



## PLATO GOLD CORP

### MANAGEMENT DISCUSSION AND ANALYSIS

Quarterly Report for the six and three months ended June 30, 2010

This Management Discussion and Analysis ("MD&A") of Plato Gold Corp.(the "Company") provides analysis of the Company's financial results for the six and three months ended June 30, 2010. The following information should be read in conjunction with the accompanying unaudited financial statements and the notes to the unaudited financial statements. Neither this document nor the financial statements have been reviewed by the Company's Auditors but they are subject to approval by the Company's Board of Directors prior to filing and distribution to the shareholders.

This MD&A includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address exploration drilling, exploration activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include exploration successes, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements.

Plato Gold Corp is publicly traded on the TSX Venture Exchange (TSX-V: PGC).

#### **Nature of Business**

Plato Gold Corp (the "Company") is a Canadian gold exploration company focused on prospective properties in recognized gold mining districts around the world including Northern Ontario, Northern Quebec and Santa Cruz, Argentina. The Val d'Or Project in Quebec is deemed an advanced exploration project.

The company was first listed on the TSX Venture Exchange (TSX-V: PGC) in 2005. Plato Gold Corp was formed as a result of a reverse takeover by its predecessor corporation, Plato Gold Corp of Shatheena Capital Corp., a capital pool company, and the subsequent amalgamation of Plato Gold Corp and Shatheena Capital Corp. Plato Gold Corp, the private company, was started in 1996.

The Company has three regionally based projects. The first project is the Timmins Gold Project in Northern Ontario which includes five properties (Guibord, Harker, Harker-Garrison, Holloway and Marriott) in what is sometimes referred to as the Harker/Holloway gold camp located east of Timmins.

The second project, the Val d'Or Project in Northern Quebec, includes six properties (Nordeau Bateman, Vauquelin, Pershing Denain, Vauquelin Pershing, Vauquelin Horseshoe and Hop O'My Thumb) in townships near Val d'Or, Quebec. The Val d'Or Project is an advanced exploration project with a reported NI 43-101 compliant gold resource.

The third project, the Lolita Project in Santa Cruz, Argentina, includes three adjoining concessions in Southern Argentina where active exploration activities are underway by other international exploration companies.

Plato Gold Corp is in the early stage of exploration on two projects and advanced exploration on the Val d'Or Project, in which a NI 43-101 compliant mineral resource has been defined.

### **Overall Performance**

On the balance sheets, total assets decreased to \$4,889,544 compared to \$4,896,585 as at December 31, 2009. The decrease is mainly due to a decrease in cash resulting from payments for exploration activities during the six months offset by the private placement completed during the period. As well, other receivables increased due to anticipated Government rebate for the year.

Cash decreased to \$80,260 from \$82,015 at December 31, 2009 as a result of the exploration activities. The receivables increased to \$196,311 compared to \$104,263 at December 31, 2009, due to anticipated Government rebate for the year as noted above, and regular GST and QST rebates.

On the liabilities side, accounts payable and accrued liabilities decreased to \$297,068 from \$529,665 at December 31, 2009 representing the normal payments for the continuing work on the three exploration programs in Val d'Or, Timmins, and Santa Cruz, Argentina, and outstanding payables for professional fees such as accounting and consulting, as well as normal payables related to exploration activities.

Due to related parties increased from \$85,000 to \$300,000 as a result of advances made by a related corporation during the six months. Funds were advanced and repaid during the period resulting in an aggregate increase of \$215,000 since December 31, 2009.

A future tax liability of \$30,102 was recorded for June 30, 2010 compared to \$157,440 for December 31, 2009.

Total liabilities decreased to \$627,170 at June 30, 2010 compared to \$772,105 at December 31, 2009 as a result of payments made to accounts payable offset by the increase in amount due to related parties.

Shareholders' equity increased to \$4,262,374 from \$4,124,480 during the six months ended June 30, 2010 as a result of an increase in funds from the private placement.

## **Results of Operations**

On the Statements of Operations and Deficit, loss before income taxes for the quarter was \$183,814 compared to \$157,608 for the same period last year. The loss for the three months ending June 30, 2010 is mainly due to the stock-based compensation, the write-down of mineral properties and normal cost of operations for the Company.

Relative to last year, the increase in expenses is due to stock-based compensation, a non-cash item and investor relations, which are associated with the Company's increased activities to secure on going funding for exploration.

At the direction of the board, management salaries and consulting costs remain frozen at 2008 levels.

Interest income of \$64 was offset by \$225,971 of expenses compared to \$1 interest income and \$188,607 of expenses for the same three month period last year.

On the Cash Flow Statements, cash used in operating activities was \$138,383 for the three months ended June 30, 2010, compared to cash used of \$61,869 for the same period last year. Cash provided for financing activities was \$168,295 for the three months ended June 30, 2010 as a result of the private placement, compared to cash provided of \$95,552 in the same period last year. Cash provided by investing activities was \$32,554 in this quarter compared with cash used of \$39,423 in the same period last year.

Cash stood at \$80,260 as at June 30, 2010 compared to \$15,963 as at June 30, 2009.

## **Selected Annual Information**

Unless otherwise noted, all currency amounts are stated in Canadian dollars.

The following selected financial data for each of the three most recently completed financial years are derived from the audited annual financial statements of Plato Gold Corp, which were prepared in accordance with Canadian generally accepted accounting principles.

<b>For the Years Ended December 31,</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
	\$	\$	\$
Net revenue	244	8,040	10,666
Loss before discontinued operations and extraordinary items	560,226	276,564	345,338
Loss before discontinued operations and extraordinary items, per share	0.01	-	0.01
Loss before discontinued operations and extraordinary items, per share fully diluted	0.01	-	0.01
Net loss	560,226	276,564	345,338
Net loss, per share	0.01	-	0.01
Net loss, per share fully diluted	0.01	-	0.01
Total assets	4,896,585	4,108,962	3,670,179
Total long term liabilities	157,440	93,943	-
Cash dividends	-	-	-

The Company has recorded losses in all of the three most recently completed fiscal years and expects to continue to record losses until such time as the advanced exploration project in Val d'Or or another of the Company's projects is identified, developed and brought into profitable commercial operation.

### **Exploration and Development Activities**

Mineral property expenditures during the six months totaled \$141,346 compared to expenditures of \$121,422 in the same period last year. These expenditures were mainly funded from the proceeds of the private placements.

During the three months, the Company focused on raising the funds to continue the exploration work on all three projects. At the writing of this report the Company anticipates additional financing in the third and fourth quarters of 2010.

### **Val d'Or Project**

The Val d'Or Project is comprised of the Globex optioned claims and strategically staked properties within, or in close proximity to the Abitibi Green Stone Belt. This prolific mining region has produced almost 200 million ounces of gold since early development in the early 1900's.

Plato holds six properties in the region totaling 3,796 hectares comprised of 235 claims. The properties, Nordeau Bateman, Vauquelin, Pershing Denain, Vauquelin Pershing, Vauquelin Horseshoe and , Hop O'My Thumb are located in Vauquelin Township. The Once Upon a Time property located in Cadillac and Bousquet Townships which was optioned with D. Manseau expired on May 31, 2010. All the properties are in the province of Quebec near the town of Val d'Or.

The project started on August 8<sup>th</sup> 2006, when the Company signed an Option Agreement with Globex Mining Enterprises Inc. to acquire a 100 percent of Globex's interest in the Nordeau

Bateman Properties, consisting of four distinct claim groups: Nordeau West, Nordeau East, Bateman West and Bateman East. The properties consist of 44 claims and covering an area of 660.9 hectares. The claims are in the southeastern part of Vauquelin Township, some 50 km east of the town of Val d'Or, Quebec.

On March 12, 2009, the Company became an advanced exploration company with the announcement of its NI 43-101 technical report for its Nordeau West property, located near Val d'Or, Quebec. Highlights of the Nordeau West mineral resource update include:

indicated resources of 30,212 oz Au on average grade of 4.17 g/t and 225,342 tonnes; and inferred resources of 146,315 oz Au on average grade of 4.09 g/t and 1,112,321 tonnes.

The updated resource estimate is based on 121 diamond drill holes compiled using the latest Gemcom version 6.1 software, with a cut-off grade of 2.75 g/t. The cut-off grade was determined using production costs of \$85 per tonne, gold price of US\$825/oz, and an exchange rate of \$1.162 at the time of the calculation of the resource.

The result was a NI 43-101 compliant gold resource estimate as noted below;

**Summary of Categorized Resources at 2.75 gpt Au cut-off Grade - Nordeau West Property**

<b>Resource Category</b>	<b>Zone</b>	<b>Tonnage Tonnes</b>	<b>Grade gpt Au</b>	<b>In-Situ Au Au oz</b>
<b>Measured Resources</b>	No measured resources			
<b>Indicated Resources</b>	Main	223,382	4.18	30,019
	E	1,960	3.07	193
	<b>Total</b>	<b>225,342</b>	<b>4.17</b>	<b>30,212</b>
<b>Total Measured + Indicated Resources</b>		<b>225,342</b>	<b>4.17</b>	<b>30,212</b>
<b>Inferred Resources</b>	Main	1,097,749	4.10	144,635
	E	14,572	3.59	1,680
	<b>Total</b>	<b>1,112,321</b>	<b>4.09</b>	<b>146,315</b>

As noted in the NI 43-101 technical report, it could be reasonably estimated that the maximum additional resources possible within the current property limits of Nordeau West might be as high as 2-3 times existing estimates with further exploration success along the indicated and open trends of existing resources. The potential up-side resource is estimated from 2.7 – 4.0 million tonnes grading 4.1 gpt Au containing 350,000 to greater than 500,000 oz Au in-situ. The Company cautions that the potential quantity and grade of the up-side estimates are conceptual in nature and additional exploration is required to define such additional resources. As well, there is no assurance that such further exploration will result in discovery of additional mineral resources (see report available on SEDAR at [www.sedar.com](http://www.sedar.com) or at our Company's website at [www.platogold.com](http://www.platogold.com)).

## Nordeau Bateman

Plato started the first drill program with a 7,363 metre surface diamond-drilling campaign between October 2006 and March 2007. The objective of this first drilling program was to do a first pass drilling over the optioned Nordeau West, Nordeau East, Bateman West and Bateman East mineral properties. The program was carried out under the supervision of M. Peter Karelse, P.Eng. in conjunction with MRB & Associates (MRB), a Val d'Or based geological consulting firm.

Drilling on the Nordeau West block comprised of 11 holes. Five zones of sulphide mineralization with associated gold mineralization had been identified from the historic work which suggested a plunge of higher grade mineralization in the so-called Main Zone, and this was specifically targeted. These zones transect the apparent strike of the regional stratigraphy at an angle of approximately 30 degrees. The plunge of the mineralization coincides with the plunge of the lineations etc. noted above in an area of flexure of the mafic volcanics. A number of significant intersections were made in this area including; 7.85g/t over 10 metres and 5.23 g/t over 3.35 metres. The gold mineralization was found within quartz/carbonate fractures hosted in the sheared and altered mafic volcanics. Additional mineralization was present in the metamorphosed sediments. Typically the gold mineralization was associated with disseminated to locally semi-massive sulphides comprising of arsenopyrite, pyrite, pyrrhotite and minor chalcopyrite.

Drilling on the Nordeau East zone comprised of 6 holes advanced to a drilled depth of 200 metres. A zone of sedimentary and quartz vein hosted mineralization was identified and targeted by the drilling. An intersection of 3 metres was bisected and graded 8.27g/t.

The Bateman block of ground drilling totaled 5 holes. The stratigraphy resembled the Nordeau West area with a succession of sediments, iron formation and mafic volcanics. Smokey quartz veins had been previously noted in past exploration campaigns, these were encountered in the recent drilling. A zone of mineralization was identified with a suggested strike parallel to the stratigraphy which was generally east to west. The most significant intersection occurred in drill hole PG07-20 which encountered 5.1 g/t over 1 meter. Significantly this hole also returned 2.10 g/t silver over the same interval.

The highlights from past drilling by Plato in 2006 and 2007, identified a number of mineralized intercepts in the vicinity of the future 2008 drilling program:

Highlights Include:

Hole PG06-01:	4.76 g/t Au over 2.4m (from 492.15m – 494.55m)
Hole PG06-04A:	1.61 g/t Au over 4.35m (from 366m – 370.35m)
Hole PG06-05:	13.47 g/t Au over 1.2m (from 394.2m – 395.4m)
Hole PG06-07:	7.85 g/t Au over 10m (from 458.5m – 468.5m)

Although all four mineral properties yielded encouraging gold values, the Nordeau West project was prioritized for the next phase of exploratory work.

## **Nordeau West**

In December 2007, Plato commissioned MRB to complete a detailed digital compilation of all historic exploration results on their Nordeau West Project, and to provide recommendations for further exploration. All historical diamond drilling work was subsequently incorporated into database format by MRB staff members and forwarded to A. S. Horvath Engineering Inc. (“Horvath Engineering”) of Ottawa, Ontario, who entered the data into the GEMCOM Resource Modelling software and recommended a drill program. In 2008, following the recommendations of Horvath Engineering, a 14 hole, 8555 metre diamond drilling program on the Nordeau West Property was carried out under the supervision of Jason Ross and John Langton, in conjunction with MRB & Associates. The 2008 program was completed in 2 phases: 1) January-April 2008, supervised by Jason Ross, and; 2) June-August 2008, supervised by John Langton, P.Geol.

The 14 hole 2008 drilling program designed by “Horvath Engineering” on the Nordeau West property was successful in intersecting the main zone to a depth of 700 m and demonstrated good grade and continuity over a lateral (east-west) length of 550 m. Although the mineralized zone remains open in all directions, it should be noted that the down dip projection of the main zone appears to be crossing the northern property boundary onto the neighbouring property at a depth of approximately 1000 metres.

The drilling results for phase one was announced in April 2008 and identified the following mineralized intercepts in the vicinity of the drilling program.

### Highlights Include:

- Hole NW-08-01: 1.30 g/t Au over 1.95m (from 332m – 333.95m)  
5.28 g/t Au over 2.85m (from 404m – 406.85m)  
4.80 g/t Au over 2.15m (from 427.40m – 429.55m)
- Hole NW-08-02: 1.46 g/t Au over 2.80m (from 318.30m – 321.10m)
- Hole NW-08-03: 3.71g/t Au over 4.25m (from 547.15m – 551.40m)
- Hole NW-08-06: 5.66 g/t Au over 8.5m (from 553.80m – 562.30m)

The drill results from the second phase was announced on November 18, 2008 include the following highlights:

- Hole NW-08-07: 4.28 g/t Au over 8.05 m (from 567m – 575.05m)
- Hole NW-08-08: 1.90 g/t Au over 5.85 m (from 452.05m – 457.9m)
- Hole NW-08-10: 5.54 g/t Au over 3.0 m (from 589.95m – 592.95m)

Hole NW-08-11:	1.23 g/t Au over 4.0 m (from 660.4m – 664.4m)
Hole NW-08-12:	2.38 g/t Au over 0.55 m (from 445.9m – 446.45m)
Hole NW-08-13:	3.90 g/t Au over 4.25 m (from 649.55m – 653.8m)
Hole NW-08-14:	4.3 g/t Au over 0.75 m (from 438.95m – 439.7m)

The Company successfully hit gold mineralization in all 14 holes in the two drill campaigns. The results advanced the Company's understanding of the geological structure at the Nordeau West site and a NI 43-101 technical report was completed in March 2009.

The results from the 2009 resource study demonstrate that the last phase of deep exploration drilling conducted at Nordeau West has successfully confirmed the presence of important concentrations of gold mineralization at depth. The success of the recent drilling is attributed to the compilation and analysis of historic shallow drilling data. The 3D geological model developed by Horvath Engineering on the Nordeau West property was successfully applied to identify and delineate a large portion of the current mineral resources.

### **Nordeau East**

During 2009, the Company continued its geological work to identify additional drill targets in both the Nordeau East and Bateman properties, which allows the Company to advance the potential size of the project with a number of continuous step out drill programs.

In the fall of 2009, an exploration program was completed with 5,500 metres of diamond drilling in 14 holes on the Nordeau East and Bateman East properties and was designed to intersect multiple zones along 3 principal structures. Drilling at Nordeau East included 9 diamond-drill holes targeting down-dip and down-plunge extensions of historic drill hole intersections and historic resources, at depths from 250 to 300 metres below surface. The first target is the easterly extension of the structure that hosts the NI 43-101 inferred gold resource of 1.11 M tonnes, outlined in 2008 on the Nordeau West Property, less than 1 km west of the Nordeau East claim boundary. Drilling on Nordeau East also tested a parallel structure to the north that hosts zones of gold mineralization within iron formation and associated sedimentary rocks. On the Bateman East Property, which adjoins the eastern part of the Nordeau East Property, 5 diamond-drill holes targeted deeper, down-dip and down-plunge extensions of historic drill intersections in the 3<sup>rd</sup> parallel structure, which is also hosted in altered sedimentary rocks.

Results of the drill program were announced on January 26, 2010 stating that gold mineralization of note was encountered in 6 holes over a strike length of 1.30 km on the Nordeau East property, which lies less than 1 kilometre from the Nordeau West Property that contains a 43-101 compliant, inferred resource of 1.11 M tonnes @ 4.09 g/t Au.

Best results from the 2009 drilling program are shown in the table below, which presents the analytical results from the mineralized intersections in grams per tonne (g/t) gold.

Highlights include:

Hole NE-09-01:	53.40 g/t Au over 0.5 m (from 182.5m – 183.0m) 2.13 g/t Au over 1.5 m (from 294.0m – 295.5m) 74.70 g/t Au over 0.9 m (from 295.5m – 296.4m) 6.51 g/t Au over 1.0 m (from 297.0m – 298.0m) 2.96 g/t Au over 0.9 m (from 320.1m – 321.0m)
Hole NE-09-02:	34.4 g/t Au over 1.0 m (from 224.4m – 225.4m) 14.95 g/t Au over 1.0 m (from 225.4m – 226.4m)
Hole NE-09-04:	6.70 g/t Au over 0.6 m (from 248.2m – 248.8m) 1.59 g/t Au over 1.0 m (from 248.8m – 249.8m)
Hole NE-09-06:	4.55 g/t Au over 0.5 m (from 255.3m – 255.8m)
Hole NE-09-08:	3.00 g/t Au over 0.7 m (from 138.0m – 138.7m) 2.68 g/t Au over 0.5 m (from 268.0m – 268.5m) 7.74 g/t Au over 0.8 m (from 274.2m – 275.0m) 2.63 g/t Au over 1.0 m (from 277.0m – 278.0m)

On August 11, 2010, the Company reported on the Phase 2 drill program on Nordeau East. The drilling comprised three (3) shallow holes (NE10-01, 02, & 03), totaling 836 metres, and was designed to test the continuity of newly intersected mineralized zones, underlying the western part of the Nordeau East Property, defined during Phase 1.

Hole NE10-01 intersected a mineralization zone hosted in magnetite-rich, banded iron formation, between 191.00 m and 209.50 m down-hole. Disseminated and trace sulphides (pyrite and arsenopyrite) were noted; however, no notable gold-values were returned from assays.

Hole NE10-02 intersected a mineralized zone hosted in magnetite-rich banded iron formation between 180.00 m and 187.20 m. An assay of 4.51 gpt Au over 1.0 m was intersected exactly on target at 173.0-174.0 m down-hole.

Hole NE10-03, intersected a mineralized zone, on target, between 254.00 m and 263.50 m. An average grade of 1.13 gpt Au over 1.70 m was returned from two samples between 259.3 and 261.0 m down-hole.

All three holes of the Phase 2 program intersected mineralized zones at their targeted locations indicating the validity of the Gemcom® database and 3-D model. The gold mineralization encountered in holes NE10-02 and NE10-03 corroborates the existence of the new zone, outlined in Phase 1, and extends its dimension both up and down dip.

Results from Phase 2 drilling have been integrated into the Gemcom® database and 3-D model, already established for the Project, in order to revise the size and grade of the known gold mineralization.

Based on the recent drill program, Plato plans a more substantive drill campaign on its previously identified targets in Nordeau East, in the fourth quarter of this year.

### **Surrounding Properties**

Since optioning the Nordeau Properties, Plato Gold has acquired through staking additional claims and now holds a total of 190 claims totaling 3,119 hectares in the area, excluding the two optioned properties. The Company has started similar GEMS version 6.1 modeling work on surrounding claims to identify additional targets for future drill programs.

Preliminary work has been started on the properties and will be advanced in 2010 based on results of the preliminary modelling and on available funding.

On July 20, 2009 the Company acquired two claims from Rocmec Mining Inc. in Vauquelin Township which borders on other claims wholly owned by Plato in the area. Rocmec Mining retains a 2% NSR on the claims.

The company continues to monitor and acquire strategically located claims in the region.

### **Timmins Gold Project**

The Timmins Gold Project in Northern Ontario consists of five properties Guibord, Harker, Harker-Garrison, Holloway and Marriott in what is sometimes referred to as the Harker/Holloway gold camp located east of Timmins. The project consists of four leases and 117 claims for a total of 2,416 hectares in the region.

In 2007, Plato acquired our fifth property, Harker-Garrison, representing an additional 24 claims (384 ha) in the Harker and Garrison Townships, near our existing Harker claims. Several exploration companies are active with projects in the area and Plato plans to combine the work on this property with the planned work on the original Harker property.

The Marriott property consisting of 93 mining claims is located 15 km east of the Holloway and Holt gold mines. The 2005 diamond drill program on the Marriott Property consisted of 11 drill holes aggregating 2,858m of drilling. Program drill results can be obtained on our website at [www.platogold.com](http://www.platogold.com).

The Guibord property, our most advanced property, consists of 16 contiguous claims covered by two mining leases in Guibord Township. The 2005 diamond drill program was encouraging and successful in expanding and improving our understanding of both the Quartz Carbonate Vein Zone (“QCVZ”) and the South Zones. The program showed that the QCVZ contains significant widths of semi-continuous quartz-carbonate vein complexes and sulphide mineralization with encouraging gold values. The zone can be reasonably projected over a strike length in excess of 450m and likely in excess of 800m and true widths are up to nearly 70 m. Program drill results can be obtained on our website at [www.platogold.com](http://www.platogold.com).

In October 2009, the Company completed a drilling program totalling 2,623 metres of drilling in 7

holes on Plato's Guibord Township Silver Fox project, some 5 km southeast of Apollo Gold's Black Fox Project, east of Matheson, Ontario. Holes G09-01 to G09-05 inclusive were collared in iron rich basaltic thoeiliites. Holes G09-06 and G09-07 were collared in magnesium rich basaltic thoeiliites. Program drill results can be obtained on our website at [www.platogold.com](http://www.platogold.com).

Plato believes that its Guibord property is well situated. An adjacent property, Hislop East hosts the former gold producer Kelore Mine. The Black Fox project, on the site of the former Glimmer gold mine, is located on strike 5 km northwest of Plato's property and Apollo Gold now has this mine in production. The historic Ross Mine, which produced over one million ounces of gold, is located less than 3 km south of Plato's Guibord Property.

In the region, St. Andrew Goldfields has recently announced a positive decision to commence production at the Holloway/Holt McDermott mine site near our Harker and Holloway properties. As well, St. Andrew has announced gold discoveries adjacent to our Holloway property and our Guibord property. The company is encouraged by the nearby activities and is actively reviewing our exploration options in the region.

### **Lolita Project**

In 2007 Plato Gold Corp successfully acquired, through a joint venture agreement, a majority interest in over 29,000 hectares of strategically located cateos in Santa Cruz, Argentina.

Santa Cruz is considered to be perhaps the most mining friendly province in Argentina. Plato's property is located in the prolific Deseado Massif mining area with several projects adjacent and nearby to our property. A prospecting visit late in the year turned up interesting brecciated rock samples that when assayed showed anomalous traces of arsenic, mercury and antimony, which are viewed as pathfinders to precious metals deposits. Compilation indicates that vein systems and structures on the adjoining properties generally trend north-westerly with a lesser trend oriented north-easterly. Northwesterly trending structures are present in both geological maps and satellite images of the Lolita area.

The initial prospecting mission in 2007 discovered three hydrothermal structures on the property that could possibly be connected and that run a length of several kilometres.

During 2008, the recent success of our neighbours Argentex and Hunt Mountain Resources with El Pinguino and La Josifina, respectively, as well as other companies in Santa Cruz such as Minera Andes and Andean Resources developing exciting mineral projects, are making the region a very exciting potential to add value to our shareholders.

In June 2009, at the completion of the second stage of exploration, the Company reported that it has discovered previously unexplored hydrothermal structures and extended others discovered previously on the Lolita project.

A new corridor of hydrothermal structures has been found in the western part of the property which has been named Corazon. Corazon comprises multiple individual hydrothermal structures and zones of brecciation 8 km to the northwest of the known termination of the Panza Corridor. Silica, iron

oxides and locally pyrite have been observed and red-weathering, siliceous, altered rocks, known as jasperoid are also present in the west-northwest trending Corazon corridor for at least 2,100 metres. Interpretation of satellite images suggests that an area of greater than 2,000 metres in length located between the Panza and Corazon corridors is underlain by similar rocks and is highly prospective, but has yet to be explored by the Company.

In October 2009, field work was started with more prospecting and mapping with rock samples being sent to the local lab. On January 6, 2010, the Company announced that the third phase of prospecting on the Lolita Property has again extended hydrothermal structures discovered previously by the Company. These hydrothermal structures occur in corridors and comprise breccias and veinlets of variable widths with a hydrothermal matrix, mainly silica. Gold and silver values are at or near detection limits, but the trace elements often associated with these precious metals, including arsenic, mercury and antimony, are highly anomalous at Lolita. Program results can be obtained on our website at [www.platogold.com](http://www.platogold.com).

In light of the favourable results Dr. Lhotka recommends that Plato consider geophysical exploration to define specific targets within the corridors of hydrothermal structures for eventual drilling. Investigation is underway to determine methods and costs for this geophysical work.

Please refer to our audited Annual Financial Statement of April 20, 2010 and our website at [www.platogold.com](http://www.platogold.com) for more details on all our exploration programs.

## **Administration**

During the three months period ended June 30, 2010, interest income of \$64 for the period was offset by administrative expenses and normal operating expenses, resulting in a net loss of \$225,907 for the period compared to a loss of \$188,606 for the same period last year. The loss per share was nil for basic and fully diluted for the three months ended June 30, 2010 compared to nil for the same period ended June 30, 2009.

Expenses during the period totaled \$225,971, an increase of \$37,364 compared to \$188,607 for the comparable period in 2009. The increase is due to increase in stock-based compensation, a non-cash item and small increase in investor relations, otherwise, administrative expenses continue to be relatively consistent from quarter to quarter.

As a junior gold exploration company, cash flow from financing will continue to be an ongoing focus for management. The current market conditions represent significant challenges to the entire junior exploration sector and there is no assurance that financing will be available in this market. We are maintaining a close watch on market activities as it relates to financing in our sector.

## **Summary of Quarterly Results**

The following selected financial data are derived from the unaudited quarterly financial statements of Plato Gold Corp, which were prepared in accordance with Canadian generally accepted

accounting principles.

	2010		2009				2008	
For the Quarters Ended	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30
	\$	\$	\$	\$	\$	\$	\$	\$
Net revenue	64	61	-184	345	1	82	476	645
Income (loss) before discontinued operations and extraordinary items	(183,814)	90,197	(416,373)	(95,122)	(157,608)	108,877	(340,337)	(116,428)
Income (loss) before discontinued operations and extraordinary items, per share	-	-	(0.01)	-	-	-	(0.01)	-
Income (loss) before discontinued operations and extraordinary items, per share, fully diluted	-	-	(0.01)	-	-	-	(0.01)	-
Net Income (loss)	(183,814)	90,197	(416,373)	(95,122)	(157,608)	108,877	(340,337)	(116,428)
Net Income (loss) per share	-	-	(0.01)	-	-	-	(0.01)	-
Net Income (loss) per share, fully diluted	-	-	(0.01)	-	-	-	(0.01)	-

## Liquidity and Capital Resources

In management's view, given the nature of the Company's operations, which consist of the exploration of mining properties, the most relevant financial information relates primarily to current liquidity, solvency and planned exploration expenditures. The Company's financial success will be dependent on the economic viability of the Timmins Gold Project and the Lolita Project to the extent to which it can identify economic gold or mineralized deposits. In the case of the more advanced Val d'Or Project where a NI 43-101 compliant gold resource has been identified, the Company's financial success will be dependent on the price of the commodity and the company's ability to expand the size of the resource.

The Company had cash of \$80,260 as of June 30, 2010 which is sufficient to cover the Company's near term cash requirements. Additional financing is required to finance on-going administration and continue the exploration activities of the company.

As a gold exploration company, the Company generates minimal revenue, with the exception of the Quebec Government exploration rebate, and will have to return to the equity markets in order to secure additional financing prior to the end of 2010 for the Company to continue exploration. Management believes that it has the ability to raise sufficient funds for the continuation of operations. While management has been historically successful in raising the necessary capital, it cannot provide assurance that it will be able to obtain the required financing in light of the current economic conditions.

## **Changes in Accounting Policies**

There have been no changes in accounting policies. A new accounting policy relating to financial instruments is described in note 12 to the unaudited financial statements.

## **International Financial Reporting Standards**

In 2008, the Accounting Standards Board announced that Canadian publicly accountable companies would be required to converge Canadian Generally Accepted Accounting Principles (GAAP) with International Financial Reporting Standards (IFRS) effective January 1, 2011. Although IFRS employs a conceptual framework that is similar to Canadian GAAP, there are significant difference in recognition, measurement and disclosures.

In accordance with the impending changes, the Company is performing an ongoing review of the accounting changes in order to ensure successful implementation within the required time frame.

The most significant line item on the financial statements is the mineral properties and deferred exploration costs. The Company is currently evaluating the impact of the adoption of IFRS on this line item. However, the impact on the Company's financial statements is not expected to be significant considering the Company is a junior exploration company. The full impact of the transition to IFRS on the Company's financial statements is not yet determinable. As well, the Company is reviewing existing information systems and business processes as changes might be required upon the implementation of IFRS. Key information will be disclosed as it becomes available during the transition period.

The Company anticipates the completion of the review process in Q3 with implementation of the required changes in Q4.

For the 2010 transition year, the Company will report under the Canadian GAAP for all public disclosures. As well, to prepare for the 2011 financial statements, the Company will prepare internal 2010 financial statements under IFRS for comparative purposes.

As of January 1, 2011 the Company will be reporting under the IFRS.

## **Financial Instruments**

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, and note payable.

Management does not believe these financial instruments expose the Company to any significant interest, currency or credit risks arising from these financial instruments. The fair market values of cash and accounts payable and accrued liabilities approximate their carrying values.

In conducting its business, the principal risks and uncertainties faced by the Company relate to

exploration and development success. Exploration for gold involves significant risks, many of which are outside the Company's control. In addition to the normal and usual risks of exploration, the Company often works in remote locations that lack the benefit of infrastructure and easy access.

The Company relies on equity financing for its long term working capital requirements and to fund its exploration programs. There is no assurance that such financing will be available to the Company, or that it will be available on acceptable terms.

## **Outstanding Share Data**

### **a) Common and Preferred Shares**

The Company is authorized to issue an unlimited number of common shares without par value. As at June 30, 2010, the Company had issued and outstanding 103,175,117 common shares with a carrying value of \$4,695,619.

The Company is also authorized to issue an unlimited number of preferred shares without par value, of which none have been issued.

During the six months period ended June 30, 2010, the Company:

- i) Issued 3,400,000 flow-through units for cash proceeds of \$170,000 pursuant to a private placement.

Each flow-through unit consists of one flow-through common share and one non flow-through common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.10 per common share until March 19, 2012 at which time the warrants expire.

- ii) Issued 1,000,000 units for cash proceeds of \$50,000 pursuant to a private placement.

Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.10 per common share until March 19, 2012 at which time the warrants expire.

- iii) Issued 3,400,000 flow-through units for cash proceeds of \$170,000 pursuant to a private placement.

Each flow-through unit consists of one flow-through common share and one non flow-through common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.10 per common share until April 6, 2012 at which time the warrants expire.

- iv) Issued 200,000 units for cash proceeds of \$10,000 pursuant to a private placement.

Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.10 per common share until April 6, 2012 at which time the warrants expire.

b) Warrants

As at June 30, 2010, the Company had 41,589,891 warrants outstanding with a recorded value of \$682,469.

For 2010, there are 2,555,556 warrants with an exercise price of \$0.15 expiring July 31, 2010, 2,500,000 warrants with an exercise price of \$0.15 expiring September 4, 2010, 2,126,000 warrants with an exercise price of \$0.10 expiring November 12, 2010, 455,000 warrants with an exercise price of \$0.10 expiring November 19, 2010, and 3,000,000 warrants with an exercise price of \$0.10 expiring December 24, 2010.

Longer term, there are 8,111,111 warrants with an exercise price of \$0.10 expiring September 25, 2011, 6,276,114 warrants with an exercise price of \$0.10 expiring October 8, 2011, 8,566,111 warrants with an exercise price of \$0.10 expiring October 20, 2011, 4,400,000 warrants with an exercise price of \$0.10 expiring March 19, 2012, and 3,600,000 warrants with an exercise price of \$0.10 expiring April 6, 2012.

c) Stock Options

As at June 30, 2010, the Company had an aggregate of 12,579,266 options outstanding with a weighted average exercise price of \$0.100 and a carrying value of \$815,008.

As at the date of June 30, 2010, the following options were outstanding:

Exercise Price	Number of Options		Expiry Date
	Unvested	Vested	
\$ 0.10	-	100,000	July 31, 2010
\$ 0.20	-	700,000	September 1, 2010
\$ 0.05	-	212,600	November 12, 2010
\$ 0.175	-	900,000	April 5, 2011
\$ 0.045	-	811,111	September 25, 2011
\$ 0.045	-	444,444	October 8, 2011
\$ 0.045	-	811,111	October 20, 2011
\$ 0.105	-	1,800,000	November 16, 2011
\$ 0.050	-	340,000	March 19, 2012
\$ 0.050	-	105,000	April 6, 2012
\$ 0.10	-	1,150,000	December 18, 2012
\$ 0.10	-	350,000	March 28, 2013
\$ 0.10	-	1,575,000	April 23, 2014
\$ 0.10	-	1,630,000	December 4, 2019
\$ 0.10	225,000	1,650,000	April 20, 2020
	<u>225,000</u>	<u>12,579,266</u>	

### Off-Balance Sheet Arrangements

As at June 30, 2010, the Company had no off-balance sheet arrangements, such as guaranteed contracts, contingent interests in assets transferred to an entity, derivative investment obligations or any investments that could trigger financing, market or credit risk to the company.

### Transactions with Related Parties

During the six months ended June 30, 2010 the Company:

- a) incurred rent of \$12,000 with a related company. The Company and the related company have an officer in common. This officer is also a director and shareholder of both companies.
- b) incurred consulting fees of \$40,824 with one of the Company's officers. As at June 30, 2010, accounts payable and accrued liabilities included \$7,156 payable.
- c) incurred consulting fees of \$2,835 with one of the Company's directors.
- d) incurred accounting fees of \$51,836 with an accounting firm in which one of the Company's officers is a partner. As at June 30, 2010, accounts payable and accrued liabilities included \$84,837 payable to this accounting firm.
- e) received an advance of \$300,000 from a related corporation. The Company and the related

corporation have a director in common. This director is also a shareholder and officer of both corporations.

### **Other Risk Factors**

The price of gold, interest rates and inflation all have an impact on the Company's ability to carry on business. Most importantly, as a non-revenue generating business, the Company's ability to access capital markets is crucial to its ability as an on going concern.

### **Other Information**

Additional information on the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com) or by contacting the company at 1300 Bay Street, Suite 300, Toronto Ontario M5R 3K8 or on our website at [www.platogold.com](http://www.platogold.com).

Finally, I would again like to thank all of our shareholders for your faith and confidence as we continue to explore and discover mineral wealth in Northern Ontario and Santa Cruz, Argentina, as well as, expanding our NI 43-101 compliant resource in Northern Quebec.

Yours truly,

(signed) "Anthony J. Cohen"

Anthony J. Cohen

President & CEO

August 24, 2010