
Financial Statements

Plato Gold Corp.

For the Nine Months Ended September 30, 2009

Unaudited

INDEX

Balance Sheets	1
Statements of Operations and Deficit	2
Cash Flow Statements	3
Notes to the Financial Statements	4 - 16

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

	September 30, 2009 (unaudited)	December 31, 2008
Assets		
Current Assets		
Cash	\$ 368,033	\$ 52,967
Other receivables	3,976	403,023
Deposits and prepaid expenses	15,900	4,775
	<u>387,909</u>	<u>460,765</u>
Mineral Properties and Deferred Exploration		
Costs (note 5)	3,747,764	3,645,980
Property, Plant and Equipment		
	<u>1,718</u>	<u>2,217</u>
	<u>\$ 4,137,391</u>	<u>\$ 4,108,962</u>
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 267,878	\$ 311,842
Due to related parties (note 12)	92,900	-
Note payable (note 6)	-	121,565
	<u>360,778</u>	<u>433,407</u>
Future Tax Liability (note 10)		
	<u>-</u>	<u>93,943</u>
	<u>360,778</u>	<u>527,350</u>
Shareholders' Equity		
Share Capital (note 7)	4,423,198	4,291,691
Warrants (note 8)	495,353	523,929
Stock Options (note 9)	529,070	542,927
Contributed Surplus (note 11)	630,991	381,211
Deficit	<u>(2,301,999)</u>	<u>(2,158,146)</u>
	<u>3,776,613</u>	<u>3,581,612</u>
	<u>\$ 4,137,391</u>	<u>\$ 4,108,962</u>

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

Approved on behalf of the Board

_____, Director

_____, Director

Plato Gold Corp.

Statements of Operations and Deficit
For the Nine Months Ended September 30
Unaudited - See Notice to Reader

	Nine Months Ended		Three Months Ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
Revenue				
Interest income	\$ 428	\$ 7,564	\$ 345	\$ 645
Expenses				
Amortization	499	713	166	238
Amortization of deferred financing costs	17,435	-	5,811	-
Consulting fees	90,964	84,546	31,730	31,097
Insurance	8,357	9,243	2,579	3,341
Interest and financing costs	2,117	4,793	555	526
Investor relations	11,507	49,589	11,252	9,200
Office and general	10,284	4,921	2,257	1,350
Professional fees	116,715	106,352	33,743	22,409
Publicity and advertising	4,237	7,389	3,595	839
Rent	18,000	18,000	6,000	6,000
Salaries and benefits	115,492	113,491	36,424	37,624
Stock-based compensation	26,760	64,040	-	1,970
Transfer and filing fees	27,134	23,188	3,616	2,479
	449,501	486,265	137,728	117,073
Loss before Income Taxes	(449,073)	(478,701)	(137,383)	(116,428)
Future Income Tax Recoveries	305,220	542,474	42,261	-
Net Income (Loss) for the Period	(143,853)	63,773	(95,122)	(116,428)
Deficit - Beginning of Period	(2,158,146)	(1,881,582)	(2,206,877)	(1,701,381)
Deficit - End of Period	<u><u>\$(2,301,999)</u></u>	<u><u>\$(1,817,809)</u></u>	<u><u>\$(2,301,999)</u></u>	<u><u>\$(1,817,809)</u></u>
Income (Loss) per Share - basic and diluted	\$ -	\$ -	\$ -	\$ -
Weighted Average Number of Common Shares Outstanding - basic and diluted	67,449,397	54,458,047	71,637,241	56,097,304

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

Plato Gold Corp.

Cash Flow Statements

For the Nine Months Ended September 30

Unaudited - See Notice to Reader

	Nine Months Ended		Three Months Ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
Cash Flows from Operating Activities				
Net Income (Loss)	\$ (143,853)	\$ 63,773	\$ (95,122)	\$ (116,428)
Items not affecting cash				
Amortization	499	713	166	238
Amortization of deferred financing costs	17,435	-	5,811	-
Stock-based compensation	26,760	64,040	-	1,970
Future income tax recoveries	(305,220)	(542,474)	(42,261)	-
	404,379	(413,948)	(131,406)	(114,220)
Changes in non-cash working capital				
Other receivables	2,616	(23,832)	3,054	(19,383)
Deposits and prepaid expenses	(11,125)	(3,000)	(15,900)	3,000
Accounts payable and accrued liabilities	30,999	(11,452)	(109,296)	(85,534)
	(381,889)	(452,232)	(253,548)	(216,137)
Cash Flows from Financing Activities				
Proceeds from private placements	575,000	500,000	475,000	500,000
Share issuance costs	(51,630)	(21,794)	(50,182)	(21,794)
Payment of note payable	(139,000)	-	(139,000)	-
Due to related parties	92,900	-	500	-
	477,270	478,206	286,318	478,206
Cash Flows from Investing Activities				
Expenditures on mineral properties and deferred exploration costs	219,685	(740,052)	319,300	(210,540)
Change in cash	315,066	(714,078)	352,070	51,529
Cash - beginning of period	52,967	790,724	15,963	25,117
Cash - end of period	<u>\$ 368,033</u>	<u>\$ 76,646</u>	<u>\$ 368,033</u>	<u>\$ 76,646</u>
Non-cash financing and investing activities				
Stock options granted to agent	\$ 23,844	\$ 2,353	\$ 23,844	\$ 2,353
Stock options granted to directors, officers and employees	\$ 26,760	\$ -	\$ -	\$ -
Shares issued for acquisition of mineral properties	\$ 10,000	\$ 10,000	\$ 10,000	\$ -

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

Plato Gold Corp.

Notes to the Financial Statements

For the Nine Months Ended September 30, 2009

Unaudited - See Notice to Reader

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 junior gold exploration company with three projects. The first project is the Timmins Gold Project in Northern Ontario which includes five properties (Guibord, Harker, Harker-Garrison, 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 7 properties (Nordeau Bateman, Vauquelin, Pershing Denain, Vauquelin Pershing, Vauquelin Horseshoe, Hop O'My Thumb and Once Upon a Time). 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 junior 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, 2009 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.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), and reflect the following significant accounting policies:

a) Basis of Presentation - Going Concern

These financial statements have been prepared on a going concern basis in accordance with GAAP. 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.

The Company has not yet realized profitable operations and has incurred significant losses to date resulting in a cumulative deficit of \$2,301,999 as at September 30, 2009. 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.

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.

Plato Gold Corp.

Notes to the Financial Statements

For the Nine Months Ended September 30, 2009

Unaudited - See Notice to Reader

2. Significant Accounting Policies (continued)

b) Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect assets and liabilities and disclosure of contingent assets and liabilities at the date of the 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.

c) Mineral properties and deferred exploration costs

The Company records its interests in mineral properties and deferred exploration expenditures at cost. Acquisition costs of resource properties together with direct exploration and development 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 developing 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.

d) 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.

e) 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. Related exploration expenditures have been charged to mineral properties and deferred exploration costs. Resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. When these expenditures are renounced, temporary taxable differences created by the renunciation reduce share capital.

Plato Gold Corp.

Notes to the Financial Statements

For the Nine Months Ended September 30, 2009

Unaudited - See Notice to Reader

2. Significant Accounting Policies (continued)

f) Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, future 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 values, using the substantively enacted tax rates expected to apply when these temporary differences are reversed. Future 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.

g) Stock-Based Compensation

The Company has one stock option plan that is described in note 9.

The Company uses the fair value method to account for stock options granted. Under the fair value method, the Company recognizes estimated compensation expense related to stock options over the vesting period of the options granted, with the related credit being allocated to stock options under shareholders' equity. Upon exercise of these stock options, amounts previously credited to stock options under shareholders' equity are reversed and credited to share capital.

h) Other Stock-Based Payments

The Company accounts for other stock-based payments based on the fair value of services granted or the equity instruments issued in exchange for the receipt of goods and services from non-employees by using the stock price and other measurement assumptions as at the measurement date, whichever is the more reliably measurable.

i) Foreign Currency Translation

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 loss from operations.

j) Asset Retirement Obligations

The Company is subject to the provisions of the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3110, Asset Retirement Obligations, which require the estimated fair value of any asset retirement obligations to be recognized as a liability in the period in which the related environmental disturbance occurs and the present value of the associated future costs can be reasonably estimated. As at September 30, 2009 the Company has not incurred and is not committed to any asset retirement obligations in respect of its mineral exploration properties.

k) Impairment of Long-Lived Assets

The Company periodically evaluates the recoverability of its long-lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss is recognized when estimated future cash flows resulting for the use of an asset and its eventual disposition is less than its carrying amount.

Plato Gold Corp.

Notes to the Financial Statements

For the Nine Months Ended September 30, 2009

Unaudited - See Notice to Reader

2. Significant Accounting Policies (continued)

l) 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. As the Company had a loss in each of the two years presented, basic and diluted loss per share are the same, as the exercise of all options and warrants would be anti-dilutive.

m) Related Party Transactions

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

n) Financial Instruments

All financial instruments are classified into one of the following five categories: held-for-trading assets or liabilities, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. Held-for-trading financial instruments are measured at fair value and all gains and losses are included in the statement of operations in the period in which they arise. Available-for-sale financial instruments are measured at fair value with revaluation gains and losses, included in the statement of comprehensive income until the instruments are derecognized or impaired. Loans and receivables, investments held to maturity and other financial liabilities are measured at amortized cost using the effective interest method.

The Company has made the following classifications:

Cash	Held for trading
Accounts payable and accrued liabilities	Other liabilities
Note payable	Other liabilities

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.

o) Comprehensive Income

The Company had no other comprehensive income or loss transactions during the nine months ending September 30, 2009. Accordingly, a statement of comprehensive income has not been prepared.

Plato Gold Corp.

Notes to the Financial Statements

For the Nine Months Ended September 30, 2009

Unaudited - See Notice to Reader

3. New Accounting Policies

a) Capital Disclosures

CICA Handbook Section 1535, Capital Disclosures, requires disclosure of an entity's objectives, policies and processes for managing capital; quantitative data about what the entity regards as capital; whether the entity has complied with any capital requirements; and, if it has not complied, the consequences of such non-compliance. Section 1535 is effective for the Company as of January 1, 2008. The Company has included these disclosures in note 14 to these financial statements.

b) Financial Instruments

CICA Handbook Section 3862, Financial Instruments - Disclosures, and CICA Handbook Section 3863, Financial Instruments - Presentation replace CICA Handbook Section 3861, Financial Instruments - Disclosure and Presentation, revising and enhancing disclosure requirements while leaving presentation requirements unchanged. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. Sections 3862 and 3863 were effective for the Company as of January 1, 2008. The Company has included these disclosures in note 13 to these financial statements

c) General Standards of Financial Statement Presentation

The CICA amended Handbook section 1400, Going concern, to assess an entity's ability to continue as a going concern and disclose any material uncertainties that cast doubt on its ability to continue as a going concern. The Company has included the disclosure in note 2(a).

4. Future Accounting Changes

International Financial Reporting Standards ("IFRS")

The CICA plans to converge Canadian Generally accepted Accounting Principles with IFRS which will be applicable to publicly accountable enterprises. For these entities, IFRS will be required for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company is currently assessing the impact of IFRS on its financial statements.

Goodwill and Intangible Assets

The CICA approved Handbook Section 3064, "Goodwill and Intangible Assets" which replaces the existing Handbook Sections 3062, "Goodwill and Other Intangible Assets" and 3450, "Research and Development Costs". The standard is effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008, with earlier application encouraged. The standard provides guidance on the recognition, measurement and disclosure requirements for goodwill and intangible assets. The Company is currently assessing the impact of this new accounting standard on its financial statements.

Plato Gold Corp.

Notes to the Financial Statements

For the Nine Months Ended September 30, 2009

Unaudited - See Notice to Reader

5. Mineral Properties and Deferred Exploration Costs

	September 30, 2009			
	Timmins Gold Project	Val d'Or Project	Lolita Project	Total
Acquisition costs	\$ -	\$ 10,000	\$ -	\$ 10,000
Diamond drilling	6,530	2,575	-	9,105
Geochemical	-	7,416	14,390	21,806
Geology	-	90,972	2,132	93,104
Other	522	16,945	-	17,467
Current expenditures	7,052	127,908	16,522	151,482
Less Quebec Government exploration rebate	-	(49,698)	-	(49,698)
Net current expenditures	7,052	78,210	16,522	101,784
Balance - beginning of period	1,475,161	2,122,370	48,449	3,645,980
Balance - end of period	<u>\$ 1,482,213</u>	<u>\$ 2,200,580</u>	<u>\$ 64,971</u>	<u>\$ 3,747,764</u>

a) Timmins Gold Project

The Timmins Gold Project is comprised of five properties along the Destor-Porcupine Fault Zone located east of Timmins. The properties are comprised of 4 leases and 117 claims for a total of 2,416 hectares in the region. Four properties are subject to a 2% net smelter returns royalty to a former director of the Company. The other property is subject to a 2% net metal royalty to the former owner.

b) Val d'Or Project

i) Globex Option

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").

Plato Gold Corp.

Notes to the Financial Statements

For the Nine Months Ended September 30, 2009

Unaudited - See Notice to Reader

5. 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 (extended to June 30, 2008), of which \$200,000 was paid in 2006 and \$25,000 in 2007; issue 1,000,000 common shares to Globex at a deemed price of \$0.16 per share (issued in 2006); incur exploration expenditures of \$6,000,000 by December 31, 2008 and complete a bankable feasibility study 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 April 22, 2008, the Company amended the agreement so that the cash payments totalling \$500,000 are due December 31, 2009. Further compensation payments of \$75,000 will be due before December 31, 2010 and \$100,000 before 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 amended total shares to be issued is 3,000,000.

In addition, the exploration expenditure obligation of \$6,000,000 (unchanged) has been extended to 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.

In summary, the Company must incur aggregate exploration expenditures of \$3 million by December 31, 2009, of which \$2,406,777 had been incurred as of November 28, 2008 last year. Furthermore, the Company must complete the next payment of \$125,000 and issuance of 500,000 common shares by December 31, 2009. The Company expects to meet all requirements on or before December 31, 2009.

Plato Gold Corp.

Notes to the Financial Statements

For the Nine Months Ended September 30, 2009

Unaudited - See Notice to Reader

5. Mineral Properties and Deferred Exploration Costs (continued)

b) Val d'Or Project (continued)

ii) Manseau Option

On January 31, 2008, the Company entered into an option agreement to acquire a 100% interest in 19 claims in Cadillac and Bousquet Townships, Quebec, known as Once Upon a Time. The Company issued 125,000 shares and paid \$10,000 as an initial payment and is obligated to issue an additional 225,000 shares, pay \$15,000 and spend \$1,000,000 on the project by January 31, 2011. Upon receipt of the annual Quebec Government rebate, the Company will pay in staged amounts a total of \$135,000 representing 13.5% of the exploration expenditures to January 31, 2011. The agreement provides for a 2% Net Smelter Royalty which the Company can purchase for \$1,000,000 prior to production and \$2,000,000 after production.

On December 1, 2008, the obligation dates for the expenditures on exploration work, the issuance of common shares, payments, and the further payment due upon receipt of the annual Quebec Government rebate, were all extended by one year. Spending and payment requirements are extended to January 31, 2012. Of the total spending requirement of \$1,000,000, the amounts of \$200,000, \$300,000 and \$500,000 will be spent on or before January 31, 2010, January 31, 2011 and January 31, 2012 respectively.

iii) Staked Claims

As at September 30, 2009, the Company's staked claims consist of 5 properties known as Vauquelin, Pershing Denain (subject to a 2% net metal royalty), Vauquelin Pershing, Vauquelin Horseshoe and Hop O'My Thumb which are located in Vauquelin Township.

iv) On July 20, 2009 the Company acquired 2 claims for 250,000 common shares (subject to a 2% net smelter royalty) in Vauquelin Township which border on other claims wholly owned by Plato in the area.

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 Company extended this requirement to December 31, 2009. After 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.

6. Note Payable

On December 31, 2008, the Company borrowed \$139,000 at an effective interest rate of 14.93% (coupon rate of 5%) per annum payable on the earlier of September 30, 2009 or receipt of the 2008 Quebec government exploration rebate. Financing fees of \$17,435 which were paid to obtain this note, have been recorded as deferred financing costs against the liability and were charged to interest expense over the term of the note. On August 24, 2009, the Company paid the note in full.

Plato Gold Corp.

Notes to the Financial Statements

For the Nine Months Ended September 30, 2009

Unaudited - See Notice to Reader

7. Share Capital

a) Authorized:

Unlimited common shares

Unlimited preferred shares

b) Common Shares Issued and Outstanding:

	<u>Number</u>	<u>Amount</u>
Balance - December 31, 2008	64,805,116	\$ 4,291,691
Issued for private placement	14,777,776	332,785
Issued for property	250,000	10,000
Tax effect of renunciation of flow-through shares	-	(211,278)
	<u>79,832,892</u>	<u>\$ 4,423,198</u>

8. Warrants

	<u>Number</u>	<u>Amount</u>	<u>Weighted Average Exercise Price</u>
Balance - December 31, 2008	26,371,097	\$ 523,929	\$ 0.23
Issued	8,111,110	156,744	0.10
Expired	<u>(6,454,541)</u>	<u>(185,320)</u>	<u>(0.30)</u>
Balance - September 30, 2009	<u>28,027,666</u>	<u>\$ 495,353</u>	<u>\$ 0.18</u>

As at September 30, 2009, the following common share purchase warrants ("warrants") were issued and outstanding:

- a) 9,280,000 warrants entitling the holder to purchase one common share at \$0.30 until December 12, 2009.
- b) 2,555,556 warrants entitling the holder to purchase one common share at \$0.15 until July 31, 2010.
- c) 2,500,000 warrants entitling the holder to purchase one common share at \$0.15 until September 4, 2010.
- d) 2,126,000 warrants entitling the holder to purchase one common share at \$0.10 until November 13, 2010.
- e) 455,000 warrants entitling the holder to purchase one common share at \$0.10 until November 19, 2010.
- f) 3,000,000 warrants entitling the holder to purchase one common share at \$0.10 until December 24, 2010.
- g) 8,111,110 warrants entitling the holder to purchase one common share at \$0.10 until September 25, 2011.

Plato Gold Corp.

Notes to the Financial Statements

For the Nine Months Ended September 30, 2009

Unaudited - See Notice to Reader

9. Stock 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. The Plan was amended and approved on June 9, 2009.

Under the Amended 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, unless the Company obtains approval of disinterested common share holders. 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.

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

	<u>Number</u>	<u>Amount</u>	<u>Weighted Average Exercise Price</u>
Balance - December 31, 2008	6,356,235	\$ 542,927	\$ 0.122
Granted/vested	1,575,000	26,760	0.100
Agent's options granted	811,111	23,843	0.045
Expired	<u>(895,454)</u>	<u>(64,460)</u>	<u>0.100</u>
Balance - September 30, 2009	<u>7,846,892</u>	<u>\$ 529,070</u>	<u>\$ 0.112</u>

- c) As at September 30, 2009 the following options were outstanding:

<u>Exercise Price</u>	<u>Number of Options</u>		<u>Expiry Date</u>
	<u>Unvested</u>	<u>Vested</u>	
\$ 0.11	-	248,181	December 12, 2009
\$ 0.10	-	100,000	July 31, 2010
\$ 0.20	-	700,000	September 1, 2010
\$ 0.05	-	212,600	November 12, 2010
\$ 0.175	-	900,000	April 5, 2011
\$ 0.045	-	811,111	September 25, 2011
\$ 0.105	-	1,800,000	November 16, 2011
\$ 0.10	-	1,150,000	December 18, 2012
\$ 0.10	-	350,000	March 28, 2013
\$ 0.10	-	<u>1,575,000</u>	<u>April 23, 2014</u>
	-	<u>7,846,892</u>	

Plato Gold Corp.

Notes to the Financial Statements

For the Nine Months Ended September 30, 2009

Unaudited - See Notice to Reader

10. Income Taxes

The income tax effects of temporary differences that give rise to significant portions of the future income tax assets and liabilities as at September 30, 2009 and December 31, 2008 are presented below:

	<u>September 2009</u>	<u>December 2008</u>
Future income tax assets (liabilities):		
Canadian exploration expenses	\$ (993,363)	\$ (988,572)
Non-capital loss carryforwards	956,794	791,400
Share issuance costs	76,389	102,170
Property, plant and equipment	1,204	1,059
Less valuation allowance	<u>(41,024)</u>	<u>-</u>
Net future income tax liability	<u>\$ -</u>	<u>\$ (93,943)</u>

As at September 30, 2009 there was a future tax liability of \$nil. The tax effect of resource expenditures renounced to shareholders in 2009 of \$211,278 has been deducted from share capital.

11. Contributed Surplus

Balance - December 31, 2008	\$ 381,211
Expiry of warrants	185,320
Expiry of options	<u>64,460</u>
Balance - September 30, 2009	<u>\$ 630,991</u>

Plato Gold Corp.

Notes to the Financial Statements

For the Nine Months Ended September 30, 2009

Unaudited - See Notice to Reader

12. Related Party Transactions

During the nine months ended September 30, 2009 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. As at September 30, 2009, accounts payable and accrued liabilities included \$18,000.
- b) incurred consulting fees of \$61,236 with one of the Company's officers. As at September 30, 2009, accounts payable and accrued liabilities included \$13,608.
- c) incurred consulting fees of \$4,252 with one of the Company's directors. As at September 30, 2009 accounts payable and accrued liabilities included \$1,418.
- d) incurred accounting fees of \$50,237 with an accounting firm in which one of the Company's officers is a partner. As at September 30, 2009, accounts payable and accrued liabilities included \$29,628 payable to this accounting firm.
- e) received an advance of \$85,900 from a related corporation. The Company and the related corporation have a director in common. This director is also a shareholder and officer of both corporations. The Company also received an advance of \$7,000 from a director.

13. Financial Instruments

- a) Fair Value

The carrying value of cash is measured at fair value as it is classified as held for trading. Accounts payable and accrued liabilities and the note payable are classified as other financial liabilities, which are measured at amortized cost. Fair value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price, if one exists.

- 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, 2009, the Company had a cash balance of \$368,033 to settle current liabilities of \$360,778. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms except for amounts due to related parties of \$92,900 which has no fixed term of repayment.

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 2009. Management prepares budgets and ensures funds are available prior to commencement of any exploration program.

Plato Gold Corp.

Notes to the Financial Statements

For the Nine Months Ended September 30, 2009

Unaudited - See Notice to Reader

13. Financial Instruments (continued)

c) Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill 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. Other receivables consist of goods and services tax due from the Federal Government of Canada. The Company's maximum credit exposure is \$3,976 at September 30, 2009. 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, 2009, the Company's capital consists of equity in the amount of \$3,776,613.

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

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

There were no changes in the Company's approach to capital management during the nine months ended September 30, 2009.

15. Subsequent Events

Subsequent to September 30, 2009, the Company:

- a) completed the closing of the second and final tranches of a non-brokered private placement offering. Pursuant to the offering, the Company issued 1,609,446 flow through units at a price of \$0.045 per unit for gross proceeds of \$72,425 and 4,666,668 units at \$0.045 per unit for gross proceeds of \$210,000 on October 8, 2009. In addition, the Company issued 8,311,111 flow through units at \$0.045 per unit for gross proceeds of \$374,000 and 255,000 units at a price of \$0.045 per unit for gross proceeds of \$11,475 on October 20, 2009.