PLATO GOLD CORP

Dear Shareholders,

On behalf of the Board of Directors of Plato Gold Corp. I would like to present to you the annual results for Plato Gold Corp. (TSX-V: PGC).

MANAGEMENT DISCUSSION AND ANALYSIS

Annual Report for the year ended December 31, 2006.

This Management Discussion and Analysis ("MDA") of Plato Gold Corp. (the "Company") provides analysis of the Company's financial results for the year ended December 31, 2006. The following information should be read in conjunction with the accompanying audited financial statements.

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

Date of Report

This report is prepared as of April 24th, 2007

Nature of Business

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

Plato Gold Corp. was formed as a result of a reverse takeover by its predecessor corporation, Plato Gold Corp., of Shatheena Capital Corp., a capital pool company, and the subsequent amalgamation of Plato Gold Corp. and Shatheena Capital Corp.

The comparative figures presented in the MDA and accompanying audited financial statements are the historical results of Plato Gold Corp. Concurrent to the reverse takeover, the Company completed the financing of equity units and flow-through common shares (please see note 2 to the audited financial statements).

The Company is now a public junior gold exploration company with two projects. The first project is the GHHM 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 second project, Nordeau Gold Project, includes the Nordeau East and Nordeau West gold deposits, and the Bateman East & West sites, in Vauquelin Township near Val d’Or, Quebec.

Overall Performance

The overall performance of the company as disclosed in the audited Financial Statements for the years ended December 31, 2006 and 2005, reflects the full 12 months of operation in 2006 and only 7 months of operation in 2005. In the interest of minimizing the repetitiveness in this MD&A, management’s discussion will focus on highlights that are not due to the number of months of operation.

On the balance sheets, total assets increased to $2,913,057 as of December 31, 2006 compared to $1,608,406 as at December 31, 2005. As of December 31, 2006 cash balances, other receivables, and deposits and prepaid expenses increased to $497,114 compared to $247,213 at December 31, 2005 as a result of the private placements of Plato Gold Corp. by way of sales of common shares, flow-through common shares and units consisting of common shares and warrants. In addition, the carrying value of the Company’s mineral properties and deferred exploration costs increased to $2,411,420 as at December 31, 2006 compared to $1,354,732 at December 31, 2005. Ongoing exploration expenditures in the GHHM Gold Project in Northern Ontario, as well as the 2006 start of the Nordeau Gold Project near Val d’Or, Quebec, resulted in the increased carrying value. The Company plans to continue it’s exploration programs in both gold projects during fiscal 2007.

On the liabilities side, accounts payable and accrued liabilities is relatively consistent with a slight increase to $336,195 as of December 31, 2006 from $316,386 as of December

31, 2005 mainly due to outstanding professional fees and ongoing exploration program expenditures. Amounts due to related parties remained the same at $102,537 during the twelve month period ending December 31, 2006 as a major shareholder advanced funds to Plato Gold Corp. to meet its financial commitments prior to the completion of public financing in May 2005.

Shareholders' equity increased to $2,474,325 as of December 31, 2006 from $1,189,483 as of December 31, 2005. This was mainly due to share capital increasing to $3,436,910 from $2,131,658 as a result of the private placements in 2006 (see note 7 to the audited financial statements).

The deficit increased from $1,130,578 as of December 31, 2005 to $1,536,244 as of December 31, 2006, mainly due to the normal operating expenses for an exploration company such as salaries & benefits, consulting fees, professional fees, insurance, and stock-based compensation, a non-cash item, offset only with interest revenue.

As well, transaction costs (legal and placement fees) associated with the share issuance costs related to the private placements in 2006 increases the deficit for the year.

Selected Annual Information

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

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

For the Years Ended December 31,	**2006**	**2005**	**2004**
	$	$	$
Net revenue	1,923	7,479	-
Loss before discontinued operations and extraordinary items	405,666	569,094	104,864
Loss before discontinued operations and extraordinary items, per share	0.01	0.03	0.01
Loss before discontinued operations and extraordinary items, per share fully diluted	0.01	0.03	0.01
Net loss	405,666	569,094	104,864
Net loss, per share	0.01	0.03	0.01
Net loss, per share fully diluted	0.01	0.03	0.01
Total assets	2,913,057	1,608,406	542,550
Total long term liabilities	-	-	72,771
Cash dividends	-	-	-

The Company has recorded losses in all of the three most recently completed fiscal years and expects to continue to record losses until such time as an economic resource is identified, developed and brought into profitable commercial operation on one or more of the Company's properties.

Results of Operations

Exploration and Development Activities

Mineral property expenditures during the year totalled $1,066,555 compared to expenditures of $832,292 in the previous fiscal year. These expenditures were mainly funded from the proceeds of the private placements.

GHHM 2006 – Summary

The GHHM Gold Project in Northern Ontario consists of four properties Guibord, Harker, Holloway and Marriott in what is sometimes referred to as the Harker/Holloway gold camp located east of Timmins.

The **Guibord Site** consists of 16 contiguous claims covered by two mining leases in Guibord Township Ontario. The 2005 diamond drill program was encouraging and successful in expanding and improving our understanding of both the Quartz Carbonate Vien Zone (QCVZ) and the South Zones. The program showed that the QCVZ contains significant widths of semi-continuous quartz-carbonate vein complexes and sulphide mineralization with encouraging gold values. The zone can be reasonably projected over a strike length in excess of 450m and likely in excess of 800m and true widths are up to nearly 70 m.

The South Zone is now viewed as a composite zone consisting of a number of distinct lenses and zones of mineralization that are situated in the iron-rich basalts that form the hanging wall above the basalt-ultramafic contact. There appears to be at least three main zones and lenses of mineralization that strike and dip roughly parallel to the volcanic stratigraphy, the basalt-ultramafic contact and syenite dykes. Program drill results can be obtained on our website at www.platogold.com.

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

We are encouraged by results for the QCVZ and a drilling program targeting this zone is proposed for 2007-2008.

The **Marriott Site** consisting of 93 mining claims is located 15 km east of the Holloway and Holt gold mines. The 2005 diamond drill program on the Marriott Property consisted of 11 drillholes aggregating 2,858m of drilling. Program drill results can be obtained on our website at www.platogold.com.

As an update, a mineral resource estimate has been recently released by another exploration company for the nearby Holloway-Holt gold mining project which determined a measured plus indicated resource of 4 million tonnes grading 7.4 grams gold per tonne for 963,000 ounces contained gold and an inferred resource of 1.2 million tonnes grading 7.3 grams gold per tonne for 270,000 ounces of contained gold.

The company is encouraged by the activities and plans more drill targets as defined by untested IP anomalies on the Property and further drill testing is proposed for 2007-2008.

The company is closely monitoring exploration activities in the region and remains active in the financial markets to funds its exploration program for the GHHM Project.

Nordeau 2006 – Summary

The Nordeau Gold Project properties are located in Vauquelin Township, in the province of Quebec approximately 50 km east of the town of Val d'Or. The entire property package covers an area of approximately 298 hectares or 21 claim units in the Nordeau West, East and Bateman blocks.

The Nordeau gold zones occur in the Archean, Trivio Formation which consists of both sedimentary and basic volcanic units. Gold mineralization is associated with a shear corridor believed to be the eastern extension the prolific Cadillac-Larter, gold localizing, break.

In the mineralized areas, the Trivio Formation consists of a band of basic volcanics (Chimo Volcanic Unit) up to 400 metres wide which separates two sedimentary horizons composed principally of greywacke, siltstones and lesser conglomerate. A magnetite iron formation traverses both claim blocks within the northern sedimentary unit. It is suggested from the modelling that the units are synformally folded with the fold axis generally paralleling stratigraphy.

Metamorphism is variable, primarily in the greenschist facies and ranging to lower amphibolite metamorphic facies. Stratigraphy generally trends N295, dips are roughly 70 to the north and tops face southward. Observations made of the lineations, crenulations and small folds within the shear zones, suggest an 80 degree to the west plunge.

Drilling on the above properties commenced on October 10, 2006 and was completed on February 15, 2007. Prior to the commencement of drilling the existing data in the form of 231 drill holes were compiled and geo-referenced. Prospective target areas for drilling were selected from the compiled historic data.

Drilling on the Nordeau West block comprised of 11 holes. Five zones of sulphide mineralization with associated gold mineralization had been identified from the historic work which suggested a plunge of higher grade mineralization in the so-called Main Zone, and this was specifically targeted. These zones transect the apparent strike of the regional stratigraphy at a angle of approximately 30 degrees. The plunge of the mineralization coincides with the plunge of the lineations etc. noted above in an area of flexure of the mafic volcanics. A number of significant intersections were made in this area such as 7.85g/t over 10 metres intersection length, and 5.23 g/t over 3.35 metres intersection length. The gold mineralization was found within the mafic volcanics.

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

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

At the writing of this report, the Company is still compiling and analyzing the results of the winter drill program to determine the next strategy program for the area.

Administration

During the year ended December 31, 2006, minimal interest income of $1,923 for the year was offset by administrative expenses, normal operating expenses and costs associated with the private placements, resulting in a loss of $405,666 for the fiscal year compared to a loss of $569,094 for the period ended December 31, 2005. The loss per share was $0.01 basic and fully diluted for the year ended December 31, 2006 compared to $0.03 for the period ended December 31, 2005.

Administrative expenses during the year totalled $680,180, an increase of $394,821 compared to $285,359 for the comparable period in 2005. A significant increase is due to stock-based compensation, a non-cash item, of $254,724 compared to $12,784 in 2005. Discounting for the non-cash increase of $241,940 for the stock-based compensation, the actual increase in administrative expense is $152,881. This increase represented the first full year of operations for the Company as a publicly traded entity with the ongoing exploration program, compared to the 7 months of operations in 2005.

The transfer and filing fees of $36,553 represents the cost of the share trading activities for the public Company. Professional fees of $45,587 is reflective of the accrual of expenses for legal, auditing and accounting fees for the period, as well as a write off of approximately $80,000, in accrued accounting fees. The result is that actual professional fees in 2006 should be $125,587, an increase of $30,019. The Company purchased a director's and officer's liability insurance policy for total annual costs of $25,060. This is accounted for as prepaid expenses and expensed monthly. During the year, the Company incurred salaries and benefits for the president and a part-time administration assistant of $138,515, representing a full year of operations. Consulting fees of $125,601 were incurred during the year with the Company's officers and directors, which included a one time payment to an officer in recognition of the significant effort associated with the reverse takeover. Stock-based compensation of $254,724 was recorded for stock options granted to the Company's officers, directors, employees and consultants. (see note 9 to the audited financial statements for more details).

On the statements of cash flows, cash increased by $291,966 for the twelve month period mainly due to the private placements offset by deferred exploration costs and share issuance costs. Cash stood at $418,877 as at December 31, 2006 compared to $126,911 as at December 31, 2005.

As a junior gold exploration company, cash flow from financing will continue to be an ongoing focus for management. We are maintaining a close watch on market activities as it relates to financing in our sector (see subsequent event note 14 to the audited financial statements).

Summary of Quarterly Results

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

	2006				2005			
For the Quarters Ended	**Dec 31**	**Sep 30**	**Jun 30**	**Mar 31**	**Dec 31**	**Sep 30**	**Jun 30**	**Mar 31**
	$	$	$	$	$	$	$	$
Net revenue	910	563	-	450	3,679	2,394	1,406	-
Income (loss) before discontinued operations and extraordinary items	(115,336)	(155,745)	(298,060)	163,475	(123,815)	(104,611)	(323,790)	(16,878)
Income (loss) before discontinued operations and extraordinary items, per share	-	-	(0.02)	0.01	(0.01)	-	(0.02)	-
Income (loss) before discontinued operations and extraordinary items, per share, fully diluted	-	-	(0.02)	0.01	(0.01)	-	(0.02)	-
Net Income (loss)	(115,336)	(155,745)	(298,060)	163,475	(123,815)	(104,611)	(323,790)	(16,878)
Net Income (loss) per share	-	-	(0.02)	0.01	(0.01)	-	(0.02)	-
Net Income (loss) per share, fully diluted	-	-	(0.02)	0.01	(0.01)	-	(0.02)	-

Liquidity and Capital Resources

In management's view, given the nature of the Company's operations, which consist of the exploration of mining properties, the most relevant financial information relates primarily to current liquidity, solvency and planned exploration expenditures. The Company's financial success will be dependent on the economic viability of the GHHM

Gold Project and the Nordeau Gold Project, to the extent to which it can discover economic gold deposits.

The Company had cash of $418,877 for its administrative activities as of December 31, 2006 which is sufficient to cover the Company's near term cash requirements, given the Company's current low-cost administrative structure however another financing is required for further exploration activities.

As noted in Outstanding Share Data (below) and note 14 of the audited financial statement, the company completed a private placement for $400,000 subsequent to the year end.

At the time of this writing, there is approximately $160,000 in cash, plus $30,000 in GST receivables, available to cover administrative expenses.

As a junior gold exploration company, the Company generates minimal revenue and will have to return to the equity markets in order to secure additional financing. Management is in the process of evaluating financing options for the present fiscal year.

Changes in Accounting Policies

There have been no changes in accounting policies.

Financial Instruments

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

Management does not believe these financial instruments expose the Company to any significant interest, currency or credit risks arising from these financial instruments. The fair market values of cash and cash equivalents, other receivables and accounts payable and accrued liabilities approximate their carrying values. The fair value of amounts due to related parties are not determinable since there are no fixed terms of repayment.

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

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

Outstanding Share Data

a) Common and Preferred Shares

The Company is authorized to issue an unlimited number of common shares without par value. As at December 31, 2006, the Company had issued and outstanding 37,709,019 common shares with a recorded value of $3,436,910.

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

During the year ended December 31, 2006, the Company:

i) Issued 1,208,330 common shares for cash proceeds of $145,000, of which 416,666 shares were issued to a director.

ii) Issued 206,356 common shares to a director pursuant to the exercise of an equivalent number of stock options for cash proceeds of $41,271. The Company has allocated the $14,610 recorded value of these options to the common shares.

iii) Issued 4,000,000 units for cash proceeds of $400,000 (of which 625,000 units were issued to directors of the Company) pursuant to a private placement. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of $0.15 per share until February 2, 2008. The fair values of the warrants were estimated at $73,580 and this amount has been allocated to the warrant component of the units.

iv) Issued 1,000,000 common shares to Globex at a deemed price of $0.16 per share as part of the considerations for the Nordeau Project as described in note 4.

v) Issued 2,916,668 flow-through common shares for cash proceeds of $350,000 (of which 2,250,000 shares were issued to directors of the Company and 300,000 to an officer) pursuant to a private placement.

vi) Issued 2,083,332 units for cash proceeds of $250,000 pursuant to a private placement. Each unit consists of one flow through common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of $0.20 per share until November 3, 2007, and thereafter $0.30 until November 3, 2008 at which time the warrants expire. The estimated fair values of the warrants were estimated at $61,667 and this amount has been allocated to the warrant component of the units.

vii) Issued 3,433,333 flow-through common shares for cash proceeds of $412,000 pursuant to a private placement.

Subsequent to the year ended December 31, 2006, the Company issued 2,727,270 units consisting of one flow-through common share and one common share warrant for proceeds of $300,000. Each whole warrant entitles the holder to purchase one common share at a price of $0.20 per share until February 19, 2008, and thereafter $0.30 until February 19, 2009 at which time the warrants expire. In addition, the Company issued 1,000,000 units consisting of one common share and one common share warrant for proceeds of $100,000. Each whole warrant entitles the holder to purchase one common share at a price of $0.15 per share until February 19, 2008, and thereafter $0.25 until February 19, 2009 at which time the warrants expire. The combined private placement totaled $400,000.

b) Warrants

As at December 31, 2006, the Company had 4,083,332 warrants outstanding with an weighted average exercise price of $0.18 and a recorded value of $135,246.
The following common share purchase warrants ("warrants") were issued and outstanding at year end:

i) 2,000,000 warrants entitling the holder to purchase one common share at $0.15 per share until February 2, 2008.

ii) 2,083,332 warrants entitling the holder to purchase one common share at $0.20 per share until November 3, 2007 and $0.30 until November 3, 2008.

iii) On November 30, 2006, 1,544,000 warrants entitling the holder to purchase one common share at $0.35 per share expired.

c) Stock Options

As at December 31, 2006, the Company had an aggregate of 4,229,933 options outstanding with a weighted average exercise price of $0.158 and a recorded value of $282,910.

As at the date of December 31, 2006, the following options were outstanding:

	Number of Options		Weighted Average
Option Price	**Unvested**	**Vested**	**Remaining Contractual Life**
$0.105	1,350,000	450,000	4.9 years
$0.175	450,000	450,000	4.3 years
$0.200	200,000	500,000	3.7 years
$0.120	-	208,333	1.8 years
$0.250	-	621,600	0.4 years
	2,000,000	2,229,933	

Off-Balance Sheet Arrangements

The Company has no off-balance sheet transactions for the year ended December 31, 2006 or the year ended December 31, 2005.

Transactions with Related Parties

During the year ended December 31, 2006 the Company:

a) incurred rent of $22,518 (December 31, 2005 - $18,858) with related companies. The related companies have an officer in common. This officer is also a director and shareholder of both companies.

b) Capitalized exploration expenditures of $Nil (2005 - $30,859) which were paid by a shareholder on behalf of the Company.

c) incurred consulting fees of $120,000 (2005 - $14,000) with one of the Company's officers.

d) incurred consulting fees of $5,000 (2005 - $2,917) with one of the Company's directors. As at December 31, 2006, accounts payable and accrued liabilities included $Nil payable to this director (2005 - $1,250).

e) incurred accounting fees of $63,400 (2005 - $50,300) with an accounting firm in which an officer is a partner. As at December 31, 2006, accounts payable and accrued liabilities included $85,425 payable to this accounting firm (2005 - $42,380).

f) incurred insurance costs of $25,060 (2005 - $22,529) from a company which has an officer who is a director of the Company.

Disclosure Controls and Procedures and Internal Control over Financial Reporting

The Corporation's Chief Executive Officer and the Chief Financial Officer are responsible for establishing and maintaining the Corporation's disclosure controls and procedures and internal control over financial reporting for the issuer. They are assisted in this responsibility by the Management Team. The Chief Executive Officer and the Chief Financial Officer, after evaluating the effectiveness of the Corporation's disclosure controls and procedures and the design of internal controls over financial reporting at December 31, 2006, have concluded the Corporation's disclosure controls and procedures and design of internal control over financial reporting are adequate and effective to ensure that material information relating to the Corporation would have been known to them.

Other Risk Factors

The price of gold, interest rates and inflation all have an impact on the Company's ability to carry on business. Most importantly, as a development stage business, the Company's ability to access capital markets is crucial to its ability to survive.

Other Information

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

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

Yours truly,

(signed) "Anthony J. Cohen"

Anthony J. Cohen
President
April 24, 2006