PLATO GOLD CORP

Letter to Shareholders

Dear Shareholder,

On behalf of the Board of Directors of Plato Gold Corp. I would like to welcome you as a shareholder of Plato Gold Corp., our new publicly listed company (TSX-V: PGC).

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, representing Shatheena Capital Corp.'s qualifying transaction. As well, a concurrent financing of equity units and flow-through common shares was completed. The resulting amalgamation led to the formation of "new" Plato Gold Corp.

We are now a public junior gold exploration company with a project in Northern Ontario that includes four properties (Guibord, Harker, Holloway and Marriott) in what is sometimes referred to as the Harker/Holloway gold camp.

As of this writing, the Company has completed its linecutting program at Marriott and has nearly completed its linecutting at Guibord. The Company recently announced that it has signed a 5,000 metre drilling contract with Heath and Sherwood (1986) Drilling of Kirkland Lake, Ontario for the Company's Marriott and Guibord properties. Drilling should commence in late August or early September with a program completion date before year-end 2005. We are looking forward to starting our drill program and updating shareholders on our progress.

As a junior gold exploration company, cash flow from financing will continue to be an on going focus for management. We are maintaining a close watch on market activities as it relates to financing in our sector.

Operationally, management is refining our internal structure as part of the move from a private Company to a publicly listed Company. We welcome the addition of Forbes Andersen LLP as our accounting firm, as they have many years of experience in the mining sector and assisting with small publicly listed companies.

I would again like to thank all of our shareholders for your faith and confidence as we endeavor to explore and discover mineral wealth in Northern Ontario.

Yours truly,

(signed) "Anthony J. Cohen"

Anthony J. Cohen
President
August 18, 2005

Plato Gold Corp.

MANAGEMENT DISCUSSION AND ANALYSIS
Quarterly Report for the six months ended June 30, 2005

This Management Discussion and Analysis (“MDA”) of Plato Gold Corp. (the "Company") provides analysis of the Company's financial results for the three and six months ended June 30, 2005. The following information should be read in conjunction with the accompanying unaudited financial statements and the notes to the unaudited financial statements. Neither of these documents nor the MDA 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 MDA 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.

Date of Report

This report is prepared as of August 18, 2005.

Nature of Business

Plato Gold Corp. (the “Company”) is a Canadian junior gold exploration company listed on the TSX Venture Exchange (TSX-V: PGC).

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.

The comparative figures presented in the MDA and accompanying unaudited financial statements are the historical results of Plato Gold Corp. Concurrent to the reverse takeover, the Company completed the financing of equity units and flow-through common shares (please see note 1 to the unaudited financial statements).

The Company is now a public junior gold exploration company with a project in Northern Ontario which includes four properties (Guibord, Harker, Holloway and Marriott) in what is sometimes referred to as the Harker/Holloway gold camp.

Several junior and senior exploration and mining companies are active in this camp located east of Timmins. Plato Gold Corp. is in the early stage of exploring its project in which economically recoverable ore reserves have not yet been defined.

Overall Performance

On the balance sheets, total assets increased to $1,625,128 compared to $542,550 as at December 31, 2004. The main reason for the increase is cash balances jumping to $971,677 compared to $3,756 at December 31, 2004 as a result of the public financing of Plato Gold Corp. by way of a sale of shares. The carrying value of the Company's mineral properties and deferred exploration costs increased to $604,151 as at June 30, 2005 compared to $522,440 at December 31, 2004. Ongoing exploration expenditures resulted in the increased carrying value as the Company completed a small induced polarization program on its Marriott property this year.

On the liabilities side, accounts payable and accrued liabilities increased to $151,473 from $73,388 mainly due to unpaid professional fees incurred for the reverse takeover and public financing. Amounts due to related parties increased to $102,537 from $72,771 during the six month period as a major shareholder advanced funds to Plato Gold Corp. to meet its financial commitments prior to the completion of the financing.

Shareholders' equity increased to $1,371,181 from $396,391 during the period. This was mainly due to share capital increasing to $2,131,658 from $662,578 as a result of the public offering (see note 6 to the unaudited financial statements).

This was offset by the deficit growing from $279,815 to $936,159 during the period, mainly because of transaction costs (legal, accounting, auditing and brokerage) associated with the reverse takeover and share issue costs related to the public offering.

Limited exploration activities were carried out in previous years by Plato Gold Corp. due to the Company's limited financial resources and its focus on completing the reverse takeover and concurrent financing which was completed on May 30, 2005.

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.

For the Years Ended December 31,	2004	2003	2002
	$	$	$
Net revenue	-	-	-
Loss before discontinued operations and extraordinary items	104,864	31,806	33,892
Loss before discontinued operations and extraordinary items, per share	0.01	-	-
Loss before discontinued operations and extraordinary items, per share fully diluted	0.01	-	-
Net loss	104,864	31,806	33,892
Net loss, per share	0.01	-	-
Net loss, per share fully diluted	0.01	-	-
Total assets	542,550	515,584	502,524
Total long term liabilities	72,771	19,426	102,182
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 an economic resource is identified, developed and brought into profitable commercial operation on one or more of the Company's properties.

The Company increased in size and liquidity after the successful completion of the reverse takeover and concurrent financing on May 30, 2005, compared to when it was still a privately funded exploration company.

Results of Operations

<u>Exploration and Development Activities</u>

As of this writing, the Company has completed its geophysical IP survey and linecutting programs at Marriott and has nearly completed its linecutting at Guibord. The Company recently announced that it has signed a 5,000 metre drilling contract with Heath and Sherwood (1986) Drilling of Kirkland Lake, Ontario for the Company's Marriott and Guibord properties. Drilling should commence in late August or early September with a program completion date before year end 2005. We are looking forward to starting our drilling program and updating shareholders on our progress.

As at the time of writing, we have expended approximately $104,792 of our $782,000 in flow-through funds with the balance expected to be spent prior to year end, for the diamond-drilling program. The Company is on schedule to complete our program prior to this fiscal year end and will renounce the flow-through expenses to our shareholders.

Administration

On the Company's statements of operations and deficit, for both the three month and six month periods, minimal interest income was offset by administrative fees and costs associated with reverse takeover transactions costs, resulting in a loss for the six month period of $340,668 compared to a loss of $55,814 for the same period last year. After share issuance costs of $315,676 for the three month and six month periods, the deficit stood at $936,159 at June 30, 2005 compared to $230,765 at June 30, 2004. The loss per share was $0.02 compared to nil.

Administration expenses during the quarter totaled $67,989 (not including one time reverse takeover transaction costs), an increase of $31,725 over the comparable period in 2004. The main variances were related to costs associated with being a public company. The Company purchased a director's and officer's liability insurance policy for total annual costs of approximately $22,500. The Company also incurred transfer and filing fees of $5,539 which was not incurred in 2004 as a private company. Since June 1, 2005 the Company paid salaries to the president and a part-time administration assistant. In 2004, $500 per month was paid and included in administration. The Company's consulting fees of $2,000 were also incurred during the quarter with the Company's officers.

On the statements of cash flows, cash increased by $967,921 for the six month period and $969,581 for the three month period mainly due to the public financing offset by reverse takeover transaction costs and share issuance costs. Cash stood at $971,677 as at June 30, 2005 compared to $5,566 as at June 30, 2004.

As a junior gold exploration company, cash flow from financing will continue to be an on going focus for management. 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 interim financial statements of Plato Gold Corp, which were prepared in accordance with Canadian generally accepted accounting principles.

	2005		2004				2003	
For the Quarters Ended	**Jun. 30**	**Mar. 31**	**Dec. 31**	**Sep. 30**	**Jun. 30**	**Mar. 31**	**Dec. 31**	**Sep. 30**
	$	$	$	$	$	$	$	$
Net revenue	1,406	-	-	-	-	-	-	-
Loss before discontinued operations and extraordinary items	323,790	16,878	26,604	22,446	36,264	19,550	11,362	9,392
Loss before discontinued operations and extraordinary items, per share	0.02	-	-	-	0.01	-	-	-
Loss before discontinued operations and extraordinary items, per share, fully diluted	0.02	-	-	-	0.01	-	-	-
Net loss	323,790	16,878	26,605	22,445	36,264	19,550	11,362	9,392
Net loss, per share	0.02	-	-	-	0.01	-	-	-
Net loss, per share, fully diluted	0.02	-	-	-	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 Guibord, Harker, Holloway and Marriott properties and the extent to which it can discover economic gold deposits.

The Company had cash of $971,677 for its exploration and administrative activities as of June 30, 2005 which is sufficient to cover the Company's near term cash requirements, given the Company's current low-cost administrative structure. The increase in working capital is due to the May 30 financing (see note 1 to the unaudited financial statements). The proceeds of $772,000 from the equity units were added to working capital and are being used primarily for administrative expenses and professional fees as it relates to the May 30 financing.

At the time of writing, there is approximately $203,000 in cash available to cover administrative expenses.

Management feels that it has adequate liquidity with which to carry its operations during fiscal 2005.

As a junior gold exploration company, the Company generates minimal revenue and will have to go back to the equity markets in order to secure additional financing.

Changes in Accounting Policies

There have been no changes in accounting policies.

Financial Instruments

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

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 cash equivalents, other receivables 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, 2005, the Company had issued and outstanding 22,861,000 common shares with a recorded value of $2,131,658.

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

During the quarter, the Company issued 3,088,000 equity units (“unit”) and 3,128,000 flow-through shares at $0.25 per flow-through share or unit. Each unit consists of one common share and one-half common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at $0.35 per share until November 30, 2006.

b) Warrants

As at June 30, 2005, the Company had 1,544,000 warrants outstanding with an exercise price of $0.35 and a recorded value of $84,920. These warrants expire on November 30, 2006.

c) Options

As at June 30, 2005, the Company had an aggregate of 858,600 options (including 308,800 options to purchase units) outstanding with a weighted average exercise price of $0.24 and a recorded value of $59,052.

As at June 30, 2005, the following options were vested and outstanding:

Option Price	Number of Options	Weighted Average Remaining Contractual Life
$0.25	621,600	1.9 years
$0.20	237,000	1.6 years
	858,600	

Off-Balance Sheet Arrangements

The Company has no off-balance sheet transactions for the six months ended June 30, 2005 or the year ended December 31, 2004.

Transactions with Related Parties

During the six months ended June 30, 2005 the Company:

a) incurred rent of $7,643 (June 30, 2004 - $5,000) with a related company. The Company and the related company have a director and an officer in common.

b) Capitalized exploration expenditures of $30,859 (June 30, 2004 - Nil) which were paid by a shareholder on behalf of the Company. Of this amount, $12,840 was a deposit made during 2004 and $18,019 was paid during the six months ended June 30, 2005. The Company has recognized the shareholder's current period contributions of $18,019 as contributed surplus.

c) incurred consulting fees of $2,000 (June 30, 2004 - Nil) with the Company's officers.

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 to survive.

Other Information

Additional information on the Company is available on SEDAR at www.sedar.com. or by contacting the company at 1300 Bay Street, Suite 300, Toronto Ontario M5R 3K8.