

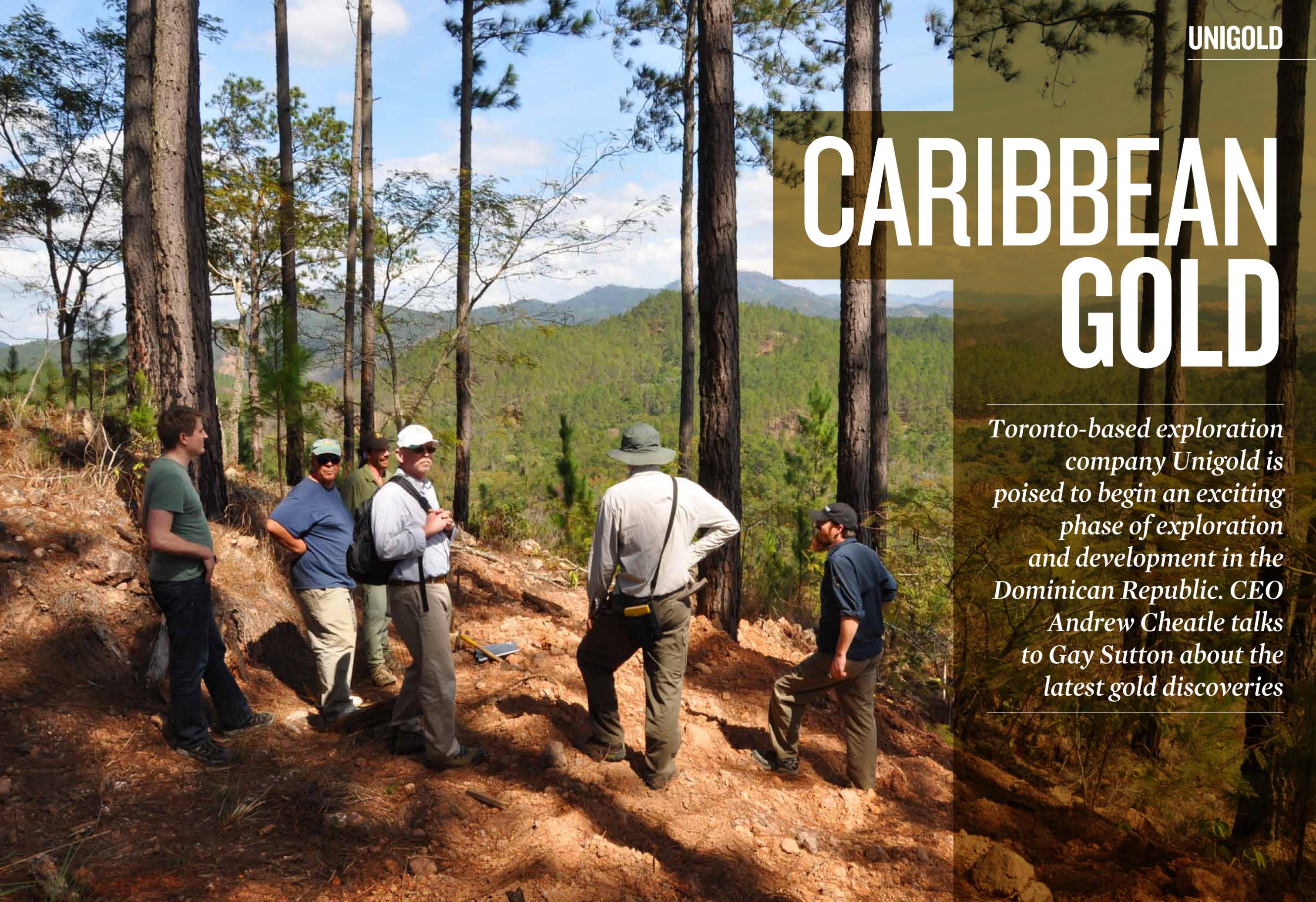
UNIGOLD

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CARIBBEAN GOLD

Toronto-based exploration company Unigold is poised to begin an exciting phase of exploration and development in the Dominican Republic. CEO Andrew Cheatle talks to Gay Sutton about the latest gold discoveries



The Caribbean is no stranger to gold exploration and today's sophisticated and highly technical profession has a long history in the region – a history moreover that encapsulates the true romance of discovering the unknown. When Christopher Columbus set out on his epic voyage of discovery across the Atlantic in 1492, he was stepping beyond mankind's experience in search of a western passage to the East Indies, hoping to establish a safe route to the exotic silk producing countries of China and Japan. Instead, he discovered the Caribbean and alerted the whole of Europe to the potential of the Americas. It was the beginning of a great wave of exploration and settlement, and of the search for gold.

The Dominican Republic, part of the island of Hispaniola where Columbus set up his first headquarters, has a promising geology. A rich gold bearing Cretaceous-age volcanic belt extends in a band across the island, and is giving rise to some exciting new gold discoveries. Toronto-based Unigold's announcement on 16 January this year sent share prices surging. "It's very exciting for us," said CEO Andrew Cheatle. "That week was perhaps the busiest of my life."

The Unigold concessions extend over four contiguous properties in western Dominican Republic, close to the border with Haiti. Over the past 10 years the company has completed a comprehensive geological survey across the properties, taking and analysing over 50,000 soil samples as well as performing a range of geophysical and



Aerial view of
exploration camp



Mineralization in dacite breccias from drill hole LP20

magnetic surveys. By analysing this rich data, Unigold has been able to establish a pipeline of targets for future exploration.

“Our flagship property is Neita, which comprises about 26,000 hectares of land. We’ve made multiple discoveries of gold here which we believe to be significant in nature, including two distinct deposits which we are currently drilling,” Cheatle explained. “The first of these is Candelones where we’ve completed 100 closely-spaced drill holes into the deposit, and the second is at Candelones Extension two kilometers to the east.”

Known locally as Lomita Piña, which means ‘the little pineapple’, the Candelones Extension is the site that aroused so much excitement in January. In technical terms, the announcement reported two interesting results from the 2011 exploratory drilling: drill hole LP17 yielded 73m of 2.36 g/ton gold while the LP20 yielded 20m of 2.74 g/ton gold. “In the mining world this is a very significant intersection,” Cheatle commented.

Meanwhile, one of the most promising indications of the value of these finds has been provided by an IP survey between Candelones and its extension that had been completed earlier, suggesting that the gold bearing geophysical anomaly continues unbroken between the two. “At this stage, I can’t speculate any numbers, but I can say that within a 3km by 2km area of extensive grab samples and soil samples showing anomalous gold, our expectations are that it’s a significant find,” Cheatle said. “Our next step will be to drill from the two known

PICTURE CREDIT ROBERT HILDEBRAND



Unigold exploration camp at Restauracion, Dominican Republic

points with wide spaced drilling, about 100 meters apart, to test the gold mineralisation between the two. We have immediate plans for 10,000 meters of drilling, and we hope to be able to demonstrate the true world-class potential of the property.”

In the long-term, the company strategy is to develop the current gold discovery through to production, which will occupy some 80 percent of company resources. Meanwhile, efforts will continue to secure a good pipeline of projects for the future. So 15 percent of activity will

focus on developing interim targets and the final 5 percent on exploration of the more remote areas of the property.

In many ways, Unigold is unusual in the mining industry. It is still independent and financing its own exploration. So far, some \$25 million has been invested in exploration across the portfolio of properties, and all of this has been raised through share issue. And that trend is set to continue. Just before Christmas, Unigold went to the market again and raised a further \$2.5 million for the next phase of exploration.

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“We also own our own drilling rigs and we have trained a large number of local people to operate them,” Cheatle explained. “We believe in having what we call a social license to operate.” As part of this philosophy, the company prefers to employ staff from the local community and keep them on its own payroll.

Over 100 local people are currently employed in various capacities across the business, ranging from drilling and soil sampling technicians through to mechanical and electrical engineers and from IT experts and security guards through to cooks. As a result, Unigold is now one of the major employers in an area where unemployment is high.

Involvement in the local communities runs considerably deeper too. Last Christmas, for example, over 250 food hampers were donated to needy families in the area, and the company is always happy to lend a hand in tasks it has the skills to perform. The resulting relationship is one of trust and support and works in both directions. Over 95 percent of the local landlords have signed agreements to allow the company access to their land for exploration purposes.

The Dominican Republic is the main focus for Unigold’s exploration efforts at present. “The Dominican Republic is frankly a delightful area to work in,”



Diamond drill at Lomita Piña, drilling hole LPI7

Cheatle said. Blessed with a glorious climate it’s renowned for wide sandy beaches and graceful palm trees. But inland it becomes mountainous, boasting the highest peak in the Caribbean. The majority of Unigold’s concessions are located in the foothills of the mountains among lush hilly terrain, palm, mango, avocado and bamboo groves while Sabaneta is at a higher altitude and a little more remote.

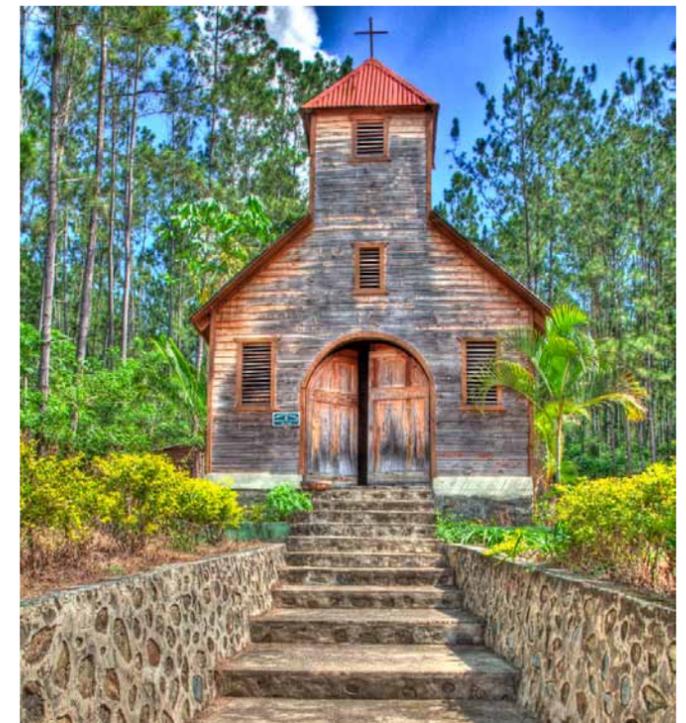
Unlike many of the world’s mining regions the Dominican Republic offers

a well-developed logistics and utilities infrastructure while its Government pays more than just lip service to the importance of mining for the economy. This has been translated into favorable legislation and practices as well as good communications. “During my first visit here, for example, the Director of Mines for the Dominican Republic was happy to see me on a Saturday afternoon at his country house,” Cheatle explained. “Very charmingly he had his grandson on his knee for part of the time we were chatting. In how many countries would that happen? It certainly speaks of the importance the Government attaches to the mining industry.”

The country and the local communities are certainly likely to benefit significantly



Interpreting geology and gold mineralization



Church at Candelones, Neita Property, Dominican Republic

PICTURE CREDIT ROBERT HILDEBRAND

“THE DOMINICAN REPUBLIC IS FRANKLY A DELIGHTFUL AREA TO WORK IN”

\$25 MILLION

Invested in exploration across
property portfolio

from Unigold's discoveries. The cretaceous-age volcanic belt that spans the island and extends beneath all four properties is known to host giant gold deposits. To date, the most notable of these has been the Pueblo Viejo mine some 200km east of Unigold's holdings and closer to the island's capital Santo Domingo. Gold was first extracted from the site in the 15th century, and at one time it became the world's most productive gold mine. Now owned by Barrick Gold, it's being brought back into production and is expected to produce 1 million ounces of gold a year with a mine life of over 25 years.

With exploration at the Neita property producing very promising results and Sabaneta, Los Guandules and El Carrizal still at very early stages of exploration, Unigold is poised to begin what could be a very interesting and exciting journey of discovery and development over the next few years. "Certainly," Cheatle concluded, "2012 looks set to be a very busy year for us." **BE**

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Core logging and mapping samples
at Unigold's exploration camp

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