Financial Statements

Plato Gold Corp.

Three Months Ended March 31, 2006

Unaudited

INDEX

Notice to Reader

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

Plato Gold Corp.

Balance Sheets

	March 31, 2006 (unaudited)	December 31, 2005
Assets		
Current Assets		
Cash and cash equivalents	$ 86,830	$ 126,911
Other Receivables	4,243	82,824
Deposits and prepaid expenses	28,958	37,478
	120,031	247,213
Mineral Properties and Deferred Exploration Costs (note 5)	1,388,083	1,354,732
Property, Plant and Equipment	5,977	6,461
	$ 1,514,091	$ 1,608,406
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	$ 170,826	$ 316,386
Due to related parties (note 6)	102,537	102,537
	273,363	418,923
Shareholders' Equity		
Share Capital (note 7)	2,009,840	2,131,658
Warrants (note 8)	84,920	84,920
Stock Options (note 9)	81,424	71,836
Contributed Surplus (note 10)	31,647	31,647
Deficit	(967,103)	(1,130,578)
	1,240,728	1,189,483
	$ 1,514,091	$ 1,608,406

Approved on behalf of the Board

"Anthony J. Cohen", Director

"Robert Van Tassell", Director

Plato Gold Corp.

Statements of Operations and Deficit
Three Months Ended March 31, 2006 and 2005
Unaudited - See Notice to Reader

	2006	2005
Revenue		
Interest income	$ 450	$ -
Expenses		
Amortization	484	306
Consulting fees	7,250	-
Insurance	5,632	555
Interest and financing costs	105	52
Office and general	2,209	1,886
Professional fees	20,988	6,750
Public and investor relations	6,557	4,829
Rent and utilities	5,608	2,500
Salaries and benefits	36,218	-
Stock-based compensation	9,588	-
Transfer and filing fees	9,154	-
	103,793	16,878
Loss Before Income Taxes	(103,343)	(16,878)
Future Income Tax Recoveries (note 7b)	266,818	-
Net Income (Loss) for the Period	163,475	(16,878)
Deficit - Beginning of Period	(1,130,578)	(279,815)
Deficit - End of Period	$ (967,103)	$ (296,693)
Income (Loss) per Share - basic and diluted	$ 0.01	$ -
Weighted Average Number of Common Shares Outstanding - basic and diluted	23,250,351	14,000,000

Plato Gold Corp.

Cash Flow Statements
Three Months Ended March 31, 2006 and 2005
Unaudited - See Notice to Reader

	2006	2005
Cash Flows from Operating Activities		
Cash paid to suppliers and employees	$ (36,656)	$ (9,475)
Interest received	450	-
	(36,206)	(9,475)
Cash Flows from Financing Activities		
Due to related parties	-	20,626
Issuance of share capital	145,000	-
	145,000	20,626
Cash Flows from Investing Activities		
Mineral properties and deferred exploration costs	(148,875)	(6,455)
Purchase of property, plant and equipment	-	(6,356)
	(148,875)	(12,811)
Change in cash and cash equivalents	(40,081)	(1,660)
Cash and cash equivalents - beginning of period	126,911	3,756
Cash and cash equivalents - end of period	$ 86,830	$ 2,096
Non-cash financing and investing activities		
Stock options granted to directors and officers	$ 9,588	$ -

1. Nature of Operations

Plato Gold Corp. (the "Company") is an Ontario corporation formed by amalgamation on May 30, 2005 as described below.

A predecessor corporation (Plato Gold Corp.) commenced operations in November 1996 when it entered into an agreement to acquire an interest in mining properties in the Timmins area of Northern Ontario. The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain mineral reserves. Consequently, the Company considers itself to be an exploration stage company.

The other predecessor corporation (Shatheena Capital Corp.) was classified as a Capital Pool Company as defined in TSX Venture Exchange Inc. (the "Exchange") Policy 2.4.

2. Acquisition and Amalgamation

Shatheena Capital Corp. ("Shatheena") entered into a letter agreement dated September 1, 2004 (the "Letter Agreement"), as amended January 1, 2005, under which Shatheena issued an offer to the shareholders of Plato Gold Corp. ("Plato Gold") to acquire all the issued and outstanding common shares of Plato Gold in exchange for common shares of Shatheena.

On May 30, 2005, pursuant to the Letter Agreement with Plato Gold, Shatheena issued to the shareholders of Plato Gold, in aggregate, 14,000,000 newly issued common shares of Shatheena, at a deemed price of $0.25 per share for aggregate consideration of $3,500,000 in exchange for all of the issued and outstanding shares of Plato Gold. Completion of the transaction constituted Shatheena's qualifying transaction ("Qualifying Transaction"). The shareholders of Plato Gold held the majority of the outstanding shares of Shatheena following the transaction, and accordingly, the transaction has been accounted for as a reverse take-over. Since Shatheena's operations do not constitute an economic unit, this transaction has been accounted for as a capital transaction. The comparative figures presented in these financial statements are the historical results of Plato Gold.

The transaction was accounted for as follows:

Assets acquired:	
Cash	$ 137,323
Prepaid share issuance costs	25,700
Deferred acquisition costs	428,537
	591,560
Liabilities assumed:	
Accounts payable and accrued liabilities	$ (416,631)
Due to related parties	(3,599)
	(420,230)
Net assets acquired	$ 171,330

The transaction costs in excess of cash received was charged to expense.

2. Acquisition and Amalgamation (continued)

The transaction was a non-arm's length transaction as Shatheena and Plato Gold have an officer in common. This officer was also a shareholder and director of both corporations.

A prospectus dated April 25, 2005 was issued to offer for sale at least 3,000,000 equity units ("Units"), consisting of one common share and one-half common share purchase warrant, and 3,000,000 flow-through common shares ("Flow-Through Shares") at $0.25 per Flow-Through Share or Unit. On May 30, 2005, 3,088,000 Units and 3,128,000 Flow-Through Shares were issued.

Subsequent to the share exchange and financing, Shatheena and Plato Gold amalgamated to continue as Plato Gold Corp.

3. Interim Financial Statements

These unaudited interim financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles. These financial statements are based on accounting principles and practices consistent with those used in the preparation of the Company's annual financial statements. Certain information and note disclosure normally included in financial statements prepared in accordance with Canadian generally accepted accounting principles have been condensed or omitted. These interim financial statements should be read together with the audited financial statements and the accompanying notes for the year ended December 31, 2005. These interim financial statements have not been reviewed by the Company's auditors

4. Basis of Presentation

These interim financial statements have been prepared on a going concern basis in accordance with Canadian generally accepted accounting principles. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. There is significant doubt about the appropriateness of the use of the going concern assumption because the Company has experienced recurring losses and has experienced negative cash flows from operations over a number of years. The application of the going concern concept is dependent on the Company's ability to generate future profitable operations. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become payable.

5. Mineral Properties and Deferred Exploration Costs

	March 31,2006			March 31, 2005
	GHHM Gold Project [1]	Other Properties	Total	GHHM Gold Project
Diamond Drilling	$ 27,407	$ -	$ 27,407	$ -
Geology	-	5,944	5,944	-
Geophysical	-	-	-	37,314
Current expenditures	27,407	5,944	33,351	37,314 [2]
Balance - beginning of period	1,354,732	-	1,354,732	522,440
Balance - end of period	$ 1,382,139	$ 5,944	$ 1,388,083	$ 559,754

[1] The GHHM Gold Project is comprised of four properties along the prolific Destor-Porcupine Fault Zone. These four properties are subject to a 2% net smelter returns royalty to a director of the Company.

[2] Exploration expenditures of $30,859 were paid by a shareholder on behalf of the Company. Of this amount, $12,840 was a deposit made during the year ended December 31, 2004 and $18,019 was paid during the three months ended March 31, 2005.

6. Due to Related Parties

	March 31 2006	December 31, 2005
Related company	$ 25,858	$ 25,858
Director	76,679	76,679
	$ 102,537	$ 102,537

Amounts due to related parties 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.

7. Share Capital

a) Authorized:

Unlimited common shares
Unlimited preferred shares

b) Common Shares Issued and Outstanding:

	Number	Amount
Balance - December 31, 2005	22,861,000	$ 2,131,658
Issued for cash	1,208,330	145,000
Tax effect on renunciation of flow-through shares	-	(266,818)
Balance - March 31, 2006	24,069,330	$ 2,009,840

During the three months ended March 31, 2006, the Company issued 1,208,330 common shares for cash proceeds of $145,000, of which 416,666 shares were issued to a director.

During the three months ended March 31, 2006, the Company renounced Canadian exploration expenditures of $782,000 to the investors whom had subscribed for the Company's flow-through shares in 2005 ("the renunciation"), resulting in a taxable temporary difference between the tax value and the carrying value of the Company's resource expenditures and creating a future income tax liability and a reduction to share capital.

As at March 31, 2006, the Company has sufficient unused tax losses and deductions ("losses") to offset the future income tax liability resulting from the renunciation and no future income tax assets have been previously recognized on such losses; therefore, future income tax recoveries of $266,818 related to these losses were recognized and recorded as income during the quarter ended March 31, 2006 to offset the future income tax liability.

8. Warrants

	Number	Amount
Balance - December 31, 2005	1,544,000	$ 84,920
Issued	-	-
Balance - March 31, 2006	1,544,000	$ 84,920

As at March 31, 2006, the Company has 1,544,000 common share purchase warrants issued and outstanding. Each warrant entitles the holder to purchase one common share at $0.35 per share until November 30, 2006.

9. Options

a) 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 five 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.

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

	Number	Amount
Balance - December 31, 2005	1,777,956	$ 71,836
Granted	-	-
Exercised	-	-
Expired/Cancelled	-	-
Stock-based compensation recognized on options with graded vesting schedule	-	9,588
Balance - March 31, 2006	1,777,956	$ 81,424

c) Stock options were granted, exercised and expired/cancelled as follows:

	Number	Weighted Average Exercise Price
Balance - December 31, 2005	1,777,956	$ 0.22
Granted	-	-
Exercised	-	-
Expired/cancelled	-	-
Balance - March 31, 2006	1,777,956	$ 0.22

9. Options (continued)

d) As at March 31, 2006 the following options were outstanding:

Option Price	Number of Options Unvested	Number of Options Vested	Expiry Date
$ 0.20	-	106,356	October 24, 2008
$ 0.20	1,050,000 [1]	-	September 1, 2010
$ 0.25	-	621,600	May 30, 2007
	1,050,000	727,956	

[1] Subsequent to the quarter ended March 31, 2006, the company amended the vesting terms of the 1,050,000 options that were granted on September 1, 2005. These options are amended to vest over an eighteen month period from the date of grant, with 25% vesting on the date of grant and the remainder vesting every six months in 25% increments.

10. Contributed Surplus

Balance - December 31, 2005 and March 31, 2006	$ 31,647

11. Related Party Transactions

During the three months ended March 31, 2006, the Company:

a) incurred rent of $5,607 with a related company. The Company and the related company have an officer in common. This officer is also a director and shareholder of both companies.

b) incurred consulting fees of $6,000 with one of the Company's officers. As at March 31, 2006, accounts payable and accrued liabilities included $2,140 payable to this officer.

c) incurred consulting fees of $1,250 with one of the Company's directors. As at March 31, 2006, accounts payable and accrued liabilities included $1,250 payable to this director.

d) incurred accounting fees of $7,500 with an accounting firm in which one of the Company's officers is a partner. As at March 31, 2006, accounts payable and accrued liabilities included $24,200 payable to this accounting firm.

One additional related party transaction is described separately in note 7.

12. Subsequent Events

Subsequent to the quarter ended March 31, 2006, the Company granted 1,050,000 incentive stock options to employees, directors and officers. Each option entitles the holder to purchase one common share of the Company's common stock at a price of \$0.175 per share for five years from the date of grant. 25% of these options are vested at the date of grant and the remainder will vest at the rate of 25% every six months following the date of grant.

One additional subsequent event is described separately in note 9.