to the Business Corporations Act (Ontario) on May 9, 1990. The Company’s executive office is located at 44 Victoria Street, Suite 1102, Toronto, Ontario M5C 1Y2.

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

#### ***Basis of presentation***

These condensed consolidated interim financial statements include the accounts of the Corporation, and its wholly owned subsidiary, Unigold Resources Inc., which is incorporated in Canada under the Canada Business Corporations Act, and its 97% owned subsidiary, Unigold Dominicana, S.R.L., which is incorporated in the Dominican Republic. All material intercompany balances and transactions have been eliminated.

### **2. Going Concern**

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

It is not possible to predict whether financing efforts will be successful or if Unigold will attain profitable levels of operation. These condensed consolidated interim financial statements do not include any adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classification that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements. These adjustments could be material.

### **3. Measurement Uncertainty**

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

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

## **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

*For the periods ended September 30, 2017 and 2016*

Unaudited-Expressed in Canadian dollars unless otherwise stated.

### **4. Summary of Significant Accounting Policies**

#### **(a) Statement of compliance**

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* using the accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. These condensed consolidated interim financial statements have been prepared on the basis of and using accounting policies, methods of computation and presentation consistent with those applied in Unigold’s 2016 Consolidated Annual Financial Statements. The accounting policies applied in these condensed consolidated interim financial statements are based on IFRS issued and outstanding as of November 15, 2017, the date the Audit Committee approved these statements. Any subsequent changes to IFRS that are given effect in the Company’s annual consolidated financial statements for the year ending December 31, 2016 could result in restatement of these condensed consolidated interim financial statements, including the transition adjustments recognized on change-over to IFRS.

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

#### **(b) Basis of preparation**

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

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

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2017 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity’s own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS 16 – Leases (“IFRS 16”) was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, 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. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise, it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted if IFRS 15 has also been applied.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the periods ended September 30, 2017 and 2016

Unaudited-Expressed in Canadian dollars unless otherwise stated.

These standards are being evaluated to determine their impact on the consolidated financial statements of the Company.

**(d) Accounting policies**

The accounting policies applied by the Company in these condensed consolidated interim financial statements are the same as those applied to the Company's annual consolidated financial statements for the year ended December 31, 2016 and the corresponding interim reporting period. *Note 4* to those annual statements describes the significant accounting policies used by the Company. These interim financial statements do not include all the notes of the type normally included in an annual financial report and therefore should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2016, as they provide an update of previously reported information.

**5. Significant Accounting Judgments and Estimates**

The preparation of these condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

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

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

**6. Property, Plant and Equipment**

Vehicles, field equipment, and camp and buildings relate to the Company's exploration activities. During the period ended September 30, 2017, \$84,126 (2016 – \$107,797) of amortization was capitalized to exploration and evaluation assets.

Cost	Land	Office furniture and equipment	Computer equipment	Vehicles	Field equipment	Camp and buildings	Total
Balance December 31, 2015	\$ 13,771	\$ 14,873	\$ 130,482	\$ 77,316	\$ 1,396,041	\$ 324,725	\$ 1,957,208
Additions	–	–	–	–	–	3,920	3,920
Disposals/transfer	–	(14,873)	–	–	–	–	(14,873)
Balance December 31, 2016	\$ 13,771	\$ –	\$ 130,482	\$ 77,316	\$ 1,396,041	\$ 328,645	\$ 1,946,255
Disposals	–	–	–	(25,559)	–	–	(25,559)
Balance September 30, 2017	\$ 13,771	\$ –	\$ 130,482	\$ 51,757	\$ 1,396,041	\$ 328,645	\$ 1,920,696

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the periods ended September 30, 2017 and 2016

Unaudited-Expressed in Canadian dollars unless otherwise stated.

Amortization and impairment	Land	Office furniture and equipment	Computer equipment	Vehicles	Field equipment	Camp and buildings	Total
Balance December 31, 2015	\$ –	\$ 10,000	\$ 88,700	\$ 53,593	\$ 916,349	\$ 178,779	\$ 1,247,421
Amortization	–	–	12,536	7,116	95,950	29,188	144,790
Disposals/transfer	–	(10,000)	–	–	–	–	(10,000)
Balance December 31, 2016	\$ –	\$ –	\$ 101,236	\$ 60,709	\$ 1,012,299	\$ 207,967	\$ 1,382,211
Amortization	–	–	6,579	2,439	57,564	18,102	84,684
Disposals	–	–	–	(19,791)	–	–	(19,791)
Balance September 30, 2017	\$ –	\$ –	\$ 107,815	\$ 43,357	\$ 1,069,863	\$ 226,069	\$ 1,447,104

	Land	Office furniture and equipment	Computer equipment	Vehicles	Field equipment	Camp and buildings	Total
At December 31, 2016	\$ 13,771	\$ –	\$ 29,246	\$ 16,607	\$ 383,742	\$ 120,678	\$ 564,044
At September 30, 2017	13,771	–	22,666	8,400	326,179	102,576	473,592

**7. Exploration Properties and Exploration and Evaluation Assets**

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

	Balance December 31, 2015	2016 Additions	Balance December 31, 2016	2017 Additions	Balance June 30, 2017
<b>Exploration property interests</b>					
Neita,	\$ 283,747	\$ –	\$ 283,747	\$ –	\$ 283,747
<b>Exploration and evaluation assets</b>					
Neita,	\$ 37,135,894	\$ 1,865,105	\$ 39,000,999	\$ 487,767	\$ 39,488,766

**Neita**

The Company owns 100% of the exploration rights for gold, silver, copper, zinc and all associated minerals on the Neita Property in the northwestern Dominican Republic, as well as a sole and exclusive option for the commercial mining of the mineral deposits. In March 2012, Unigold's concession was renewed until March 2015 with option for two one-year renewals. In March 2015, the first one-year renewal was granted. In February 2016, the second one-year renewal was granted. As at November 15, 2017, the concession is expired but, pertaining to the prerogatives set forth by Article 16 of the Mining Law Application Rules, management understands that the exclusive right of the concession area is protected by the application of a new exploration concession, which was duly filed by the Company on November 26th, 2016. On July 27, 2017 the Dirección General de Minería completed and finalized the review of the exploration concession application. As stipulated in Article 145 of the Mining Law, an extract of the application was published in a national Dominican newspaper ("El Caribe") twice, on July 28<sup>th</sup> and August 7<sup>th</sup> and was open for public review. As of the date of this report the Company has not yet been notified of the granting of the concession.

During the period ended September 30, 2017, \$84,126 (2016 – \$107,797) of amortization was capitalized to exploration and evaluation assets and \$nil (2016 – \$154,062) of non-cash share-based expense was capitalized to exploration and evaluation assets.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the periods ended September 30, 2017 and 2016

Unaudited-Expressed in Canadian dollars unless otherwise stated.

**8. Equity Attributable to Equity Holders of the Company****(a) Common shares***Authorized, issued and outstanding shares*

Common shares, no par value, authorized unlimited number of shares, issued and outstanding were 45,671,309 shares as at September 30, 2017 (December 31, 2016 – 45,621,309).

	Number of shares	\$
Balance December 31, 2015	29,471,309	55,075,544
Balance March 31, 2016	29,471,309	55,075,544
Private placements	16,000,000	(454,442)
Cash share issue costs	–	(1,990,736)
Value assigned to warrants issued	–	(160,123)
Value assigned to broker units	–	15,000
Option exercise	150,000	14,697
Option exercise-transfer of valuation	–	4,800,000
Balance June 30, 2016	45,621,309	57,299,940
Balance September 30, 2016	45,621,309	57,299,940
Balance December 31, 2016	45,621,309	57,299,940
Balance March 31, 2017	45,621,309	57,299,940
Balance June 30, 2017	45,621,309	57,299,940
Option exercise	50,000	9,899
<b>Balance September 30, 2017</b>	<b>45,671,309</b>	<b>57,309,839</b>

**(b) Reserve for warrants**

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

	Number of Warrants	Weighted average exercise price \$	Weighted average grant date fair value \$
Balance, December 31, 2015	<del>15,000</del>	5.00	1,099,080
Balance March 31, 2016	<del>15,000</del>	5.00	1,099,080
Private placement	16,000,000	0.45	1,990,736
Broker Units	1,120,000	0.30	160,123
Balance, June 30, 2016	18,620,000	0.81	3,249,939
Balance September 30, 2016	18,620,000	0.81	3,249,939
Balance December 30, 2016	18,620,000	0.81	3,249,939
Balance March 31, 2017	18,620,000	0.81	3,249,939
Expired	(1,500,000)	0.73	(1,099,080)
Balance June 30, 2017	17,120,000	0.44	2,150,859
<b>Balance September 30, 2017</b>	<b>17,120,000</b>	<b>0.44</b>	<b>2,150,859</b>

As a result of the private placement financing in May 2016, the Company issued 16,000,000 warrants. Each Warrant entitles the holder thereof to purchase one common share of the Company 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.

UNIGOLD INC.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the periods ended September 30, 2017 and 2016

Unaudited-Expressed in Canadian dollars unless otherwise stated.

The fair value of the warrants issued in this private placement was estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions:

Expected life	2 years
Expected volatility	245 %
Risk-free rate	0.63%
Expected annual dividend	Nil
Grant date fair value	\$0.124

In connection with the closing of the Private Placement, the Company issued an aggregate of 1,120,000 broker units (the "Broker Units"). 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 fair value of the broker warrants issued in this private placement was estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions:

Expected life	2 years
Expected volatility	245 %
Risk-free rate	0.63%
Expected annual dividend	Nil
Grant date fair value	\$0.143

At September 30, 2017 and December 31, 2016 the Company had warrants issued as follows (all warrants are exercisable):

Exercise Price	2017		2016		Expiry Date
	Number of Warrants Outstanding	Weighted Average Remaining Contractual Life - Years	Number of Warrants Outstanding	Weighted Average Remaining Contractual Life - Years	
\$5.00	–	–	1,500,000	0.4	June 10, 2017
\$0.45	16,000,000	0.6	16,000,000	1.4	May 25, 2018
\$0.30	1,120,000	0.6	1,120,000	1.4	May 25, 2018
\$0.44	17,120,000	0.6	18,620,000	1.3	

(c) **Reserve for share-based payment**

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS***For the periods ended September 30, 2017 and 2016*

Unaudited-Expressed in Canadian dollars unless otherwise stated.

	\$
Balance December 31, 2015	1,304,771
Balance March 31, 2016	1,304,771
Granted – employee stock options	591,399
Exercised	(14,697)
Balance June 30, 2016	1,871,473
Expired/forfeited – transferred to deficit	(105,572)
Granted – employee stock options	49,697
Balance September 30, 2016	1,825,598
Expired/forfeited-transferred to deficit	(154,284)
Balance December 31, 2016	1,671,314
Balance March 31, 2017	1,671,314
Expired/forfeited-transferred to deficit	(598,020)
Balance June 30, 2017	1,073,294
Exercised	(4,899)
Expired/forfeited – transferred to deficit	(15,334)
<b>Balance September 30, 2017</b>	<b>1,053,061</b>

**9. Share - Based Payment – Employee Stock Option Plan**

The Company has a stock option plan (the “Plan”), the purpose of which is to attract, retain and motivate management, staff and consultants by providing them with the opportunity, through share options, to acquire a proprietary interest in the Company and benefit from its growth. The maximum number of options to be issued under the Plan shall not exceed 10% of the total number of common shares issued and outstanding. The options are non-transferable and may be granted for a term not exceeding five years. The exercise price of the options shall be determined by the board of directors on the basis of the market price of the common shares, subject to all applicable regulatory requirements.

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

	Number	Weighted average exercise price \$
Balance December 31, 2015	2,507,500	0.76
Balance March 31, 2016	2,507,500	0.76
Granted	1,700,000	0.35
Exercised	(150,000)	0.10
Balance June 30, 2016	4,057,500	0.61
Expired/forfeited	(87,500)	1.82
Granted	100,000	0.50
Balance September 30, 2016	4,070,000	0.58
Expired/forfeited	(340,000)	1.10
Balance December 31, 2016	3,830,000	0.55
Balance March 31, 2017	3,830,000	0.55
Expired/forfeited	(240,000)	3.30
Balance June 30, 2017	3,590,000	0.36
Exercised	(50,000)	0.10
Expired/forfeited	(50,000)	0.35
<b>Balance September 30, 2017</b>	<b>3,490,000</b>	<b>0.37</b>

As at September 30, 2017, the Company had stock options issued to directors, officers, employees and consultants of the Company as follows:

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the periods ended September 30, 2017 and 2016

Unaudited-Expressed in Canadian dollars unless otherwise stated.

Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life – Years	Number of Options Exercisable	Expiry Date
\$2.80	75,000	0.5	75,000	March 27, 2018
\$1.00	315,000	0.8	315,000	July 3, 2018
\$0.10	1,350,000	3.0	1,350,000	Sep.30, 2020
\$0.35	1,650,000	3.7	1,650,000	June 22, 2021
\$0.50	100,000	3.8	100,000	July 21, 2021
<b>\$0.37</b>	<b>3,490,000</b>	<b>3.1</b>	<b>3,490,000</b>	

As at September 30, 2017, there are 1,077,131 options available for grant (December 31, 2016 – 492,131). During the quarter ended September 30, 2017 share-based payment expense of \$nil was recorded (2016 – \$nil). In addition, \$nil (2016 – \$49,697) was capitalized to exploration and evaluation assets. The weighted average exercise price of stock options exercisable as at September 30, 2017 is \$0.37 (December 31, 2016 – \$0.55).

**10. Net Loss per Share**

For the three months ended September 30, 2017 and 2016, the outstanding stock options and warrants were not included in the computation of the diluted net loss per share because the effect was anti-dilutive.

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Loss attributable to shareholders	\$ (146,755)	\$ (140,204)	\$ (509,518)	\$ (968,741)
Weighted average number of shares	45,641,961	45,621,309	45,628,269	36,997,221
Basic loss per share	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.03)
Incremental shares on assumed exercise of options and warrants	–	–	–	–
Weighted average number of shares	45,641,961	45,621,309	45,628,269	36,997,221
Diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.03)

**11. Compensation**

The compensation expense of the Company was as follows:

	Three months ended September 30		Nine months ended September 30,	
	2017	2016	2017	2016
Salaries and non-wage costs	\$ 45,995	\$ 39,941	\$ 164,774	\$ 167,472
Directors' fees	30,000	30,000	90,000	90,000
Share-based compensation	–	–	–	487,034
	\$ 75,995	\$ 69,941	\$ 254,774	\$ 744,506

**12. Related Party Transactions**

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the periods ended September 30, 2017 and 2016

Unaudited-Expressed in Canadian dollars unless otherwise stated.

	Three months ended September 30		Nine months ended September 30,	
	2017	2016	2017	2016
Aggregate compensation	\$ 58,875	\$ 192,850	\$ 285,170	\$ 417,250
Share-based compensation	–	–	–	574,000
	<b>\$ 58,875</b>	<b>\$ 192,850</b>	<b>\$ 285,170</b>	<b>\$ 991,250</b>

Included in the accounts for the periods ended September 30, 2017 and 2016 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		Nine months ended September 30,	
	2017	2016	2017	2016
Management services fees paid to corporations controlled by or under significant influence of an officer of the Company	\$ 15,025	\$ 39,475	\$ 40,170	\$ 173,075
Professional fees paid to officers	44,250	123,375	155,000	154,175
	<b>\$ 59,275</b>	<b>\$ 162,850</b>	<b>\$ 195,170</b>	<b>\$ 327,250</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.

**13. Supplemental Information Pertaining to Cash Flows**

	Nine months ended September 30,	
	2017	2016
Income taxes paid	\$ –	\$ –
Change in accrued exploration and evaluation assets	(12,570)	(20,273)
Amortization included in exploration and evaluation assets (Note 6, 7)	84,126	71,870
Share-based payments charged to exploration and evaluation assets (Note 7)	–	104,365

**14. Financial Risk Management**

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

**(a) Credit risk**

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

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

Financial instruments included in other receivables consist of sales tax due from the Federal Government of Canada. Other receivables are in good standing as of September 30, 2017. Management believes that the credit risk concentration with respect to financial instruments included in other receivables is minimal.

## **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

*For the periods ended September 30, 2017 and 2016*

Unaudited-Expressed in Canadian dollars unless otherwise stated.

### **(b) Liquidity risk**

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

As at September 30, 2017, the Company has working capital of \$1,666,722 (December 31, 2016 – \$2,568,555). As of September 30, 2017, the Company has a cash balance of \$1,712,969 (December 31, 2016 – \$2,594,593 to settle current accounts payable and accrued liabilities of \$83,939 (December 31, 2016 – \$77,913). The Company's other current assets consist of other receivables of \$13,782 (December 31, 2016 – \$32,468) and other financial assets and prepaids of \$23,910 (December 31, 2016 – \$19,407).

See also *Note 2 – Going Concern*.

### **(c) Market risk**

At the present time, the Company does not hold any interest in a mining property that is in production. The Company's viability and potential success depends on its ability to develop, exploit, and generate revenue from the development of mineral deposits. Revenue, cash flow, and profits from any future mining operations in which the Company is involved will be influenced by precious and/or base metal prices and by the relationship of such prices to production costs. Such prices can fluctuate widely and are affected by numerous factors beyond the Company's control.

### **(d) Foreign exchange risk**

The Company's financings are in Canadian dollars. Certain of the Company's transactions with its subsidiary, Unigold Dominicana, S.R.L. are incurred in foreign currencies and are therefore subject to gains or losses due to fluctuations in exchange rates. The Company is therefore subject to foreign exchange risk. As at September 30, 2017, the Company had cash balances of \$40,262 (December 31, 2016 – \$192,700) in United States dollars. U.S. \$ accounts payable as at September 30, 2017 were U.S. \$nil (December 31, 2016 – U.S. \$13,248).

Sensitivity to a plus or minus 5% change in the foreign exchange rate would not have resulted in a significant fluctuation in the loss for the period ended September 30, 2017. The Company does not undertake currency hedging activities to mitigate its foreign currency risk.

### **(e) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's current policy is to earn interest on bank balances which approximate rates available from investment-grade short-term deposit certificates issued by its financial institutions. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its financial institutions. As of September 30, 2017, interest rate risk is minimal since the Company has no interest-bearing debt instruments.

A sensitivity analysis has determined that an interest rate fluctuation of 5% in interest rates would not have resulted in significant fluctuation in the interest income during the period ended September 30, 2017.

### **(f) Fair value of financial assets and liabilities**

Fair value estimates are made at the statement of financial position date based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the periods ended September 30, 2017 and 2016

Unaudited-Expressed in Canadian dollars unless otherwise stated.

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

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

	As at	September 30, 2017		December 31, 2016	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash		\$ 1,712,969	\$ 1,712,969	\$ 2,594,593	\$ 2,594,593
Other receivables		13,782	13,782	32,468	32,468
Accounts payable and accrued liabilities		83,939	83,939	77,913	77,913

**15. Capital Risk Management**

The Company considers its capital structure to consist of equity attributable to shareholders of the Company which at September 30, 2017 was \$41,909,996 (December 31, 2016 – \$42,414,514). The Company manages its capital structure and makes adjustments to it, in order to have the funds available to support its exploration and operations activities.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its exploration properties and maximize shareholder returns. The Company satisfies its capital requirements through careful management of its cash resources and by utilizing its existing credit facility or equity issues, as necessary, based on the prevalent economic conditions of both the industry and the capital markets and the underlying risk characteristics of the related assets. Management reviews its capital management approach on an ongoing basis. The Company and its subsidiaries are not subject to externally imposed capital requirements.

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

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

**(b) Environmental matters**

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

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

**(c) Guarantees**

The Company has no guarantees outstanding.

**(d) Contingencies**

The Company is a party to certain employment contracts. These contracts contain clauses requiring that \$nil be paid on termination resulting from a change of control of the Company, \$14,000 be paid on termination for other than cause. The

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the periods ended September 30, 2017 and 2016

Unaudited-Expressed in Canadian dollars unless otherwise stated.

Dominican Republic has laws requiring payments of approximately \$84,000 if those employees are terminated. As the likelihood of these events taking place is not determinable, the contingent payments have not been reflected in these consolidated financial statements.

**(e) Operating contractual obligations**

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

Year	Total	2017	2018	2019	2020	2021
Office lease	\$ 4,000	\$ 4,000	\$ –	\$ –	\$ –	\$ –
Services	165,000	165,000	–	–	–	–
	\$169,000	\$169,000	\$ –	\$ –	\$ –	\$ –

The Company has entered into a lease for office premises. The lease has a life of three months (December 31, 2016 – one year) with renewal terms at the option of the lessee at lease payments based on market prices at the time of renewal. There are no restrictions placed upon the lessee by entering into these leases. Payments recognized as an expense were as follows:

Period ended September 30,	2017	2016
Lease payments	\$ 4,725	\$ 6,163

Non-cancellable operating lease commitments:

	As at September 30, 2017	December 31, 2016
Within one year	\$ 4,000	\$ 4,500
After one year but not more than five years	–	–
More than five years	–	–

**(f) 2015 Private Placement**

In connection with the 2015 private placement, an investment agreement was signed which gives Osisko Gold Royalties Ltd. (“Osisko”) 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.

**17. Segmented Information**

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS***For the periods ended September 30, 2017 and 2016*

Unaudited-Expressed in Canadian dollars unless otherwise stated.

<b>As at and for the period ended September 30, 2017</b>			
	<b>Canada</b>	<b>Dominican Republic</b>	<b>Total</b>
Assets	<b>\$ 1,649,711</b>	<b>\$ 40,347,055</b>	<b>\$ 41,996,766</b>
Liabilities	<b>72,486</b>	<b>11,453</b>	<b>83,939</b>
Amortization expense	<b>(588)</b>	<b>–</b>	<b>(558)</b>
Investment income	<b>13,774</b>	<b>36</b>	<b>13,810</b>
Financing expense	<b>–</b>	<b>–</b>	<b>–</b>
Other expenses	<b>(506,834)</b>	<b>(15,936)</b>	<b>(522,770)</b>
<b>As at and for the period ended December 31, 2016</b>			
	<b>Canada</b>	<b>Dominican Republic</b>	<b>Total</b>
Assets	<b>\$ 2,548,980</b>	<b>\$ 39,946,278</b>	<b>\$ 42,495,258</b>
Liabilities	<b>62,752</b>	<b>15,161</b>	<b>77,913</b>
Amortization expense	<b>(1,064)</b>	<b>–</b>	<b>(1,064)</b>
Investment income	<b>19,734</b>	<b>33</b>	<b>19,767</b>
Financing expense	<b>–</b>	<b>–</b>	<b>–</b>
Other expenses	<b>(1,178,186)</b>	<b>(30,349)</b>	<b>(1,208,535)</b>