

---

---

**Condensed Consolidated Financial Statements**

**Plato Gold Corp.**

**For the Six Months Ended June 30, 2017  
(Stated in Canadian Dollars)**

**Unaudited**

**INDEX**

<b>Condensed Consolidated Statements of Financial Position</b>	<b>1</b>
<b>Condensed Consolidated Statements of Loss and Comprehensive Loss</b>	<b>2</b>
<b>Condensed Consolidated Statements of Changes in Shareholders' Equity (Deficiency)</b>	<b>3</b>
<b>Condensed Statements of Cash Flow</b>	<b>4</b>
<b>Notes to the Condensed Consolidated Financial Statements</b>	<b>5 - 27</b>

**NOTICE TO READER**

The accompanying unaudited condensed consolidated financial statements have been prepared by the Company's management and the Company's independent auditors have not performed a review of these interim financial statements.

---

---

# Plato Gold Corp.

Condensed Consolidated Statements of Financial Position

Unaudited - See Notice to Reader

Stated in Canadian dollars

	June 30, 2017	December 31, 2016 (Audited)
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 210,039	\$ 2,811
Other receivables (note 4)	39,615	47,651
Portfolio investments (note 5)	130,080	127,669
	<u>379,734</u>	<u>178,131</u>
<b>Mineral Properties and Deferred Exploration Costs (note 6)</b>	298,621	-
<b>Equipment</b>	109	128
	<u>\$ 678,464</u>	<u>\$ 178,259</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities (note 11)	\$ 1,162,686	\$ 1,055,243
Convertible debenture (note 7)	300,000	-
Due to a related party (note 8 & note 11(e))	739,700	739,700
	<u>2,202,386</u>	<u>1,794,943</u>
<b>Shareholders' Equity</b>		
<b>Share Capital (note 9)</b>	6,404,587	6,179,587
<b>Contributed Surplus (note 10)</b>	3,187,275	3,187,275
<b>Deficit</b>	(11,093,942)	(10,965,557)
<b>Non-Controlling Interest</b>	(21,842)	(17,989)
	<u>(1,523,922)</u>	<u>(1,616,684)</u>
	<u>\$ 678,464</u>	<u>\$ 178,259</u>

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

Approved on behalf of the Board

\_\_\_\_\_, "Anthony J. Cohen", Director

\_\_\_\_\_, "Robert Van Tassell", Director

# Plato Gold Corp.

Condensed Consolidated Statements of Loss and Comprehensive Loss

For the Six Months Ended June 30

Unaudited - See Notice to Reader

Stated in Canadian dollars

	Six Months Ended		Three Months Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
<b>Income</b>				
Interest income	\$ 1,285	\$ -	\$ 660	\$ -
<b>Expenses</b>				
Amortization	19	28	9	13
Consulting fees	52,950	58,998	26,475	29,499
Insurance	4,460	4,277	2,667	2,691
Interest and flow-through fees	2,811	895	1,647	520
Office and general	1,536	2,220	650	1,049
Professional fees	26,311	16,776	15,240	12,776
Publicity and advertising	-	175	-	-
Rent	3,000	3,000	1,500	1,500
Salaries and benefits	48,000	73,401	24,000	36,701
Transfer and filing fees	20,411	15,803	13,351	9,398
Fair value adjustment on portfolio investments	(14,892)	(93,961)	7,976	(72,811)
Write-down of mineral properties (note 6)	14,867	335	13,667	335
Gain on sale of securities	(25,950)	-	(8,300)	-
	133,523	81,947	98,882	21,671
<b>Net Loss and Comprehensive Loss</b>	<b>\$ (132,238)</b>	<b>\$ (81,947)</b>	<b>\$ (98,222)</b>	<b>\$ (21,671)</b>
<b>Loss per Share - basic and diluted</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
<b>Weighted Average Number of Common Shares Outstanding - basic and diluted</b>	<b>148,091,655</b>	<b>143,591,655</b>	<b>148,091,655</b>	<b>143,591,655</b>

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

# Plato Gold Corp.

Condensed Consolidated Statements of Changes in Shareholders' Equity

For the Six Months Ended June 30

Unaudited - See Notice to Reader

Stated in Canadian dollars

	<u>Share Capital</u>		<u>Contributed Surplus</u>	<u>Accumulated Deficit</u>	<u>Non-Controlling Interest</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>				
Balance - December 31, 2015	143,591,655	\$ 6,179,587	\$ 3,187,275	\$ (10,708,766)	\$ -	\$ (1,341,904)
Net comprehensive loss	-	-	-	(81,947)	-	(81,947)
Balance - June 30, 2016	<u>143,591,655</u>	<u>\$ 6,179,587</u>	<u>\$ 3,187,275</u>	<u>\$ (10,790,713)</u>	<u>\$ -</u>	<u>\$ (1,423,851)</u>

	<u>Share Capital</u>		<u>Contributed Surplus</u>	<u>Accumulated Deficit</u>	<u>Non-Controlling Interest</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>				
Balance - June 30, 2017	143,591,655	\$ 6,179,587	\$ 3,187,275	\$ (10,965,557)	(17,989)	\$ (1,616,684)
Issue of common shares	4,500,000	225,000	-	-	-	225,000
Net comprehensive loss	-	-	-	(128,385)	(3,853)	(132,238)
Balance - June 30, 2017	<u>148,091,655</u>	<u>\$ 6,404,587</u>	<u>\$ 3,187,275</u>	<u>\$ (11,093,942)</u>	<u>(21,842)</u>	<u>\$ (1,523,922)</u>

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

# Plato Gold Corp.

Condensed Consolidated Statements of Cash Flow

For the Six Months Ended June 30

Unaudited - See Notice to Reader

Stated in Canadian dollars

	Six Months Ended		Three Months Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
<b>Cash Flows from Operating Activities</b>				
Net loss	\$ (132,238)	\$ (81,947)	\$ (98,222)	\$ (21,671)
Items not involving cash				
Gain on sale of securities	(25,950)	-	(8,300)	-
Share issuance costs	225,000	-	225,000	-
Amortization	19	28	9	13
Write-down of mineral properties	14,867	335	13,667	335
Fair value adjustment on portfolio investments	(14,892)	(93,961)	7,976	(72,881)
	66,806	(175,545)	140,130	(94,134)
Changes in non-cash working capital				
Other receivables	8,036	(5,581)	(10,434)	(3,736)
Accounts payable and accrued liabilities	107,443	156,948	66,699	76,358
	182,285	(24,178)	196,395	(21,512)
<b>Cash Flows from Financing Activities</b>				
Proceeds from convertible debentures	300,000	-	300,000	-
Advances from a related party (note 8 & note 11(e))	-	26,050	-	24,550
	300,000	26,050	300,000	24,550
<b>Cash Flows from Investing Activities</b>				
Mineral properties and deferred explorations costs	(313,488)	(335)	(312,288)	(335)
Proceeds on sale of investments	38,431	-	12,851	-
	(275,057)	(335)	(299,437)	(335)
<b>Change in cash</b>	207,228	1,537	196,958	2,703
<b>Cash - beginning of period</b>	2,811	6,749	13,081	5,583
<b>Cash - end of period</b>	\$ 210,039	\$ 8,286	\$ 210,039	\$ 8,286

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

# Plato Gold Corp.

Notes to the Condensed Consolidated Financial Statements  
For the Six Months Ended June 30, 2017  
Unaudited - See Notice to Reader  
Stated in Canadian Dollars

---

## 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 exploration company with three projects. The first project, Good Hope Niobium Project consists of a total of 19 claims, 263 claim units and 4,208 hectares in Killala Lake Area and Cairngorm Lake Area Townships, northwest of Marathon, Ontario. The second 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 third project, the Timmins Gold Project in Northern Ontario 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 June 30, 2017 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 \$11,093,942 as at June 30, 2017. 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 June 30, 2017, the Company had current assets of \$379,734 to cover current liabilities of \$2,202,386. 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 condensed consolidated financial statements reflect the results of operations for the three months ended June 30, 2017 and 2016, and the assets, liabilities and shareholders' equity (deficiency) as at June 30, 2017 and December 31, 2016.

The condensed 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 Company's interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34"). The IAS 34 interim financial statements do not include all of the information required for annual financial statements.

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

# Plato Gold Corp.

Notes to the Condensed Consolidated Financial Statements  
For the Six Months Ended June 30, 2017  
Unaudited - See Notice to Reader  
Stated in Canadian Dollars

---

## 2 Basis of Presentation (continued)

### a) Statement of Compliance (continued)

The policies applied in the Company's condensed consolidated financial statements are in accordance with International Financial Reporting Standards ("IFRS") effective as of June 30, 2017 as issued by the International Accounting Standards Board. The date that the Board of Directors approved the statements is August 23, 2017.

### b) Basis of Measurement

The Company's condensed 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 condensed consolidated financial statements are presented in Canadian Dollars.

### d) Use of Estimates

The preparation of the condensed 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 condensed 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.

# Plato Gold Corp.

Notes to the Condensed Consolidated Financial Statements  
For the Six Months Ended June 30, 2017  
Unaudited - See Notice to Reader  
Stated in Canadian Dollars

---

## 2. Basis of Presentation (continued)

### e) Going Concern (continued)

The condensed 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 condensed 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 condensed consolidated financial statements.

## 3. Significant Accounting Policies

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

### a) Foreign Currency Transactions

The Company's condensed 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.



# Plato Gold Corp.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2017

Unaudited - See Notice to Reader

Stated in Canadian Dollars

---

## 3. Significant Accounting Policies (continued)

### b) Mineral Properties and Deferred Exploration Costs (continued)

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.

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.

# Plato Gold Corp.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2017

Unaudited - See Notice to Reader

Stated in Canadian Dollars

---

## 3. Significant Accounting Policies (continued)

### 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.

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.

# Plato Gold Corp.

Notes to the Condensed Consolidated Financial Statements  
For the Six Months Ended June 30, 2017  
Unaudited - See Notice to Reader  
Stated in Canadian Dollars

---

## 3. Significant Accounting Policies (continued)

### f) Share-based Payments (continued)

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.

### 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 June 30, 2017 and December 31, 2016, 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 June 30, 2017 and December 31, 2016, 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.

# Plato Gold Corp.

Notes to the Condensed Consolidated Financial Statements  
For the Six Months Ended June 30, 2017  
Unaudited - See Notice to Reader  
Stated in Canadian Dollars

---

## 3. Significant Accounting Policies (continued)

### k) Cash

Cash include bank deposits and cash held in an investment portfolio. As at June 30, 2017 and December 31, 2016, 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.

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 measured at amortized cost include accounts payable and accrued liabilities, convertible debentures, and amount due to a measured related party.

The Company's financial instruments measured at fair value on the statement of financial position consist of cash, portfolio investments, and convertible debentures. Cash and portfolio investments, and convertible debentures 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.

# Plato Gold Corp.

Notes to the Condensed Consolidated Financial Statements  
For the Six Months Ended June 30, 2017  
Unaudited - See Notice to Reader  
Stated in Canadian Dollars

---

## 3. Significant Accounting Policies (continued)

### 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 \$1,027, which includes a previous valuation allowance of \$23,912, and HST receivable of \$12,471.

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) Osisko Mining Inc. (formerly - Northern Gold Mining Inc. and Oban Mining Corporation)

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.

In June 2016, Oban changed its name to Osisko Mining Inc. ("Osisko").

As at June 30, 2017, the Company holds a total of 11,749 shares of Osisko. The estimated fair value of this investment at June 30, 2017 is \$48,171.

# Plato Gold Corp.

Notes to the Condensed Consolidated Financial Statements  
For the Six Months Ended June 30, 2017  
Unaudited - See Notice to Reader  
Stated in Canadian Dollars

---

## 5. Portfolio Investments (continued)

### 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.

During the year ended December 31, 2016, the Company sold 20,000 shares for gross proceeds of \$8,620 resulting in a realized gain of \$6,020. As at December 31, 2016, the Company holds a total of 172,308 shares of Monarques.

During the quarter end March 31, 2017, the Company sold 61,000 shares for gross proceeds of \$25,580 resulting in a realized gain of \$17,650.

During the quarter end June 30, 2017, the company sold, the Company sold 35,000 shares for gross proceeds of \$12,851 resulting in a realized gain of \$8,300.

As at June 30, 2017, the Company holds a total of 76,308 shares of Monarques. The estimated fair value of this investment at June 30, 2017 is \$26,326.

### c) Kirkland Lake Gold Inc. (formerly 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.

During the first quarter of 2016, 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 in 2016.

As at June 30, 2017, the Company currently holds 4,530 common shares of Kirkland. The estimated fair value of this investment at June 30, 2017 is \$55,583.

# Plato Gold Corp.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2017

Unaudited - See Notice to Reader

Stated in Canadian Dollars

## 6. Mineral Properties and Deferred Exploration Costs

	June 30, 2017			Total
	Good Hope Project	Lolita Project	Timmins Gold Project	
Balance - December 31, 2014	\$ -	\$ 316,964	\$ 1,025,067	\$ 1,342,031
Expenditures (recoveries) - January 1, 2015 to December 31, 2016	-	20,846	(13,351)	7,495
Write downs - January 1, 2015 to December 31, 2016	-	(337,810)	(1,011,716)	(1,349,526)
Balance - December 31, 2016	-	-	-	-
Acquisition costs	241,375	-	-	241,375
Geology	57,246	-	-	57,246
June 30, 2017 expenditures	-	14,532	335	14,867
Current expenditures	298,621	14,532	335	313,488
Net current expenditures (recoveries)	298,621	14,532	335	313,488
Write-down of mineral property	-	(14,532)	(335)	(14,867)
Balance - June 30, 2017	\$ 298,621	\$ -	\$ -	\$ 298,621

### a) Good Hope Niobium Project

On May 31, 2017 the Company signed two Option Agreements, KL226 Option Agreement and KL37 Option Agreement to acquire 100% interest in the Good Hope Niobium Project in Killala Lake area, near Marathon Ontario.

The Good Hope Niobium Property consists of a total of 19 claims, 263 claim units and 4,208 hectares in Killala Lake Area and Cairngorm Lake Area Townships, northwest of Marathon, Ontario. The Good Hope Property is located approximately 45 kilometers northwest of Marathon and 28 km north of Highway 17. The property is readily accessible from Trans-Canada Highway 17 and Dead Horse Road. The Property is also in close proximity to the Hemlo gold mining camp.

# Plato Gold Corp.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2017

Unaudited - See Notice to Reader

Stated in Canadian Dollars

---

## 6. Mineral Properties and Deferred Exploration Costs (continued)

### a) Good Hope Niobium Project (continued)

For the KL226 Option Agreement, Plato, as the Optionee, will earn in for 100% interest in the KL226 claims upon completion of the following:

i) Total cash payment of \$106,600 as follows:

- i) \$11,600 within 7 days of signing
- ii) \$15,000 within 60 days of TSXV approval
- iii) 20,000 on or before the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> anniversary of the TSXV approval

ii) Total payment of 7,500,000 common shares

- i) 3,500,000 common shares within 15 days of TSXV approval
- ii) 1,000,000 common shares on or before the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> anniversary of the TSXV approval

iii) Combined exploration expenditures of \$400,000 on either or both the KL226 and KL37 properties

- i) \$100,000 on or before the 1<sup>st</sup> anniversary of the TSXV approval
- ii) \$300,000 on or before the 4<sup>th</sup> anniversary of the TSXV approval

For the KL37 Option Agreement, Plato, as the Optionee, will earn in for 100% interest in the KL37 claims upon completion of the following:

i) Total cash payment of \$2,000 as follows:

- i) \$2,000 within 7 days of signing

ii) Total payment of 1,600,000 common shares

- i) 1,000,000 common shares within 15 days of TSXV approval
- ii) 150,000 common shares on or before the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> anniversary of the TSXV approval

iii) Combined exploration expenditures of \$400,000 on either or both the KL226 and KL37 properties

- i) \$100,000 on or before the 1<sup>st</sup> anniversary of the TSXV approval
- ii) \$300,000 on or before the 4<sup>th</sup> anniversary of the TSXV approval

For both the KL226 and KL37 Option Agreements

- i) A 3% Net Smelter Return Royalty to Optionors, with first right of refusal for 50% buy back for \$1,500,000.
- ii) A 3% Gross Overriding Royalty from the production of diamonds only to Optionors, with first right of refusal for 50% buy back for \$1,500,000.
- iii) Performance Shares of 1,000,000 common shares to Optionors, if a NI 43-101 compliant resource exceeding 100 million tonnes of Nb205/P205 and an additional 2,000,000 common shares to Optionors, upon a positive bankable feasibility study.
- iv) 10% of the sale price or option price in cash or shares to Optionors, if the KL226 or KL37 claims are sold or optioned to a third party.

The option agreement is in good standing as of June 30, 2017.



# Plato Gold Corp.

Notes to the Condensed Consolidated Financial Statements  
For the Six Months Ended June 30, 2017  
Unaudited - See Notice to Reader  
Stated in Canadian Dollars

---

## 6. Mineral Properties and Deferred Exploration Costs (continued)

### b) 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.

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 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

The total due in 2011 prior to the incorporation of WMSA is \$47,824. In 2015, the Company reported an allowance of \$23,912 on the total due. Going forward, the Company is reporting a total due of \$23,912 prior to the incorporation of WMSA.

### Winnipeg Minerals S.A ("WMSA").

WMSA was incorporated on August 9, 2011. Since incorporation funding to the Lolita Project consists of loans to WMSA and expenses incurred by the Company which are allocated to the Company (75%) and Lhotka (25%).

As of December 31, 2015, the total loan to WMSA and expenses incurred by the Company after the incorporation of WMSA totals \$74,045 with Plato accounting for \$55,534 (75%) and Lhotka \$18,511 (25%). The Company reports total due from Lhotka at year end 2015 of \$42,423 (\$23,912+\$18,511).

# Plato Gold Corp.

Notes to the Condensed Consolidated Financial Statements  
For the Six Months Ended June 30, 2017  
Unaudited - See Notice to Reader  
Stated in Canadian Dollars

---

## 6. Mineral Properties and Deferred Exploration Costs (continued)

### b) Lolita Project (continued)

As of December 31, 2016, the total loan to WMSA and expenses incurred by the Company after the incorporation of WMSA totals \$81,265 with Plato accounting for \$60,949 (75%) and Lhotka \$20,316 (25%). In 2016, Lhotka incurred expenses resulting in a credit of \$3,220, a reduction in accounts receivable for services provided by Lhotka. The Company reports total due from Lhotka at year end 2016 of \$41,008 (\$23,912+\$20,316-\$3,220).

The company reports total due from Lhotka at June 30, 2017 of \$44,446.

The option agreement, including the amendment, is in good standing as of June 30, 2017 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 decided to write down the carrying value of the property at December 31, 2015 totaling \$321,275 to \$Nil. While the Company's interest in the Lolita project remains unchanged for the six months ended June 30, 2017, 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 have been written off as an impairment loss. 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 losses recognized in prior years 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. To date, the company has incurred and written down \$352,342 of project related costs.

# Plato Gold Corp.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2017

Unaudited - See Notice to Reader

Stated in Canadian Dollars

---

c) 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 held by a former director of the Company.

i) Kirkland Lake Option (formerly 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. On January 26, 2016, St. Andrew Goldfields was acquired by Kirkland Lake Gold Inc. ("Kirkland Lake"). As of June 30, 2017, Kirkland Lake 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 any time extend the exercise period of the option for both Holloway and Marriott by one additional year.

# Plato Gold Corp.

Notes to the Condensed Consolidated Financial Statements  
For the Six Months Ended June 30, 2017  
Unaudited - See Notice to Reader  
Stated in Canadian Dollars

---

## 6. Mineral Properties and Deferred Exploration Costs (continued)

### c) Timmins Gold Project (continued)

#### i) Kirkland Lake Option (formerly St. Andrew Option) (continued)

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. On January 26, 2016, St. Andrew Goldfields was acquired by Kirkland Lake. As of June 30, 2017, Kirkland Lake is in compliance with the requirements of this agreement.

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 June 30, 2017 this amounts to a potential of up to \$2,000,000 in milestone payments. As of June 30, 2017, no such resources have been discovered. The option in respect of each property may be exercised or terminated separately by Kirkland Lake.

(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 agreement 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.

# Plato Gold Corp.

Notes to the Condensed Consolidated Financial Statements  
For the Six Months Ended June 30, 2017  
Unaudited - See Notice to Reader  
Stated in Canadian Dollars

---

## 6. Mineral Properties and Deferred Exploration Costs (continued)

### c) Timmins Gold Project (continued)

#### i) Kirkland Lake Option (formerly St. Andrew Option) (continued)

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.

In November 2015, Oban Mining Corporation acquired Northern Gold Mining, on January 26, 2016, St. Andrew Goldfields was acquired by Kirkland Lake. In June 2016, Oban changed its name to Osisko.

As a result Osisko holds a 50% interest in the Guibord property, with 10% beneficially held for Kirkland Lake, and the Company retaining 50% control of the property.

#### 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. In June 2016, Oban changed its name to Osisko Mining Inc. ("Osisko").

As a result Osisko holds 80% interest in the Harker property and the Company retaining 20% of the property.

# Plato Gold Corp.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2017

Unaudited - See Notice to Reader

Stated in Canadian Dollars

## 6. Mineral Properties and Deferred Exploration Costs (continued)

Pursuant to an impairment analysis performed on the Company's Timmins property as at December 31, 2015, the Company decided to write down the carrying value of the property at December 31, 2015 totaling \$1,010,246 to \$Nil. While the Company's interest in the Timmins project remains unchanged for the six months ended June 30, 2017, 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 have been written off as an impairment loss. 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 losses recognized in prior years 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. To date, the company has incurred and written down \$1,012,051 of project related costs.

## 7. Convertible Debentures

	June 30, 2017		December 31, 2016	
	Face value	Carrying amount	Face value	Carrying amount
10% - June 15, 2017 (i)	\$ 250,000	\$ 250,000	\$ -	\$ -
10% - June 21, 2017 (ii)	\$ 50,000	\$ 50,000	\$ -	\$ -
	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ -</u>	<u>\$ -</u>

The face value of the convertible debentures consists of the following:

- (i) This series of convertible debentures bear interest at 10%, mature June 15, 2020, are held by private investors, and are unsecured. The debentures can be converted by the holder into common shares of the Company at a conversion price of \$0.05 per share if converted prior to June 15, 2018, and \$0.10 per share if converted after June 15, 2018 and before June 15, 2020.

The fair value of the debt component of the convertible debentures was estimated at issuance to be \$250,000 based on an effective rate of 10% and the residual allocated to the equity component was determined to be \$Nil.

During the six months ended June 30, 2017, debentures amounting to \$Nil were converted to common shares.

# Plato Gold Corp.

Notes to the Condensed Consolidated Financial Statements  
For the Six Months Ended June 30, 2017  
Unaudited - See Notice to Reader  
Stated in Canadian Dollars

---

## 7. Convertible Debentures (continued)

(i) (continued)

As at June 30, 2017, accounts payable and accrued liabilities included \$1,027 payable to the note holders in interest and the total debentures of this series outstanding amounted to \$250,000 in carrying value.

During the six months ended June 30, 2017, the Company incurred interest expense relating to this series of convertible debentures of \$1,027.

ii) This series of convertible debentures bear interest at 10%, mature June 21, 2020, are held by a related party who is an officer of the company, and are unsecured. The debentures can be converted by the holder into common shares of the Company at a conversion price of \$0.05 per share if converted prior to June 21, 2018 or \$0.10 per share if converted after June 21, 2018 and before June 21, 2020.

The fair value of the debt component of the convertible debentures was estimated at issuance to be \$50,000 based on an effective rate of 10% and the residual allocated to the equity component was determined to be \$Nil.

During the six months ended June 30, 2017, debentures amounting to \$Nil were converted to common shares.

As at June 30, 2017, accounts payable and accrued liabilities included \$206 payable in interest and the total debentures of this series outstanding amounted to \$50,000 in carrying value.

During the six months ended June 30, 2017, the Company incurred interest expense relating to this series of convertible debentures of \$206.

## 8. Due to a Related Party

	<b>June 30, 2017</b>	<b>December 31, 2016</b>
Related Company	\$ 739,700	\$ 739,700

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. Refer to note 11(e) for additional details.

# Plato Gold Corp.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2017

Unaudited - See Notice to Reader

Stated in Canadian Dollars

---

## 9. Share Capital

### a) Authorized:

Unlimited common shares

Unlimited preferred shares

### b) Common Shares Issued and Outstanding

	<u>Number</u>	<u>Amount</u>
Balance - December 31, 2016	143,591,655	\$ 6,179,587
Issued for:		
Option agreements	4,500,000	225,000
	<u>148,091,655</u>	<u>\$ 6,404,587</u>

## 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.



# Plato Gold Corp.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2017

Unaudited - See Notice to Reader

Stated in Canadian Dollars

---

## 10. Contributed Surplus (continued)

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

	<u>Number</u>	<u>Weighted Average Exercise Price</u>
Balance - December 31, 2016	4,845,000	\$ 0.100
Granted/vested	-	-
Expired	-	-
Forfeited	-	-
	<hr/>	<hr/>
Balance - June 30, 2017	<u>4,845,000</u>	<u>\$ 0.100</u>

All outstanding options have fully vested and are exercisable.

c) During the six months ended June 30, 2017 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 June 30, 2017 the following options were outstanding:

Exercise Price	Number of Options		Expiry Date
	Unvested	Vested	
\$ 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
	<hr/>	<hr/>	
	-	<u>4,845,000</u>	

# Plato Gold Corp.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2017

Unaudited - See Notice to Reader

Stated in Canadian Dollars

---

## 11. Related Party Transactions

During the six months ended June 30, 2017, the Company:

- a) incurred rent of \$3,000 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 June 30, 2017, accounts payable and accrued liabilities included (net of taxes) \$75,000 related to rent payable.
- b) incurred consulting fees of \$36,000 with one of the Company's officers. As at June 30, 2017, accounts payable and accrued liabilities included (net of taxes) \$225,216 of consulting fees payable to the officer.
- c) incurred consulting fees of \$2,950 with one of the Company's directors. As at June 30, 2017, accounts payable and accrued liabilities included (net of taxes) \$14,750 of consulting fees payable to the director.
- d) incurred directors fees of \$14,000. As at June 30, 2017, accounts payable and accrued liabilities included (net of taxes) \$239,700 of director's fees payable.
- e) received an advance of \$nil 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 June 30, 2017, the amount due to the related party is \$739,700.
- f) Other related party transactions are disclosed in note 7 (ii)

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

# Plato Gold Corp.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2017

Unaudited - See Notice to Reader

Stated in Canadian Dollars

---

## 12. 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 June 30, 2017, the Company had current assets of \$379,734 to settle current liabilities of \$2,202,386. 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 2017. Management prepares budgets and ensures funds are available prior to commencement of any exploration program. During the year-ended December 31, 2016, the Company has received the majority of its financing through advances from a related party and through the sale of investment securities. During the six months ended June 30, 2017, the company received a majority of its financing through convertible debentures (note 7) and through the sale of investment securities.

### 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.

# Plato Gold Corp.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2017

Unaudited - See Notice to Reader

Stated in Canadian Dollars

---

## 12. 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 June 30, 2017, the Company is exposed to currency risk through Argentinean cash expressed in Canadian dollars of \$956. A 10% depreciation or appreciation of the Canadian dollar against the Argentinean peso would result in an increase/decrease of approximately \$96 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 Osisko Mining Inc., Monarques Gold Corporation and Kirkland Lake Gold Inc. is subject to fair value fluctuations arising from changes in the equity market. At June 30, 2017, should the equity prices of the Company's holdings increase or decrease by 5%, the impact on net loss would be approximately \$6,504.