Condensed Interim Financial Statements

Plato Gold Corp.

For the Nine Months Ended September 30, 2011

Unaudited

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NOTICE TO READER

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

Plato Gold Corp.

Condensed Interim Statements of Financial Position
(Unaudited)

	September 30, 2011	December 31, 2010
Assets		
Current Assets		
Cash	$ 175,748	$ 680,165
Other receivables	54,352	100,223
Deposits and prepaid expenses	10,004	34,433
Portfolio investment (note 5)	59,500	-
	299,604	814,821
Mineral Properties and Deferred Exploration Costs (note 6)	5,846,883	4,503,781
Property, Plant and Equipment	842	1,086
	$ 6,147,329	$ 5,319,688
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	$ 315,653	$ 530,240
Due to related parties (note 7)	85,000	110,000
	400,653	640,240
Deferred Tax Liability (note 11)	327,909	202,801
	728,562	843,041
Shareholders' Equity		
Share Capital (note 8)	6,377,060	5,665,746
Warrants (note 9)	1,005,829	749,870
Contributed Surplus (note 10)	2,166,031	1,820,755
Deficit	(4,130,153)	(3,759,724)
	5,418,767	4,476,647
	$ 6,147,329	$ 5,319,688

The accompanying notes form an integral part of these condensed interim financial statements.
Approved on behalf of the Board

"Robert E. Van Tassell", Director   "John H. Paterson", Director

Plato Gold Corp.

Condensed Interim Statements of Comprehensive Income
For the Three and Nine Months Ended September 30
Unaudited - See Notice to Reader

	Nine Months Ended		Three Months Ended	
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
Revenue				
Gain on sale of property	$ 104,047	$ -	$ -	$ -
Interest income	2,268	717	227	592
	106,315	717	227	592
Expenses				
Amortization	244	349	81	116
Consulting fees	86,397	85,189	29,499	27,230
Insurance	7,960	7,849	2,634	2,579
Interest and financing costs	3,197	3,697	404	660
Investor relations	36,287	11,999	2,329	2,500
Office and general	15,816	15,144	5,971	2,864
Professional fees	98,240	111,368	23,725	19,643
Publicity and advertising	42,541	6,145	4,233	3,518
Rent	18,000	18,000	6,000	6,000
Salaries and benefits	121,550	117,230	39,410	37,619
Share-based compensation (note 10)	140,502	81,593	-	-
Transfer and filing fees	28,154	21,538	7,143	5,763
Unrealized loss on portfolio investment	29,750	-	-	-
	628,638	480,101	121,429	108,492
Loss Before Under Noted Item and Income Taxes	(522,323)	(479,384)	(121,202)	(107,900)
Deferred income tax recovery	151,894	183,789	(54,105)	(150,003)
Write-down of mineral properties	-	(55,925)	-	-
Net Comprehensive Income (Loss) for the Period	(370,429)	(351,520)	(175,307)	(257,903)
Deficit - Beginning of Period	(3,759,724)	(3,157,240)	(3,954,846)	(3,250,857)
Deficit - End of Period	$ (4,130,153)	$ (3,508,760)	$ (4,130,153)	$ (3,508,760)
Income (Loss) per Share - basic and diluted	$ -	$ -	$ -	$ -
Weighted Average Number of Common Shares Outstanding - basic and diluted	132,431,435	100,652,040	133,188,064	101,909,183

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

Plato Gold Corp.

Condensed Interim Statements of Changes in Shareholders' Equity
For the Nine Months Ended September 30, 2011

	Common Stock			**Contributed**	**Accumulated**	
	Shares	**Amount**	**Warrants**	**Surplus**	**Deficit**	**Total**
Balance - December 31, 2010	118,191,655	$ 5,665,746	$ 749,870	$ 1,820,755	$ (3,759,724)	$ 4,476,647
Share based compensation	-	-	-	140,502	-	140,502
Agent's options granted	-	-	-	48,030	-	48,030
Proceeds from private placements	25,400,000	800,068	469,932	-	-	1,270,000
Issuance costs	-	(88,754)	(57,229)	-	-	(145,983)
Warrants expired	-	-	(156,744)	156,744	-	-
Net loss	-	-	-	-	(370,429)	(370,429)
Balance - September 30, 2011	143,591,655	$ 6,377,060	$ 1,005,829	$ 2,166,031	$ (4,130,153)	$ 5,418,767

	Common Stock			Contributed	Accumulated	
	Shares	Amount	Warrants	Surplus	Deficit	Total
Balance - January 1, 2010	95,175,117	$ 4,970,124	$ 518,080	$ 1,593,361	$ (3,157,240)	$ 3,924,325
Share based compensation	-	-	-	81,593	-	81,593
Agent's options granted	-	-	-	21,320	-	21,320
Proceeds from private placement	8,000,000	203,580	196,420	-	-	400,000
Issuance costs	-	(32,918)	(32,031)	-	-	(64,949)
Warrants expired	-	-	(92,981)	92,981	-	-
Net loss	-	-	-	-	(351,520)	(351,520)
Balance - September 30, 2010	103,175,117	$ 5,140,786	$ 589,488	$ 1,789,255	$ (3,508,760)	$ 4,010,769

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

Plato Gold Corp.

Condensed Interim Statements of Cash Flow
For the Nine Months Ended September 30
Unaudited - See Notice to Reader

	2011	2010
Cash Flows from Operating Activities		
Net income	$ (370,429)	$ (351,520)
Items not involving cash		
Amortization	244	349
Gain on sale of claims	(104,047)	-
Stock-based compensation	140,502	81,593
Write-down of mineral properties	-	55,925
Future income tax recoveries	(151,972)	(183,789)
Unrealized (gain) loss on portfolio investment	29,750	-
	(455,952)	(397,442)
Changes in non-cash working capital		
Other receivables	89,435	20,121
Deposits and prepaid expenses	24,429	894
Accounts payable and accrued liabilities	(23,471)	103,086
	(365,559)	(273,341)
Cash Flows from Financing Activities		
Proceeds from private placements	1,270,000	400,000
Share issuance costs	(97,953)	(43,628)
Due to related parties	(25,000)	215,000
	1,147,047	571,372
Cash Flows from Investing Activities		
Mineral properties and deferred explorations costs - net	(1,357,905)	(549,854)
Government rebates	-	182,435
Proceeds from sale of claims	72,000	-
	(1,285,905)	(367,419)
Change in cash	(504,417)	(69,388)
Cash - beginning of period	680,165	82,015
Cash - end of period	$ 175,748	$ 12,627

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

1. Nature of Operations

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

The Company is a public gold exploration company with three projects. The first project is the Timmins Gold Project in Northern Ontario which includes four properties (Guibord, Harker, Holloway and Marriott) in what is sometimes referred to as the Harker/Holloway gold camp located east of Timmins. The second project, the Val d'Or Project in Northern Quebec, includes seven properties (Nordeau Bateman, Vauquelin, Vauquelin Pershing, Vauquelin Horseshoe, Pershing Denain, Hop O'My Thumb and Vauquelin II). The third project, the Lolita Project in Santa Cruz, Argentina, includes three adjoining concessions in Southern Argentina where active exploration activities are underway by other international exploration companies

The Company is in the process of exploring its mineral properties and has not yet determined whether its properties in Ontario and Argentina contain economic mineral reserves. Consequently, at September 30, 2011 the Company considers itself to be an exploration stage company with respect to these properties. The Company considers the Val d'Or Project to be in the advanced exploration stage with a 43-101 compliant resource.

The Company has not yet realized profitable operations and has incurred significant losses to date resulting in a cumulative deficit of $4,130,153 as at September 30, 2011. The Company's continued existence is dependent upon its ability to raise additional capital 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 September 30, 2011, the Company had current assets of $299,604 to cover current liabilities of $400,653.

The financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments may be necessary in the carrying value of assets and liabilities and the balance sheet classifications used. These adjustments may be material

2. Basis of Presentation

In 2010 the CICA Handbook was revised to incorporate International Financial Reporting Standards ("IFRS"), and require publicly accountable enterprises to apply such standards effectively for years beginning on or after January 1, 2011. Accordingly, the Company has commenced reporting on this basis. In these condensed interim financial statements, the term "Canadian GAAP" refers to Canadian GAAP before the adoption of IFRS. These condensed interim financial statements do not conform in all respects with disclosures required for annual financial statements and should be read in conjunction with the Company's Canadian GAAP annual financial statements for the year ended December 31, 2010.

The Company's condensed interim financial statements reflect the results of operations for the three and nine month periods ended September 30, 2011 and 2010, and the assets, liabilities and shareholders' equity as at September 30, 2011, and December 31, 2010.

2. Basis of Presentation (continued)

a) Statement of Compliance

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

The policies applied in the Company's condensed interim financial statements are based on IFRS. effective as of November 22, 2011, the date the Board of Directors approved the statements. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2011 could result in restatement of these condensed interim financial statements, including the transition adjustments recognized on change-over to IFRS (note 4).

b) Basis of Measurement

The Company's condensed interim 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

The Company's functional currency is Canadian Dollars and the condensed interim financial statements are presented in Canadian Dollars.

d) Use of Estimates

The preparation of the condensed interim 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 interim financial statements and the reported amounts of operations during the reporting period. Significant estimates and assumptions include those related to the recoverability of resource properties, valuation of options and warrants 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.

3. Significant Accounting Policies

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

3. Significant Accounting Policies (continued)

a) Foreign Currency Transactions

The Company's condensed interim 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. Although these transactions are in US Dollars, the predominant currency is the Canadian Dollar, and as such, it is also the Company's functional currency.

The Company translates monetary assets and liabilities at the rate of exchange in effect at the balance sheet 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 operations.

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. 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 net realizable value of undiscounted proven reserves, the properties are written down to the estimated fair value.

The Company is in the process of exploring and evaluating its mineral properties and has not yet determined the amount of reserves available. Senior management regularly reviews the carrying amount of mineral properties and deferred exploration and development costs to assess whether there has been any impairment in value.

c) Property, Plant and Equipment

Property, plant and equipment are 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%

Additions during the year are amortized using the half year rule.

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 capital stock.

3. Significant Accounting Policies (continued)

d) Flow-through Financing (continued)

The issue of flow through shares is in substance an issue of ordinary shares and the sale of tax deductions. The sale of tax deductions may be measured using either the residual method or 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.

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 balance sheet 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 more likely than not 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 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. The Black-Scholes option pricing model requires the input of subjective assumptions, including the expected term of the option and stock price volatility.

Common share purchase warrants, stock options and other equity instruments issued as purchase consideration in non-cash transactions, other than as consideration for mineral property assets, are recorded at fair value determined by management using the Black-Scholes option pricing model. The fair value of the shares issued as purchase consideration for mineral property assets is based upon the trading price of those shares on the TSX-V on the date of the agreement to issue shares as determined by the Board of Directors.

3. Significant Accounting Policies (continued)

g) Warrants

Proceeds from unit placements 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 September 30, 2011 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 and warrants, if dilutive. The number of additional shares included in the calculation is based on the treasury stock method for options and warrants.

j) Related Party Transactions

All transactions with related parties are in the normal course of business and are measured at the exchange amount.

k) Financial Instruments

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

3. Significant Accounting Policies (continued)

k) Financial Instruments (continued)

All of the Company's financial instruments are initially measured at fair value, with subsequent measurements dependent on the classification of each financial instrument. Financial assets at fair value through profit or loss include cash and cash equivalents, 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 included receivables, are recorded at amortized cost. The Company does not have any financial assets classified as held-to-maturity or as available-for-sale. Other financial liabilities at amortized cost include accounts payable and accrued liabilities.

The Company's financial assets and liabilities recorded at fair value on the statement of financial position have been categorized into three categories based on a fair value hierarchy that reflects the significance of the inputs used in marking the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (ie as prices) or indirectly (ie as derived from prices);

Level 3 - valuation techniques using inputs for the asset and liability that are not based on observable market data (unobservable inputs).

Transaction costs are expensed as incurred for financial instruments classified as held for trading. For other financial instruments, transaction costs are capitalized on initial recognition.

l) Future Accounting Changes

IFRS 9 (Financial Instruments: Classification and Measurement), effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments. Management anticipates that this standard will be adopted in the Company's financial statements for the period beginning January 1, 2013 and has not yet determined the potential impact on the Company's financial statements.

4. Transition to IFRS

The September 30, 2010 Canadian GAAP statement of financial position has been reconciled to IFRS as follows:

	Canadian GAAP	IFRS Adjustments	Ref.	IFRS
ASSETS				
Current				
Cash	$ 12,627			$ 12,627
Other receivables	84,141			84,141
Deposits and prepaid expenses	9,106			9,106
	105,874	-		105,874
Minerals Properties and Deferred Exploration Costs	4,628,580			4,628,580
Property, Plant and Equipment	1,203			1,203
	$ 4,735,657			$ 4,735,657
LIABILITIES				
Current				
Accounts payable and accrued liabilities	$ 251,082			$ 251,082
Due to related parties	300,000			300,000
	551,082			551,082
Future Tax Liability	-	173,806	(d)	173,806
	551,082			724,888
Shareholders' Equity				
Share Capital	4,695,619	445,167	(c)	5,140,786
Warrants	589,488			589,488
Stock Options	710,385	(710,385)		-
Contributed Surplus	1,078,870	710,385		1,789,255
Deficit	(2,889,787)	(618,973)	(c)(d)	(3,508,760)
	4,184,575			4,010,769
	$ 4,735,657			$ 4,735,657

4. Transition to IFRS (continued)

The September 30, 2010 Canadian GAAP statement of comprehensive loss for the nine month period has been reconciled to IFRS as follows:

	Canadian GAAP	IFRS Adjustments	Ref.	IFRS
Revenue	$ 717			$ 717
Expenses				
Amortization	349			349
Consulting fees	85,189			85,189
Insurance	7,849			7,849
Interest and financing costs	3,697			3,697
Investor relations	11,999			11,999
Office and general	15,144			15,144
Professional fees	111,368			111,368
Publicity and advertising	6,145			6,145
Rent	18,000			18,000
Salaries and benefits	117,230			117,230
Share-based compensation	81,593			81,593
Transfer and filing fees	21,538			21,538
	480,101			480,101
Loss Before Undernoted Item and Income Taxes	(479,384)			(479,384)
Write-down of mineral properties and deferred exploration costsd	(55,925)			(55,925)
Deferred Income Tax Recovery	363,894	(180,105)	(c)	183,789
Net Loss and Comprehensive Loss	(171,415)			(351,520)
Deficit - Beginning of Period	(2,718,372)	(438,868)	(c)	(3,157,240)
Deficit - End of Period	$ (2,889,787)			$ (3,508,760)
Income per share - basic and diluted	$ -			$ -
Weighted Average Number of Common Shares Outstanding - basic and diluted	100,652,040			100,652,040

4. Transition to IFRS (continued)

The September 30, 2010 Canadian GAAP statement of comprehensive loss for the three month period has been reconciled to IFRS as follows:

	Canadian GAAP	IFRS Adjustments	Ref.	IFRS
Revenue	$ 592			$ 592
Expenses				
Amortization	116			116
Consulting fees	27,230			27,230
Insurance	2,579			2,579
Interest and financing costs	660			660
Investor relations	2,500			2,500
Office and general	2,864			2,864
Professional fees	19,643			19,643
Publicity and advertising	3,518			3,518
Rent	6,000			6,000
Salaries and benefits	37,619			37,619
Share-based compensation	-			-
Transfer and filing fees	5,763			5,763
	108,492			108,492
Loss Before Undernoted Item and Income Taxes	(107,900)			(107,900)
Write-down of mineral properties and deferred exploration costs	-			-
Deferred Income Tax Recovery	30,102	(180,105)	(c)	(150,003)
Net Loss and Comprehensive Loss	(77,798)			(257,903)
Deficit - Beginning of Period	(2,811,989)	(438,868)	(c)	(3,250,857)
Deficit - End of Period	$ (2,889,787)			$ (3,508,760)
Income per share - basic and diluted	$ -			$ -
Weighted Average Number of Common Shares Outstanding - basic and diluted	101,909,183			101,909,183

4. Transition to IFRS (continued)

The following summarizes the significant changes to the Company's accounting policies upon adoption of IFRS:

a) Impairment of (non-financial) assets

IFRS requires a write-down of assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows. Canadian GAAP requires a write-down to estimated value only if the undiscounted future cash flows of a group of assets are less than its carrying value.

The Company's accounting policies related to impairment of non-financial assets have been changed to reflect these differences. There is no impact on these interim financial statements or the opening statement of position at January 1, 2010.

b) Decommissioning liabilities

IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while Canadian GAAP requires the recognition of such liabilities for legal obligations. A constructive obligation exists when an entity has created reasonable expectations that it will take certain actions.

The Company's accounting policies related to decommissioning liabilities have been changed to reflect these differences. There is no impact on these condensed interim financial statements.

c) Income taxes

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.

IAS 12 does not recognize a deferred tax liability or asset if it arises from initial recognition of an asset or liability outside a business combination and there is no impact in profit or loss at the time of the transaction. Under Canadian GAAP, the impact of deferred income taxes related to share issue costs was recognized directly in equity. Any subsequent changes affecting the deferred taxes in respect of the share issue costs were recognized in earnings. Under IFRS, deferred taxes recognized in respect of share issue costs are also recognized in equity. However IAS 12 requires subsequent changes in the deferred tax expense recognized in respect of share issue costs to be recognized in equity.

d) Flow-through shares

According to Canadian GAAP, the resource expenditure deduction for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors in accordance with tax legislation. The deferred income taxes relating to the temporary difference that arise when the qualifying expenditures are incurred were recorded at the time of filing the renunciation with the tax authorities. The recognition of the deferred income tax liability results in a corresponding reduction to the carrying value of the shares issued.

4. Transition to IFRS (continued)

d) Flow-through shares (continued)

Under IFRS, the obligation to renounce tax deductions at the time of issuance of flow-through shares is recorded as a liability in accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets, measured using a residual or fair value method. This obligation is released into the statement of operations as income when the Company incurs the qualifying expenditures.

A deferred tax liability is recognized in accordance with IAS 12, Income Taxes, in respect of the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized and the tax basis.

5. Portfolio Investments

The Company acquired 175,000 common shares of the publicly traded company Northern Gold Mining Inc. and classifies this investment at fair value through profit and loss. The Company's cost in this investment is $87,500 and the estimated fair value is $59,500.

6. Mineral Properties and Deferred Exploration Costs

	September 30, 2011			
	Timmins Gold Project	Val d'Or Project	Lolita Project	Total
Acquisition Costs	$ -	$ 3,377	$ -	$ 3,377
Diamond Drilling	5,000	947,305	-	952,305
Geochemical	-	47,058	-	47,058
Geology	-	271,644	154,673	426,317
Other	3,266	11,540	-	14,806
Current expenditures	8,266	1,280,924	154,673	1,443,863
Joint venture recovery	-	-	(43,564)	(43,564)
Sale of claims	(57,197)	-	-	(57,197)
Net current expenditures	(48,931)	1,280,924	111,109	1,343,102
Balance - beginning of period	1,702,401	2,708,483	92,897	4,503,781
Balance - end of period	$ 1,653,470	$ 3,989,407	$ 204,006	$ 5,846,883

6. Mineral Properties and Deferred Exploration Costs (continued)

a) 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 for a total of 1,505 hectares in the region. The properties are subject to a 2% net smelter royalty to a former director of the Company.

i) St Andrew Option

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

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

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.

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.

With respect to the Harker Property, to earn its 75% interest St Andrew will be required to incur exploration expenditures of $50,000 on or before the first anniversary, and $250,000 on or before the second anniversary of the effective date. As well, St Andrew will be required to make additional payments to the Company of $50,000 on or before the second anniversary of the effective date.

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.

6. Mineral Properties and Deferred Exploration Costs (continued)

a) Timmins Gold Project (continued)

i) St Andrew Option (continued)

In addition, if a National Instrument 43-101 compliant mineral resource, whether measured, indicated or inferred, of not less than 500,000 ounces of gold is discovered on any one of the four properties while St Andrew is earning its interest, St Andrew will make a payment of $1 million to the Company for each property reaching such milestones. The additional payment obligation shall apply to each property independently of the other properties for a potential of up to $4 million in milestone payments. The option in respect of each property may be exercised or terminated separately by St Andrew.

ii) Sale of Harker Garrison Claims

On May 25, 2011, the Company sold its 100% interest in its 24 Harker Garrison Claims to Northern Gold Mining Inc. Proceeds consisted of a cash payment of $72,000 and 175,000 shares of Northern Gold Mining Inc. valued at the date of the transaction at $87,500. A gain of $102,297 on the disposition of the claims was recorded.

b) Val d’Or Project

The Val d'Or Project is comprised of seven properties located south east of Val d'Or, Quebec. The properties consist of 280 claims for a total of 4,599 hectares. Two properties with 82 claims are subject to a 2% net metal royalty. Another two properties with 21 claims are subject to a 2% net smelter royalty.

i) Globex Option

As of March 31, 2010, the Company has made cash payments totalling $575,000, with the remaining $100,000 due by December 31, 2011, for a total cash payment of $675,000.

As of March 31, 2010 and 2009, the Company has incurred exploration expenditures, in accordance with the terms of the agreement, of $3,194,948 with $1,500,000 due April 30, 2011 and $1,500,000 due December 31, 2011, for total exploration expenditures of $6,000,000.

As of March 31, 2010, the Company has issued 2,500,000 shares to Globex, with 500,000 shares due by December 31, 2011, for a total of 3,000,000 common shares. The bankable feasibility study is due by December 31, 2012.

On August 8, 2006, the Company entered into an option agreement with Globex Mining Enterprises Inc. (“Globex”) to acquire a 100% interest in mineral claims known as the Nordeau East and Nordeau West Property in Vauquelin Township, Quebec, and a 60% interest in certain contiguous mineral claims known as the Bateman Claims in Vauquelin Township, Quebec (“Nordeau Bateman Properties”).

6. Mineral Properties and Deferred Exploration Costs (continued)

b) Val d'Or Project (continued)

i) Globex Option (continued)

As part of the original agreement, in order to acquire the interests in the Nordeau Bateman Properties, the Company agreed to pay Globex cash payments totalling $500,000 by December 31, 2007, of which $100,000 was paid on the effective date in 2006, $100,000 due by December 31, 2006 and $300,000 due by December 31, 2007. As well, the Company issued 1,000,000 common shares to Globex at a deemed price of $0.16 per share on the effective date in 2006. Furthermore, the Company must incur exploration expenditures of $6,000,000 by December 31, 2008, of which $1,000,000 is due by December 31, 2006, $2,000,000 due by December 31, 2007 amid $3,000,000 due by December 31, 2008. A bankable feasibility study is to be completed by December 31, 2009. Globex would retain a 2% net metal royalty on all mineral productions as well as a 10% Net Profit Interest after the Company has first recouped out of the Net Profits from operations $5,000,000 of all monies expended for preproduction costs and/or operating costs.

On December 12, 2006, the Company amended the agreement so that the exploration expenditures of $1,000,000 due December 31, 2006 is due March 31, 2007.

On November 2, 2007, the Company amended the agreement so that a cash payment of $300,000 due December 31, 2007 is staged with $25,000 due December 31, 2007, $25,000 due March 31, 2008 and $250,000 due June 30, 2008. As well, exploration expenditures of $2,000,000 due December 31, 2007 is staged with $300,000 due March 31, 2008 and $1,700,000 due December 31, 2008.

On April 22, 2008, the Company amended the agreement so that the cash payment of $250,000 due June 30, 2008 is staged with $125,000 due December 31, 2008 and $125,000 due December 31, 2009. In addition, further cash payments of $75,000 will be due by December 31, 2010 and $100,000 by December 31, 2011. As well, the remaining exploration expenditures of $1,700,000 due December 31, 2008, as per the November 2, 2007 amendment, has now been changed to $700,000 due by December 31, 2008, $1,000,000 due by December 31, 2009, $1,500,000 due by December 31, 2010 and $1,500,000 due by December 31, 2011. As further compensation, the Company agreed to issue an additional 500,000 shares by December 31, 2008, 500,000 shares by December 31, 2009, 500,000 shares by December 31, 2010 and 500,000 shares by December 31, 2011. The bankable feasibility study has been extended to December 31, 2012.

On January 28, 2009, Globex transferred a 2% interest in the 44 claims of the Nordeau Bateman Properties to the Company.

On September 27, 2010, the parties agreed to extend the funding of expenditures of $1,500,000 due by December 31, 2010 to April 30, 2011, representing a cumulative total of $4,500,000. All other terms of the agreement remain unchanged. During the nine months ended September 30, 2011, the Company fulfilled its obligation.

6. Mineral Properties and Deferred Exploration Costs (continued)

b) Val d'Or Project (continued)

ii) Manseau Option

On May 31, 2010 The Company allowed the Manseau options to expire. The Company has satisfied all obligations relating to the agreement.

iii) Threegold Option

On November 15, 2010, the Company executed an agreement granting Threegold Resources Inc. the option to earn a 75% interest in Plato's Vauquelin Properties consisting of two properties, known as the Hop O'My Thumb Property with 36 claims and the Vauquelin Property with 17 claims, located in the Townships of Vauquelin in the Province of Quebec.

The Company received an initial payment of $50,000 upon the execution of the option agreement.

With respect to the two Properties, to earn its 75% interest Threegold will be required to incur exploration expenditures of $500,000 on or before the second anniversary of the effective date on the two properties. As well, Threegold will be required to make additional payments to the Company of $50,000 each on or before the first, second, third, and fourth anniversary of the effective date of the agreement.

In addition, to earn the 75% interest, Threegold must complete and file within six months after the fourth anniversary of the effective date a National Instrument 43-101 compliant mineral resource reports with measured or indicated resource on each of the Properties. The Company will retain a 2% NSR upon the exercise of the option.

iv) Company owned claims by acquisition or staking

As at September 30, 2011, the Company's acquired or staked claims consist of six properties known as Vauquelin, Vauquelin Pershing, Vauquelin Horseshoe, Pershing Denain (with 38 claims subject to a 2% net metal royalty), Hop O'My Thumb (with 2 claims subject to a 2% net smelter royalty), and Vauquelin II, which are located in Vauquelin Township. Collectively these six properties consist of 236 claims totalling 3,938 hectares.

c) Lolita Project

On August 27, 2007, the Company entered into an agreement to acquire a 75% interest in 29,904 hectares known as the Lolita Property in Argentina. The Company is required to incur US$50,000 in initial expenditures before June 19, 2009. On June 16, 2009 the parties extended this requirement to December 31, 2009. As of December 31, 2009 the initial expenditures of US$50,000 (CDN$50,094) had been met in accordance with the agreement.

6. Mineral Properties and Deferred Exploration Costs (continued)

c) Lolita Project (continued)

Upon completion of the initial expenditures, a Joint Work Program for up to US$500,000 will be jointly developed and be financed 75% by the Company and 25% by the other party. The other party is obliged to fund 25% of the Joint Work Program or have its interest diluted on a pro-rata basis to a carried interest of 2%. The other party will retain a 2% net smelter royalty, which can be bought back by the Company for US$500,000.

Current expenditures are being funded by both parties in accordance with the agreement and the parties are continuing to develop the Joint Work Program.

7. Due to Related Parties

	September 30, 2011	December 31, 2010
Related Company	$ 85,000	$ 110,000

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.

8. Share Capital

The Company is authorized to issue unlimited common shares and unlimited preferred shares.

a) 2011 Shares Issued and outstanding

	Number	Amount
Balance - December 31, 2010	118,191,655	$ 5,665,746
Issued for:		
Private placements	25,400,000	800,068
Issuance costs	-	(88,754)
Mineral property acquisition	-	-
Balance - September 30, 2011	143,591,655	$ 6,377,060

8. Share Capital (continued)

b) 2011 Shares Issued

During the nine months ended September 30, 2011, the Company:

i) Issued 5,000,000 non flow-through units for cash proceeds of $250,000 pursuant to a private placement. Each non flow-unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of $0.10 per common share until February 14, 2012, at which time the warrants expire.

The relative fair value of the warrants were estimated at $82,500 and this amount has been allocated to the warrant component of the units. The fair value of the warrants and options were estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions

Expected dividend yield	Nil
Risk-free interest rate	1.92%
Expected life	1.0 years
Expected volatility	167%

In conjunction with the financing, share issuance costs of $28,533 were paid of which, $9,416 was charged to warrants. Compensation options were issued to acquire a total of 250,000 units exercisable at $0.10 per unit until February 14, 2012. The fair value of the options were estimated at $7,400.

ii) Issued 6,900,000 non flow-through units for cash proceeds of $345,000 pursuant to a private placement. Each non flow-unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of $0.10 per common share until April 5, 2013, at which time the warrants expire.

The relative fair value of the warrants were estimated at $145,935 and this amount has been allocated to the warrant component of the units. The fair value of the warrants and options were estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions

Expected dividend yield	Nil
Risk-free interest rate	1.86%
Expected life	2.0 years
Expected volatility	183%

In conjunction with the financing, share issuance costs of $25,844 were paid of which, $10,932 was charged to warrants. Compensation options were issued to acquire a total of 483,000 units exercisable at $0.08 per unit until April 5, 2013. The fair value of the options were estimated at $18,334.

8. Share Capital (continued)

b) 2011 Shares Issued (continued)

iii) Issued 4,980,000 non flow-through units for cash proceeds of $249,000 pursuant to a private placement. Each non flow-unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of $0.10 per common share until April 21, 2013, at which time the warrants expire.

The relative fair value of the warrants were estimated at $105,078 and this amount has been allocated to the warrant component of the units. The fair value of the warrants and options were estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions

Expected dividend yield	Nil
Risk-free interest rate	1.86%
Expected life	2.0 years
Expected volatility	182%

In conjunction with the financing, share issuance costs of $18,910 were paid of which, $7,980 was charged to warrants. Compensation options were issued to acquire a total of 348,600 units exercisable at $0.08 per unit until April 21, 2013. The fair value of the options were estimated at $13,161.

iv) Issued 4,620,000 non flow-through units for cash proceeds of $231,000 pursuant to a private placement. Each non flow-unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of $0.10 per common share until May 3, 2013, at which time the warrants expire.

The relative fair value of the warrants were estimated at $93,324 and this amount has been allocated to the warrant component of the units. The fair value of the warrants and options were estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions

Expected dividend yield	Nil
Risk-free interest rate	1.86%
Expected life	2.0 years
Expected volatility	1.75%

In conjunction with the financing, share issuance costs of $21,900 were paid of which, $8,848 was charged to warrants. Compensation options were issued to acquire a total of 323,400 units exercisable at $0.08 per unit until May 3, 2013. The fair value of the options were estimated at $9,135.

8. Share Capital (continued)

b) 2011 Shares Issued (continued)

v) Issued 3,900,000 flow-through units for cash proceeds of $195,000 pursuant to a private placement. Each flow-unit consists of one common share and 1/2 common share purchase warrant. Each full warrant entitles the holder to purchase one common share at an exercise price of $0.10 per common share until March 23, 2013, at which time the warrants expire.

The relative fair value of the warrants were estimated at $43,095 and this amount has been allocated to the warrant component of the units. The fair value of the warrants and options were estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions

Expected dividend yield	Nil
Risk-free interest rate	0.86%
Expected life	1.5 years
Expected volatility	1.73%

In conjunction with the financing, share issuance costs of $2,767 were paid of which, $612 was charged to warrants.

9. Warrants

	Number	Amount	Weighted Average Exercise Price
Balance - December 31, 2010	38,691,604	$ 749,870	$ 0.10
Issued	23,450,000	469,932	0.10
Issuance costs	-	(57,229)	-
Expired	(8,111,110)	(156,744)	0.10
Balance - September 30, 2011	54,030,494	$ 1,005,829	$ 0.10

9. Warrants (continued)

As at September 30, 2011, the following common share purchase warrants ("warrants") were issued and outstanding:

Number	Exercise Price	Expiry
6,276,114	0.10	October 8, 2011
8,566,111	0.10	October 20, 2011
4,400,000	0.10	March 19, 2012
3,600,000	0.10	April 6, 2012
2,500,000	0.10	May 26, 2012
1,579,423	0.10	June 15, 2012
2,698,846	0.10	June 21, 2012
960,000	0.10	December 21, 2012
5,000,000	0.10	February 14, 2012
6,900,000	0.10	April 5, 2013
4,980,000	0.10	April 21, 2013
4,620,000	0.10	May 3, 2013
1,950,000	0.10	March 23, 2013
54,030,494		

10. Contributed Surplus

a) Stock Options

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.

10. Contributed Surplus (continued)

a) Stock Options (continued)

As at September 30, 2011 the following options were outstanding:

Exercise Price	Number of Options		Expiry Date
	Unvested	Vested	
$ 0.105	-	1,300,000	November 16, 2011
$ 0.100	75,000	225,000	April 20, 2012
$ 0.100	-	990,000	December 18, 2012
$ 0.100	-	350,000	March 28, 2013
$ 0.100	-	1,350,000	April 23, 2014
$ 0.100	-	1,530,000	December 4, 2019
$ 0.100	-	1,325,000	April 20, 2020
$ 0.100	-	300,000	November 7, 2020
$ 0.100	-	2,850,000	March 29, 2021
	75,000	10,220,000	

b) As at September 30, 2011, the following Agents' Options to acquire units were outstanding:

Exercise Price	Number of Options		Expiry Date
	Unvested	Vested	
$ 0.045	-	444,444	October 8, 2011
$ 0.045	-	811,111	October 20, 2011
$ 0.050	-	340,000	March 19, 2012
$ 0.050	-	105,000	April 6, 2012
$ 0.100	-	250,000	February 14, 2012
$ 0.080	-	483,000	April 5, 2013
$ 0.080	-	348,600	April 21, 2013
$ 0.080	-	323,400	May 3, 2013
	-	3,105,555	

10. Contributed Surplus (continued)

c) During the nine months ended September 30, 2011, the Company granted 2,850,000 stock options to directors, officers, employees and consultants on March 29, 2011. Each option entitles the holder to purchase one share of the Company's common stock at a price of $0.10 per share until March 29, 2021. The options vested upon grant. The estimated fair value of $137,065 has been included in stock based compensation.

Expected dividend yield	Nil
Risk-free interest rate	3.30%
Expected life	10.0 years
Expected volatility	136%

11. Income Taxes

Deferred income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual rate used for the year ended December 31, 2010 was 31% and the nine months ended September 30, 2011 was 28%.

12. Related Party Transactions

During the nine months ended September 30, 2011, the Company:

a) incurred rent of $18,000 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.

b) incurred consulting fees of $63,072 with one of the Company’s officers. As at September 30, 2011, accounts payable and accrued liabilities included $7,008 payable to the officer.

c) incurred consulting fees of $4,425 with one of the Company’s directors.

d) incurred accounting fees of $63,763 with an accounting firm in which one of the Company’s officers is a partner. As at September 30, 2011, accounts payable and accrued liabilities included $43,710 payable to this accounting firm.

e) incurred directors fees of $18,900. As at September 30, 2011, accounts payable and accrued liabilities included $78,700.

f) repaid a $110,000 advance from a related corporation. The Company and the related corporation have a director in common. This director is also a shareholder and office of both corporations.

g) received an advance of $85,000 from a related corporation. The Company and the related corporation have a director in common. This director is also a shareholder and office of both corporations.

13. Financial Instruments

a) Fair Value

The Company has designated its cash and cash equivalents, and portfolio investments at fair value through profit and loss. Other receivables are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

Cash and cash equivalents, and portfolio investments would be classified as a level 1 item under the fair value hierarchy.

b) 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 September 30, 2011, the Company had a cash balance of $175,748 to settle current liabilities of $400,653. 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 2011. Management prepares budgets and ensures funds are available prior to commencement of any exploration program.

c) Credit Risk

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

14. Capital Disclosures

The Company's objective when managing capital is to raise sufficient funds to execute its exploration plan. At September 30, 2011, the Company's capital consists of equity in the amount of $5,418,767.

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

14. Capital Disclosures (continued)

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company does not have any externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the period ended September 30, 2011.