Consolidated Financial Statements

Plato Gold Corp.

For the Years Ended December 31, 2015 and 2014
(Stated in Canadian Dollars)

INDEX

PLATO GOLD CORP

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements and other financial information for this annual report were prepared by the management of Plato Gold Corp., reviewed by the Audit Committee of the Board of Directors, and approved by the Board of Directors.

Management is responsible for the preparation of the consolidated financial statements and believes that they fairly represent the Company's financial position and the results of operations in accordance with International Financial Reporting Standards. Management has included amounts in the Company's consolidated financial statements based on estimates, judgments, and policies that it believes reasonable in the circumstances.

To discharge its responsibilities for financial reporting and for the safeguarding of assets, management believes that it has established appropriate systems of internal accounting control which provide reasonable assurance that the assets are maintained and accounted for in accordance with its policies and that transactions are recorded accurately in the Company's books and records.

"Anthony J. Cohen"
President and CEO

"Greg K. W. Wong"
CFO

Toronto, Ontario
April 19, 2016

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Plato Gold Corp.

We have audited the accompanying consolidated financial statements of Plato Gold Corp. and its subsidiary, which comprise the consolidated statements of financial position as at December 31, 2015 and December 31, 2014 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flow for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Plato Gold Corp. and its subsidiary as at December 31, 2015 and December 31, 2014 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Collins Barrow Toronto LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario
April 19, 2016

Plato Gold Corp.

Consolidated Statements of Financial Position
Stated in Canadian dollars

	December 31, 2015	December 31, 2014
Assets		
Current Assets		
Cash	$ 6,749	$ 3,678
Other receivables (note 4)	42,725	65,157
Deposits and prepaid expenses	-	165
Portfolio investments (note 5)	47,020	47,529
	96,494	116,529
Mineral Properties and Deferred Exploration Costs (note 6)	-	1,342,031
Equipment (note 7)	183	261
	$ 96,677	$ 1,458,821
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (note 12)	$ 780,681	$ 536,579
Due to a related party (note 8 & 12(e))	657,900	552,200
	1,438,581	1,088,779
Shareholders' Equity		
Share Capital (note 9)	6,179,587	6,179,587
Contributed Surplus (note 10)	3,187,275	3,187,275
Deficit	(10,708,766)	(9,008,285)
	(1,341,904)	358,577
Non-Controlling Interest	-	11,465
	$ 96,677	$ 1,458,821

The accompanying notes form an integral part of these consolidated financial statements.

Approved on behalf of the Board

"Anthony J. Cohen", Director   "Robert Van Tassell", Director

Plato Gold Corp.

Consolidated Statements of Loss and Comprehensive Loss
For the Years Ended December 31
Stated in Canadian dollars

	2015	2014
Income		
Interest income	$ 2,163	$ 2,074
Expenses		
Amortization	78	112
Debt provision (note 4)	23,912	-
Consulting fees	117,996	117,996
Insurance	9,608	10,009
Interest and flow-through fees	2,090	2,139
Mining duties and fees	-	7,003
Office and general	5,322	6,470
Professional fees	46,642	38,414
Publicity and advertising	188	5,661
Rent	6,000	6,000
Salaries and benefits	148,580	161,712
Transfer and filing fees	21,663	18,798
Fair value adjustment on portfolio investments	509	22,702
Write-down of mineral properties (note 6)	1,331,521	-
Write off of government mining rebates receivable (note 4)	-	100,627
	1,714,109	497,643
Net Loss and Comprehensive Loss	$ (1,711,946)	$ (495,569)
Attributable to:		
Equityholders of Plato Gold Corp.	(1,700,481)	(495,569)
Non-Controlling Interest	(11,465)	-
Loss per Share - basic and diluted	$ (0.01)	$ (0.00)
Weighted Average Number of Common Shares Outstanding - basic and diluted	143,591,655	143,591,655

The accompanying notes form an integral part of these consolidated financial statements.

Plato Gold Corp.

Consolidated Statements of Changes in Shareholders' Equity
For the Years Ended December 31
Stated in Canadian dollars

	Share Capital		Contributed	Accumulated	Non-Controlling	
	Shares	Amount	Surplus	Deficit	Interest	Total
Balance - December 31, 2013	143,591,655	$ 6,179,587	$ 3,187,275	$ (8,512,716)	$ 11,465	$ 865,611
Net comprehensive loss	-	-	-	(495,569)	-	(495,569)
Balance - December 31, 2014	143,591,655	$ 6,179,587	$ 3,187,275	$ (9,008,285)	$ 11,465	$ 370,042

	Share Capital		Contributed	Accumulated	Non-Controlling	
	Shares	Amount	Surplus	Deficit	Interest	Total
Balance - December 31, 2014	143,591,655	$ 6,179,587	$ 3,187,275	$ (9,008,285)	$ 11,465	$ 370,042
Net comprehensive loss	-	-	-	(1,700,481)	(11,465)	(1,711,946)
Balance - December 31, 2015	143,591,655	$ 6,179,587	$ 3,187,275	$ (10,708,766)	$ -	$ (1,341,904)

The accompanying notes form an integral part of these consolidated financial statements.

Plato Gold Corp.

Consolidated Statements of Cash Flow
For the Years Ended December 31
Stated in Canadian dollars

	2015	2014
Cash Flows from Operating Activities		
Net loss	$ (1,711,946)	$ (495,569)
Items not involving cash		
Amortization	78	112
Write-down of mineral properties	1,331,521	-
Write off of government mining rebates receivable	-	100,627
Fair value adjustment on portfolio investments	509	22,702
	(379,838)	(372,128)
Changes in non-cash working capital		
Other receivables	22,432	(4,644)
Deposits and prepaid expenses	165	2,389
Accounts payable and accrued liabilities	244,102	109,342
	(113,139)	(265,041)
Cash Flows from Financing Activities		
Advances from a related party (note 8 & 12(e))	105,700	238,700
Cash Flows from Investing Activities		
Mineral properties and deferred explorations costs	(5,669)	(5,651)
Option payments received	8,550	30,000
Government rebates received	7,629	-
	10,510	24,349
Change in cash	3,071	(1,992)
Cash - beginning of year	3,678	5,670
Cash - end of year	$ 6,749	$ 3,678

The accompanying notes form an integral part of these consolidated financial statements.

1. Nature of Operations and Going Concern

Plato Gold Corp. (the “Company”) is an Ontario corporation formed by amalgamation on May 30, 2005. The primary offices are located at 1300 Bay Street, Suite 300, Toronto, Ontario M5R 3K8.

The Company is a public gold exploration company with two projects. The first project, the Lolita Project in Santa Cruz, Argentina, includes three adjoining concessions in Southern Argentina, which are held by the Company's 75% owned subsidiary, Winnipeg Minerals S.A. ("WMSA"). The second project is the Timmins Gold 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 located east of Timmins.

The Company is in the process of exploring its mineral properties and has not yet determined whether its properties in Argentina and Ontario contain economic mineral reserves. Consequently, at December 31, 2015 the Company considers itself to be an exploration and evaluation stage company with respect to these properties.

The Company has not yet realized profitable operations and has incurred significant losses to date resulting in a cumulative deficit of $10,708,766 as at December 31, 2015. The Company’s continued existence is dependent upon its ability to raise additional capital and/or obtaining financing from related parties and develop profitable operations. Management believes that it has the ability to raise the required additional funding. While management has been historically successful in raising the necessary capital, it cannot provide assurance that it will be able to execute on its business strategy or be successful in future financing activities. As at December 31, 2015, the Company had current assets of $96,494 to cover current liabilities of $1,438,581. Given the above, the Company has material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

2. Basis of Presentation

The Company's consolidated financial statements reflect the results of operations for the years ended December 31, 2015 and 2014, and the assets, liabilities and shareholders' equity as at December 31, 2015 and December 31, 2014.

The consolidated financial statements include the accounts of the Company and its 75% owned subsidiary, Winnipeg Minerals S.A., an Argentinean company. All significant intercompany balances and transactions have been eliminated on consolidation.

a) Statement of Compliance

The significant accounting policies (note 3) have been applied consistently to all periods presented in these consolidated financial statements.

The policies applied in the Company's consolidated financial statements are in accordance with International Financial Reporting Standards ("IFRS") effective as of December 31, 2015 as issued by the International Accounting Standards Board. The date that the Board of Directors approved the statements is April 19, 2016.

2. Basis of Presentation (continued)

b) Basis of Measurement

The Company's consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which have been measured at fair value. In the opinion of management, all adjustments considered necessary for a fair presentation have been included.

c) Functional and Presentation Currency

Plato Gold Corp.'s and Winnipeg Minerals S.A.'s ("WMSA") functional currency is Canadian Dollars. The consolidated financial statements are presented in Canadian Dollars.

d) Use of Estimates

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of operations during the reporting period. Significant estimates and assumptions include those related to the following:

- the recoverability of the carrying value of the resource properties,
- management's determination that there is no deferred tax asset recognized in these consolidated financial statements and
- the ability to continue as a going concern.

While management believes that the estimates and assumptions are reasonable, actual results could differ from those estimates.

Management has also used its judgement in determining that the functional currency of the Company is the Canadian dollar and the state of development of the mineral properties as exploration stage for the Company's properties in Argentina and Ontario.

e) Going Concern

The Company’s ability to continue as a going concern is dependent upon, but not limited to, its ability to raise financing necessary to fund its exploration and development programs and general and administrative expenses, maintain its resource properties, discharge its liabilities as they become due and generate positive cash flows from operations. There is no certainty that the Company will be successful in raising financing given the current condition of the financial markets, and as such there is significant uncertainty the Company will be able to continue as a going concern.

2. Basis of Presentation (continued)

e) Going Concern (continued)

The consolidated financial statements are prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of the business. Accordingly, these consolidated financial statements do not give effect to adjustments that may be necessary, should the Company be unable to continue as a going concern. If the going concern assumption is not used then the adjustments required to report the Company's assets and liabilities at liquidation values could be material to these consolidated financial statements.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated.

a) Foreign Currency Transactions

The Company's consolidated financial statements are presented in Canadian Dollars. Costs are primarily incurred in Canadian Dollars. The Company incurs costs at its Lolita Project in Argentina primarily in US Dollars and Argentine Pesos. Although these transactions are in foreign currencies, the predominant currency of financing and management decisions is the Canadian Dollar, and as such, it is also the Company's functional currency and the functional currency of its subsidiary.

The Company translates monetary assets and liabilities at the rate of exchange in effect at the reporting date and non-monetary assets and liabilities at historical exchange rates. Income and expenses are translated at average rates in the month they occur. Gains and losses on translation are recorded in the statement of loss and comprehensive loss.

b) Mineral Properties and Deferred Exploration Costs

The Company records its mineral exploration expenditures at cost. Acquisition costs of resource properties together with direct exploration expenditures thereon are deferred in the accounts starting on the date of acquisition of the property rights. When production is attained, these costs will be amortized on a units-of-production basis. If the properties are abandoned, sold or considered to be impaired in value, the costs of the properties and related deferred expenses will be written down at that time. When deferred expenditures on individual producing properties exceed the estimated recoverable amount, the properties are written down to the recoverable amount.

Exploration and evaluation expenditures include costs which are directly attributable to acquisition, surveying, geological, geochemical, geophysical, exploratory drilling, land maintenance, sampling and assessing technical feasibility and commercial viability. Management salaries directly related to exploration and evaluation expenditures are not capitalized. These expenditures are capitalized until the technical feasibility and commercial viability of the extraction of mineral reserves in a project is demonstrated. Amounts received from other parties to earn an interest in the Company's resource properties are applied as a reduction of the resource properties. During the exploration period, exploration and evaluation assets are not amortized.

3. Significant Accounting Policies (continued)

b) Mineral Properties and Deferred Exploration Costs (continued)

All capitalized exploration and evaluation expenditures are monitored for indications of impairment, to ensure that commercial quantities of reserves exist or that exploration activities related to the property are continuing or planned for the future. If an exploration property does not prove viable, all unrecoverable costs associated with the project are expensed. Once a project is determined to be technically feasible and commercially viable and a decision has been made to proceed with development, the relevant exploration and evaluation asset is tested for impairment and the balance is reclassified as a mine development asset which is allocated between property, plant and equipment and intangible assets. All subsequent expenditures to ready the property for production are capitalized within mine development assets, other than those costs related to the construction of property, plant and equipment. Once production has commenced, all costs included in mine development assets are reclassified to mining properties.

Government rebates and option payments received related to exploration are reflected as a reduction of the cost of exploration.

The Company is in the process of exploring and evaluating its mineral properties and has not yet determined the amount of reserves available. On a quarterly basis in connection with quarterly reporting, senior management reviews the carrying amount of mineral properties and deferred exploration and development costs to assess whether there has been any indication of impairment in value.

c) Equipment

Equipment is recorded at cost. Amortization is provided over the estimated useful lives of the assets using the declining-balance method at the following rates per annum:

Computer equipment	30%
Furniture and fixtures	30%

During the year of acquisition, half of the annual amortization is recorded.

d) Flow-through Financing

The Company has financed a portion of its exploration activities through the issuance of flow-through shares, which transfer the tax deductibility of exploration expenditures to the investors. Proceeds received on the issuance of such shares have been credited to share capital less the premium paid for the sale of tax deductions.

3. Significant Accounting Policies (continued)

d) Flow-through Financing (continued)

The issue of flow through shares is in substance an issue of ordinary shares and the sale of tax deductions. The sale of tax deductions are measured using the relative fair value method. At the time the flow through shares are issued, the sale of tax deductions is deferred and is presented as other liabilities in the statement of financial position, because the Company has not yet fulfilled its obligation to pass on the tax deductions to the investor. When the Company fulfills its obligation:

(i) the sale of tax deductions is recognized in the income statement as a reduction of the deferred tax expense; and

(ii) a deferred tax liability is recognized, in accordance with IAS 12, Income Taxes, for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized as an asset in the statement of financial position and its tax base.

The obligation is fulfilled when the eligible expenditures are incurred and there is an intention to renounce the expenditures.

e) Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are determined based on the differences between the carrying amount of assets and liabilities on the statement of financial position and their corresponding tax value, using the substantively enacted tax rates expected to apply when these temporary differences are reversed. Deferred income tax assets are recorded to recognize tax benefits only to the extent that, based on available evidence, it is probable that they will be realized. Income tax expense is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity.

f) Share-based Payments

The Company accounts for share-based payments to employees using the fair value method. Under this method, compensation expense is measured at fair value on the date of grant using the Black-Scholes option pricing model, and is recognized as an expense or capitalized, depending on the nature of the grant, with a corresponding increase in equity, over the period that the options are earned, after taking any expected forfeitures into account. The Black-Scholes option pricing model requires the input of subjective assumptions, including the expected term of the option and stock price volatility.

Common share purchase warrants, stock options and other equity instruments issued to parties other than employees and as purchase consideration in non-cash transactions are recorded at the fair value of the goods and services received, unless the fair value cannot be estimated reliably. If the fair value of the goods or services received cannot be reliably estimated, then the value is determined by management using the Black-Scholes option pricing model or for shares issued as purchase consideration for mineral property assets is based upon the trading price of those shares on the date that the consideration is transferred.

3. Significant Accounting Policies (continued)

g) Warrants

Proceeds from unit placements, net of issuance costs, are allocated between shares and warrants issued according to their relative fair value.

h) Decommissioning Liabilities

The Company's exploration activities are subject to various governmental laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and becoming more restrictive. The fair value of an obligation to incur restoration, rehabilitation and environmental costs is to be recognized when incurred and the corresponding increase to the asset is amortized over the life of the asset. The liability is increased over time to reflect an accretion element considered in the initial measurement at fair value.

As at December 31, 2015 and December 31, 2014, the Company has not incurred and is not committed to any decommissioning obligations in respect of its mineral exploration properties.

i) Loss Per Share

Loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year, including contingently issuable shares which are included when the conditions necessary for issuance have been met. Diluted loss per share is calculated in a similar manner, except that the weighted average number of common shares outstanding is increased to include potentially issuable common shares from the assumed exercise of common share purchase options, if dilutive. The number of additional shares included in the calculation is based on the weighted average number of shares that would be issued on the conversion of all potentially dilutive options into common shares. The Company was in a loss position as at December 31, 2015 and December 31, 2014, therefore its options are anti-dilutive.

j) Related Party Transactions

All transactions with related parties are in the normal course of business and are measured at the amount agreed to by the parties involved in the transactions, which approximates fair value.

k) Cash

Cash include bank deposits. As at December 31, 2015 and December 31, 2014, the Company did not have any cash equivalents.

l) Financial Instruments

IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39") requires classification of financial instruments into one of four categories: financial assets at fair value through profit and loss, held-to-maturity investments, loans and receivables, available-for-sale securities, and other financial liabilities. The Company determines the classification of its financial assets and liabilities at initial recognition.

3. Significant Accounting Policies (continued)

l) Financial Instruments (continued)

All of the Company's financial instruments are initially measured at fair value, with subsequent measurements dependent on the classification of each financial instrument. Financial assets at fair value through profit or loss include cash and portfolio investments, which are measured at fair value and all gains and losses are included in net loss in the period in which they arise. Loans and receivables, which include other receivables, are recorded at amortized cost. The Company has no financial assets classified as available-for-sale or as held-to-maturity. Other financial liabilities at amortized cost include accounts payable and accrued liabilities and amount due to a related party.

The Company's financial instruments measured at fair value on the statement of financial position consist of cash and portfolio investments. Cash and portfolio investments are measured at level 1 of the fair value hierarchy. There are three levels of the fair value hierarchy as follows:

Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

Transaction costs are expensed as incurred for financial instruments classified as fair value through profit and loss. For other financial instruments, transaction costs are capitalized on initial recognition.

m) Future Accounting Changes

IFRS 9, Financial instruments ("IFRS 9") was issued by the IASB in July 2014 and will replace IAS 39, Financial Instruments: recognition and measurement" ("IAS 39"). IFRS 9 utilizes a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. 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. Final amendments released in July 2014 also introduce a new expected loss impairment model and limited changes to the classification and measurement requirements for financial assets. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Corporation is currently evaluating the impact of this standard and amendments on its consolidated financial statements.

4. Other Receivables

Other receivables include a receivable from a related party of $47,824 (2014 - $47,824) less a valuation allowance of $23,912 (2014 - $Nil). During the year ended December 31, 2015 the Company incurred $23,912 in debt provision related to the receivable from a related party. During the year ended December 31, 2014, the Company determined the full amount of the Government mining rebates to be uncollectible and incurred a write off of $100,627.

The receivables from related party are due on demand and do not bear interest. Due to the short term nature, the carrying amount of the receivables approximates fair value. The related party holds the non-controlling interest in WMSA.

5. Portfolio Investments

a) Oban Mining Corporation (formerly Northern Gold Mining Inc.)

On May 25, 2011, the Company acquired 175,000 common shares of the publicly traded company Northern Gold Mining Inc. ("Northern Gold") with a cost of $89,250 as a result of a property sale agreement.

On July 26, 2012, the Company acquired 1,000,000 shares of the publicly traded company Victory Gold Mines Inc. ("Victory Gold") with a cost of $140,000 as a result of an option agreement. On February 7, 2013, Victory Gold amalgamated with Northern Gold, therefore the 1,000,000 Victory Gold shares were exchanged for 500,000 Northern Gold shares.

On February 1, 2013, the Company sold an 80% interest in its Harker Properties to Northern Gold and entered into a joint venture agreement with Northern Gold in exchange for $200,000 payable to the Company and 250,000 common shares of Northern Gold issuable to the Company.

In November 2015, Northern Gold was acquired by Oban Mining Corporation ("Oban"). As a result, all former shareholders of Northern Gold received shares of Oban as part of the arrangement.

As at December 31, 2015, the Company holds a total of 11,749 shares of Oban. The estimated fair value of this investment at December 31, 2015 is $13,981 (2014 - $13,875).

b) Monarques Gold Corporation (formerly Monarques Resources Inc.)

During the year ended December 31, 2013, the Company acquired 192,308 shares of the publicly traded company Monarques Gold Corporation with a cost of $25,000 as a result of a property sale agreement. The estimated fair value of this investment at December 31, 2015 is $11,539 (2014 - $21,154).

c) St Andrew Goldfields Ltd.

During the year ended December 31, 2013, the Company acquired 50,000 shares of the publicly traded company St Andrew Goldfields Ltd. ("St Andrew") with a cost of $15,250 as a result of an option agreement. The estimated fair value of this investment at December 31, 2015 is $21,500 (2014 - $12,500).

Subsequent to December 31, 2015, Kirkland Lake Gold Inc. ("Kirkland") acquired all of the outstanding common shares of St Andrew. Each common share of St Andrew was exchanged for 0.0906 of one common share of Kirkland.

Stated in Canadian Dollars

6. Mineral Properties and Deferred Exploration Costs

	December 31, 2015		
	Lolita Project	**Timmins Gold Project**	**Total**
Acquisition costs	$ -	$ -	$ -
Geology	-	-	-
Other	4,311	1,358	5,669
Current expenditures	4,311	1,358	5,669
Less government rebates	-	(7,629)	(7,629)
Less option consideration received	-	(8,550)	(8,550)
Net current expenditures (recoveries)	4,311	(14,821)	(10,510)
Balance - beginning of year	316,964	1,025,067	1,342,031
Write-down of mineral property	(321,275)	(1,010,246)	(1,331,521)
Balance - end of year	$ -	$ -	$ -

	December 31, 2014		
	Lolita Project	**Timmins Gold Project**	**Total**
Acquisition costs	$ -	$ -	$ -
Geology	-	-	-
Other	4,296	1,355	5,651
Current expenditures	4,296	1,355	5,651
Less option consideration received	-	(30,000)	(30,000)
Net current expenditures (recoveries)	4,296	(28,645)	(24,349)
Balance - beginning of year	312,668	1,053,712	1,366,380
Balance - end of year	$ 316,964	$ 1,025,067	$ 1,342,031

a) Lolita Project

On August 27, 2007, the Company entered into an agreement to acquire a 75% interest in the Lolita Property in Argentina. The Company was required to incur US$50,000 in initial expenditures before June 19, 2009. On June 16, 2009 the parties extended this requirement to December 31, 2009. As of December 31, 2009 the initial expenditures of US$50,000 (CDN$50,094) had been met in accordance with the agreement.

6. Mineral Properties and Deferred Exploration Costs (continued)

a) Lolita Project (continued)

Upon completion of the initial expenditures, a Joint Work Program for up to US$500,000 was jointly developed and financed 75% by the Company and 25% by the other party ("Lhotka"). The agreement allows that Lhotka shall have its Joint Venture interest in the property diluted by 5% for each US$100,000 in expenditures spent by the Company, if Lhotka declines its portion of the expenditure. Lhotka's interest in the property shall not be reduced to less than 2%, unless otherwise agreed by the parties, and Lhotka is entitled to receive a 2% Net Smelter Royalty ("NSR"). The Company has available an option to purchase all but not less than all of the NSR for US$500,000.

With the completion of the initial expenditures, registration of ownership of the property proceeded in accordance with the Joint Venture Agreement. As of August 9, 2011, Winnipeg Minerals S.A. ("WMSA") was incorporated in Argentina with the Company holding 75% and Lhotka holding 25% of the outstanding shares. The mineral claims were subsequently transferred to WMSA as of November 14, 2011.

With the exception of the amendment on June 16, 2009, there have been no changes to the terms of the option agreement since August 27, 2007.

Expenditures after the initial stage from January 1, 2010 to the incorporation of WMSA in 2011 incurred by the Company were $179,829. As of the incorporation of WMSA, the total due from Lhotka amounted to CDN $47,824 and consisted of:

1. 25% of $179,829 which amounts to $44,957
2. 25% of the mandatory deposit for shares of $11,465 which amounts to $2,867

Subsequent to the August 9, 2011 incorporation of WMSA., funding to the Lolita Project consists of loans to WMSA from the Company (75%) and Lhotka (25%). Subsequent to the incorporation of WMSA, the total due from Lhotka amounted to CDN $18,503 and consisted of:

3. 25% of ongoing loan and financing totaling $74,012 which amounts to $18,503

As of December 31, 2015, the total gross loan receivable from Lhotka was $66,327. The Company is reporting an allowance of $23,912 and a payable of $18,503 owing related to the ongoing loan and financing amounts paid on Lhotka's behalf by Plato. The net balance reported as at December 31, 2015 is $23,912.

The option agreement, including the amendment, is in good standing as of December 31, 2015 and there are no breaches of any covenants, terms or conditions in respect thereof.

Pursuant to an impairment analysis performed on the Company's Lolita property as at December 31, 2015, the Company has decided to write-off the carrying value of the property. While the Company's interest in the Lolita project remains unchanged from the year ended December 31, 2014, the Company has determined not to substantiate the carrying value of the properties until there are expenditures by the Company on exploration and evaluation of mineral resources for this property. Accordingly, all costs incurred to date were written off as an impairment loss during the year ended December 31, 2015. Should a valuation analysis be performed in the future such that the estimated recoverable amount of the Lolita property is greater than the carrying amount of $Nil, the impairment loss recognized during the year ended December 31, 2015 could reverse in part, or in full. In this situation, the carrying amount could be increased to an amount that does not exceed the original carrying amount that would have been determined had no impairment loss been recognized for the Lolita property in prior years.

6. Mineral Properties and Deferred Exploration Costs (continued)

b) Timmins Gold Project

The Timmins Gold Project is comprised of four properties along the Destor-Porcupine Fault Zone located east of Timmins. The properties are comprised of 4 leases and 93 claims. The properties are subject to a 2% net smelter royalty to a former director of the Company.

i) St Andrew Option

On November 8, 2010, the Company entered into an agreement granting St Andrew Goldfields Ltd. ("St Andrew") the option to earn a 75% interest in the Company's Timmins Gold Project consisting of four properties located in the Townships of Guibord, Harker, Holloway, and Marriott.

The Company received an initial payment of $100,000 upon the execution of the option agreement.

(A) With respect to the Holloway Property, to earn its 75% interest St Andrew will be required to incur exploration expenditures of $100,000 on or before the first anniversary, $200,000 on or before the second anniversary, and $500,000 on or before the third anniversary of the effective date. As well, St Andrew will be required to make additional payments to the Company of $20,000 on or before the first anniversary, $40,000 on or before the second anniversary, and $60,000 on or before the third anniversary of the effective date. On June 21, 2013, the option agreement of November 8, 2010 was amended to incur the $500,000 exploration expenditure on or before the fifth anniversary, and the amendment on the Marriott Property noted below, for 50,000 common shares of St. Andrew. In November 2015, the company received $8,550, in lieu of 25,000 common shares of SAS, to extend the option agreement on the Holloway and Marriott Property for one additional year. As of December 31, 2015, St Andrew is in compliance with the requirements of this agreement.

(B) With respect to the Marriott Property, to earn its 75% interest St Andrew will be required to incur exploration expenditures of $100,000 on or before the third anniversary, and $200,000 on or before the fourth anniversary of the effective date. As well, St Andrew will be required to make additional payments to the Company of $20,000 on or before the third anniversary, and $30,000 on or before the fourth anniversary of the effective date. On June 21, 2013, the option agreement of November 8, 2010 was amended to incur the $100,000 exploration expenditure on or before the fifth anniversary, and $200,000 on or before the sixth anniversary, and the amendment on the Holloway Property noted above, for the same 50,000 common shares of St. Andrew. In addition, for an additional 25,000 shares, St. Andrew at its option may at anytime extend the exercise period of the option for both Holloway and Marriott by one additional year. In November 2014, the company received $30,000 representing the payment due for the fourth anniversary. In November 2015, the company received $8,550, in lieu of 25,000 common shares of SAS, to extend the option agreement on the Holloway and Marriott Property for one additional year. As of December 31, 2015, St Andrew is in compliance with the requirements of this agreement.

6. Mineral Properties and Deferred Exploration Costs (continued)

b) Timmins Gold Project (continued)

i) St Andrew Option (continued)

In addition, if a National Instrument 43-101 compliant mineral resource, whether measured, indicated or inferred, of not less than 500,000 ounces of gold is discovered on any one of the properties while St Andrew is earning its interest, St Andrew will make a payment of $1,000,000 to the Company for each property reaching such milestones. The additional payment obligation shall apply to each property independently of the other properties and as of December 31, 2015 this amounts to a potential of up to $2,000,000 in milestone payments. As of December 31, 2015, no such resources have been discovered. The option in respect of each property may be exercised or terminated separately by St Andrew.

(C) With respect to the Guibord Property, to earn its 75% interest St Andrew will be required to incur exploration expenditures of $100,000 on or before the first anniversary, $200,000 on or before the second anniversary, and $500,000 on or before the third anniversary of the effective date. As well, St Andrew will be required to make additional payments to the Company of $60,000 on or before the second anniversary, and $60,000 on or before the third anniversary of the effective date.

In July 2012, an amending joint option agreement was entered into between Victory Gold Mines Inc., St Andrew and the Company in exchange for a cash payment of $40,000 from Victory Gold and 1,000,000 Victory Gold Shares with a fair value at the time of acquisition of $140,000. The 16 claims will be owned 40% by Victory Gold and 10% by St. Andrew, with the remaining 50% retained by the Company. Victory Gold has the opportunity to earn an additional 20% and St. Andrew has the opportunity to earn an additional 5% if Victory Gold spends a minimum of $700,000 in eligible exploration expenditures and makes a cash payment of $100,000 to the Company on or before July 26, 2015. As of July 26, 2015 the terms were not met and this clause within the option expired.

On February 7, 2013, Victory Gold amalgamated with Northern Gold Mining Inc., therefore the 1,000,000 Victory Gold shares were exchanged for 500,000 Northern Gold Mining Inc shares.

On or before July 26, 2014, Victory Gold, now Northern Gold Mining, could have notified the Company and St Andrew as to whether they intended to complete the option of the additional 20%. The Company received no notice and thus this option expired.

Upon the expiry of the Victory Gold option in 2014, St Andrew had the option to spend an additional $200,000 in eligible expenditures and a $100,000 cash payment by Victory Gold, now Northern Gold Mining, to the Company, by July 26, 2015, to earn a 25% interest in the property, resulting in the property being owned by the Company 25%, Victory Gold, now Northern Gold Mining, 50% and St Andrew 25%. Neither Victory Gold, now Northern Gold Mining Inc. or St. Andrew met this clause within the option, thus this option expired.

6. Mineral Properties and Deferred Exploration Costs (continued)

b) Timmins Gold Project (continued)

i) St Andrew Option (continued)

In November 2015, Oban Mining Corporation acquired Northern Gold Mining, as a result Oban holds a 50% interest in the Guibord property, with 10% beneficially held for St Andrew, and the Company retaining 50% control of the property.

(D) With respect to the Harker Property, to earn its 75% interest St Andrew was required to incur exploration expenditures of $50,000 on or before the first anniversary, and $250,000 on or before the second anniversary of the effective date. As well, St Andrew was required to make additional payments to the Company of $50,000 on or before the second anniversary of the effective date. As of December 7, 2011, St Andrew has not met the requirement of the option agreement and the property has reverted to the Company.

ii) Sale of Harker Properties

On February 1, 2013, the Company sold 80% of its interest in the Harker Properties to Northern Gold Mining Inc. and entered into a joint venture agreement with Northern Gold in exchange for:

- CDN$200,000 payable to the Company; and
- 250,000 common shares of Northern Gold.

If at any time, either party’s interest is reduced to 10% or less, such interest shall be surrendered and the forfeiting party shall be granted a one percent (1%) NSR from production on the Harker Properties. The non-forfeiting party shall have the right and option to purchase the entire 1% NSR for $1,000,000.

In November 2015, Oban Mining Corporation acquired Northern Gold Mining, as a result Oban holds 80% interest in the Harker property and the Company retaining 20% of the property.

Pursuant to an impairment analysis performed on the Company’s Timmins property as at December 31, 2015, the Company has decided to write-off the carrying value of the property. While the Company’s interest in the Timmins project remains unchanged from the year ended December 31, 2014, the Company has determined not to substantiate the carrying value of the properties until there are expenditures by the Company on exploration and evaluation of mineral resources for this property. Accordingly, all costs incurred to date were written off as an impairment loss during the year ended December 31, 2015. Should a valuation analysis be performed in the future such that the estimated recoverable amount of the Timmins property is greater than the carrying amount of $Nil, the impairment loss recognized during the year ended December 31, 2015 could reverse in part, or in full. In this situation, the carrying amount could be increased to an amount that does not exceed the original carrying amount that would have been determined had no impairment loss been recognized for the Timmins property in prior years.

Stated in Canadian Dollars

7. Equipment

	Computer Equipment	Furniture and Fixtures	Total
Cost			
Balance - January 1, 2014, December 31, 2014 and 2015	$ 2,879	$ 5,256	$ 8,135
Accumulated Amortization			
Balance - January 1, 2014	$ 2,764	$ 4,998	$ 7,762
Amortization for the year	35	77	112
Balance - December 31, 2014	2,799	5,075	7,874
Amortization for the year	24	54	78
Balance - December 31, 2015	$ 2,823	$ 5,129	$ 7,952
Net Book Value			
As at December 31, 2014	$ 80	$ 181	$ 261
As at December 31, 2015	$ 56	$ 127	$ 183

8. Due to a Related Party

	December 31, 2015	December 31, 2014
Related Company	$ 657,900	$ 552,200

Amounts due to the related party are non-interest bearing, unsecured and due on demand. The Company and the related company have a director in common. This director is also a shareholder and officer of both companies.

Stated in Canadian Dollars

9. Share Capital

a) Authorized:

Unlimited common shares
Unlimited preferred shares

b) Common Shares Issued and Outstanding

	Number	Amount
Balance - January 1, 2014, December 31, 2014 and 2015	143,591,655	$ 6,179,587

There were no share issuances during the years ended December 31, 2015 and 2014.

10. Contributed Surplus

a) Stock Options Plan

The Board of Directors has adopted a stock option plan for the Company (the "Plan"). Pursuant to the Plan, the Board of Directors may, from time to time at its discretion, allocate non-transferable options to purchase shares to directors, officers, employees and consultants of the Company.

Under the Plan, the aggregate number of shares to be issued upon the exercise of options granted thereunder may not exceed 10% of the number of issued and outstanding shares at the time of granting the options. Options shall expire no later than ten years after the date of grant.

The exercise price of options granted pursuant to the Plan shall be established based on the average closing price of the shares for the five days prior to the date of grant or such other method of pricing as may be acceptable to the stock exchange on which the shares are listed. The options shall vest and may be exercised as determined by a resolution of the board of directors.

Stated in Canadian Dollars

10. Contributed Surplus (continued)

b) A summary of changes to stock options is as follows:

	Number	Weighted Average Exercise Price
Balance - January 1, 2014	7,355,000	$ 0.100
Granted/vested	-	-
Expired	(2,510,000)	0.100
Forfeited	-	-
Balance - December 31, 2014 and 2015	4,845,000	$ 0.100

All outstanding options have fully vested and are exercisable.

c) During the year ended December 31, 2015, the Company did not issue any options and no options expired.

Stock option pricing models require the input of highly subjective assumptions including the expected price volatility. Volatility is determined based on historical trends. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

d) As at December 31, 2015 the following options were outstanding:

	Number of Options		
Exercise Price	Unvested	Vested	Expiry Date
$ 0.100	-	595,000	December 4, 2019
$ 0.100	-	1,325,000	April 20, 2020
$ 0.100	-	300,000	November 7, 2020
$ 0.100	-	2,625,000	March 29, 2021
	-	4,845,000	

Stated in Canadian Dollars

11. Income Taxes

a) Income tax recovery attributable to the loss differs from the amounts computed by applying the combined federal and provincial tax rates of 26.50% (2014 - 26.50%) to the pretax loss as a result of the following for the year ended December 31:

	2015	2014
Loss for the year before income taxes	$ (1,711,946)	$ (495,569)
Income tax recovery computed as statutory rates	(453,666)	(130,100)
Permanent differences		
Non-capital losses and other adjustments	87,807	(656)
Non-deductible expenses	333	4,872
Change in deferred taxes not recognized	365,526	125,884
	$ -	$ -

b) The income tax effects of temporary differences that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities as at December 31, 2015 and 2014.

	December 31, 2015	December 31, 2014
Deferred income tax assets (liabilities):		
Canadian exploration and development expenses	$ 169,416	$ (185,459)
Non-capital loss carryforwards	1,303,552	1,288,415
Share issuance costs and other	38,588	43,095
Property, plant and equipment	2,037	2,016
Net deferred income tax asset (liability)	1,513,593	1,148,067
Deferred taxes not recognized	(1,513,593)	(1,148,067)
Net deferred income tax asset (liability)	$ -	$ -

Stated in Canadian Dollars

11. Income Taxes (continued)

As at December 31, 2015, the Company had non-capital loss carryforwards of approximately $4,919,000 which are available to reduce taxable income of future years. The benefit of these losses has been recognized in these consolidated financial statements to offset the deferred income tax liability arising as a result of renunciation of resource expenditures.

2026	$ 590,000
2027	700,000
2028	342,000
2029	648,000
2031	685,000
2032	537,000
2033	540,000
2034	502,000
2035	375,000
	$ 4,919,000

12. Related Party Transactions

During the year ended December 31, 2015, the Company:

a) incurred rent of $6,000 (2014 - $6,000) 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. As at December 31, 2015, accounts payable and accrued liabilities included (net of taxes) $66,000 (2014 - $60,000) related to rent payable.

b) incurred consulting fees of $84,096 (2014 - $84,096) with one of the Company's officers. As at December 31, 2015, accounts payable and accrued liabilities included (net of taxes) $154,176 (2014 - $105,120) of consulting fees payable to the officer.

c) incurred consulting fees of $5,900 (2014 - $5,900) with one of the Company's directors. As at December 31, 2015, accounts payable and accrued liabilities included (net of taxes) $5,900 (2014 - $1,475) of consulting fees payable to the director.

d) incurred directors fees of $28,000 (2014 - $28,000). As at December 31, 2015, accounts payable and accrued liabilities included (net of taxes) $197,700 (2014 - $169,700) of directors fees payable.

e) received an advance of $105,700 (2014 - $238,700) 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. As at December 31, 2015, the amount due to the related party was $657,900 (2014 - $552,200).

Stated in Canadian Dollars

13. Management Compensation

Key management includes all directors (management and non-management directors) and the Chief Financial Officer. The Chief Executive Officer is a management director. The compensation paid or payable to key management for services is shown below:

	2015	2014
Salaries and consulting fees	$ 230,099	$ 230,099
Directors fees	28,000	28,000
	$ 258,099	$ 258,099

Accounts payable and accrued liabilities as at December 31, 2015 includes $461,478 (2014 - $274,820) payable to these parties.

14. Financial Instruments

a) Liquidity Risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations when they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. As at December 31, 2015, the Company had current assets of $96,494 (2014 - $116,529) to settle current liabilities of $1,438,581 (2014 - $1,088,779). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

The Company has no income and relies on equity financing to support its exploration program. Additional financing is required to fund the related operating expenses required to manage the Company through fiscal 2016. Management prepares budgets and ensures funds are available prior to commencement of any exploration program. During the years ended December 31, 2015 and 2014, the Company has received the majority of its financing through advances from a related party. As it is still difficult for junior mining companies to obtain financing in the current environment, the Company anticipates further support from this related party will be required until the current downturn subsides.

b) Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk relates to cash and other receivables. Cash is held with a reputable financial institution and is closely monitored by management. Management believes the credit risk with respect to other receivables is not significant.

14. Financial Instruments (continued)

c) Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as foreign exchange rates and equity prices.

(i) Foreign Exchange Risk

The Company is exposed to financial risk related to foreign exchange rates. The Company operates in Canada and Argentina. A significant change in the currency exchange rates between the Canadian dollar and Argentinean peso could have an effect on the Company's results of operations. At December 31, 2015, the Company is exposed to currency risk through Argentinean cash expressed in Canadian dollars of $2,443 (2014 - $807). A 10% depreciation or appreciation of the Canadian dollar against the Argentinean peso would result in an increase/decrease of approximately $244 (2014 - $81) in the Company's consolidated statement of comprehensive loss.

(ii) Equity Price Risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company's investments in the common shares of Oban Mining Corporation, Monarques Gold Corporation and St. Andrew Goldfields Ltd. is subject to fair value fluctuations arising from changes in the equity market. At December 31, 2015, should the equity prices of the Company’s holdings increase or decrease by 5%, the impact on net loss would be approximately $2,351 (2014 - $2,608).

15. Capital Disclosures

The Company’s objective when managing capital is to raise sufficient funds to execute its exploration plan. At December 31, 2015, the Company’s capital consists of shareholders' equity in the amount of $(1,341,904) (2014 - $358,577).

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company’s management to sustain future development of the business. The Company does not have any externally imposed capital requirements. There were no changes in the Company’s approach to capital management during the years ended December 31, 2015 or 2014.

16. Contingency

During the year ended December 31, 2012, the Company was subject to an audit by the Canada Revenue Agency regarding the Company's 2007-2009 expenditures and renunciation under the federal flow-through program. During the year ended December 31, 2013, the Company received correspondence regarding preliminary findings of this audit and has formally objected to certain findings. The Company is working to resolve the matter but has accrued an amount as at December 31, 2013 that represents management's estimate of the potential liability. The matter is still ongoing as at December 31, 2015.

17. Subsequent Event

The Company's subsequent event is described in note 5c.