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**Financial Statements**

**Plato Gold Corp.**

**For the Six Months Ended June 30, 2008**

**Unaudited**

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**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.

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# Plato Gold Corp.

## Balance Sheets

	June 30, 2008 (unaudited)	December 31, 2007
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 25,117	\$ 790,724
Other receivables	11,184	6,735
Deposits and prepaid expenses	6,000	-
	<u>42,301</u>	<u>797,459</u>
<b>Mineral Properties and Deferred Exploration Costs</b> (note 5)	3,425,300	2,869,553
<b>Property, Plant and Equipment</b>	<u>2,692</u>	<u>3,167</u>
	<u>\$ 3,470,293</u>	<u>\$ 3,670,179</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	<u>\$ 221,750</u>	<u>\$ 131,433</u>
<b>Shareholders' Equity</b>		
<b>Share Capital</b> (note 6)	3,619,390	4,151,864
<b>Warrants</b> (note 7)	552,867	552,867
<b>Stock Options</b> (note 8)	563,112	501,042
<b>Contributed Surplus</b>	214,555	214,555
<b>Deficit</b>	<u>(1,701,381)</u>	<u>(1,881,582)</u>
	<u>3,248,543</u>	<u>3,538,746</u>
	<u>\$ 3,470,293</u>	<u>\$ 3,670,179</u>

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

Approved on behalf of the Board

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

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"Robert Van Tassell", Director

# Plato Gold Corp.

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

	Six Months Ended		Three Months Ended	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
<b>Revenue</b>				
Interest income	\$ 6,919	\$ 6,638	\$ 1,921	\$ 2,248
<b>Expenses</b>				
Amortization	475	628	237	288
Consulting fees	53,449	50,425	28,237	31,175
Insurance	5,902	11,662	3,341	5,186
Interest and financing costs	4,267	661	471	321
Investor relations	40,389	5,000	18,200	5,000
Office and general	3,571	6,830	2,275	2,048
Professional fees	83,943	79,848	50,493	42,904
Publicity and advertising	6,550	6,151	2,609	-
Rent	12,000	11,321	6,000	5,714
Salaries and benefits	75,867	73,878	38,776	37,590
Stock-based compensation	62,070	72,770	42,250	32,341
Transfer and filing fees	20,709	22,523	13,737	7,781
	<u>369,192</u>	<u>341,697</u>	<u>206,626</u>	<u>170,348</u>
<b>Loss Before the Undernoted Item</b>	(362,273)	(335,059)	(204,705)	(168,100)
<b>Write-Down of Mineral Properties and Deferred Exploration Costs</b>	-	(300)	-	-
<b>Loss before Income Taxes</b>	(362,273)	(335,359)	(204,705)	(168,100)
<b>Future Income Tax Recoveries</b>	<u>542,474</u>	<u>365,459</u>	<u>-</u>	<u>-</u>
<b>Net Income (Loss) for the Period</b>	180,201	30,100	(204,705)	(168,100)
<b>Deficit - Beginning of Period</b>	<u>(1,881,582)</u>	<u>(1,536,245)</u>	<u>(1,496,676)</u>	<u>(1,338,045)</u>
<b>Deficit - End of Period</b>	<u><u>\$(1,701,381)</u></u>	<u><u>\$(1,506,145)</u></u>	<u><u>\$(1,701,381)</u></u>	<u><u>\$(1,506,145)</u></u>
<b>Income (Loss) per Share</b>				
Basic	\$ -	\$ -	\$ -	\$ -
Fully diluted	-	-	-	-
<b>Weighted Average Number of Common Shares Outstanding - basic and diluted</b>				
	53,629,412	40,314,240	53,668,560	41,825,899

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

# Plato Gold Corp.

Cash Flow Statements

For the Six Months Ended June 30

Unaudited - See Notice to Reader

	Six Months Ended		Three Months Ended	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
<b>Cash Flows from Operating Activities</b>				
Net Income (Loss)	\$ 180,201	\$ 30,100	\$ (204,706)	\$ (168,100)
Items not affecting cash				
Amortization	475	628	237	288
Stock-based compensation	62,070	72,770	42,250	32,341
Write-down of mineral properties	-	300	-	-
Future income tax recoveries	(542,474)	(365,459)	-	-
	(299,728)	(261,661)	(162,219)	(135,471)
Changes in non-cash working capital				
Other receivables	(4,449)	32,825	13,212	27,982
Deposits and prepaid expenses	(6,000)	6,476	(6,000)	-
Accounts payable and accrued liabilities	74,082	92,596	34,737	64,590
	(236,095)	(129,764)	(120,270)	(42,899)
<b>Cash Flows from Financing Activities</b>				
Proceeds from private placements	-	700,000	-	300,000
Share issuance costs	-	(98,767)	-	(38,528)
	-	601,233	-	261,472
<b>Cash Flows from Investing Activities</b>				
Expenditures on mineral properties and deferred exploration costs	(529,512)	(588,042)	(222,171)	(125,592)
<b>Change in cash</b>	(756,607)	(116,573)	(342,441)	92,981
<b>Cash - beginning of period</b>	790,724	418,877	367,558	209,323
<b>Cash - end of period</b>	<u>\$ 25,117</u>	<u>\$ 302,304</u>	<u>\$ 25,117</u>	<u>\$ 302,304</u>
<b>Non-cash financing and investing activities</b>				
Stock options granted to agent	\$ -	\$ 29,804	\$ -	\$ 8,111
Stock options granted to directors, officers and employees	\$ 19,820	\$ -	\$ -	\$ -
Shares issued for acquisition of mineral properties	\$ 10,000	\$ -	\$ -	\$ -

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

# Plato Gold Corp.

Notes to the Financial Statements  
For the Six Months Ended June 30, 2008  
Unaudited - See Notice to Reader

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## 1. Nature of Operations

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

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 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.

The Company is now 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 San 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 these properties contain economic mineral reserves. Consequently, the Company considers itself to be an exploration stage company.

## 2. Significant Accounting Policies

These financial statements have been prepared in accordance with accounting principles generally accepted in Canada, 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 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.

The financial statements do not reflect adjustments that would be necessary if the going concern assumption was 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.

# Plato Gold Corp.

Notes to the Financial Statements  
For the Six Months Ended June 30, 2008  
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## 2. Significant Accounting Policies (continued)

### b) Use of Estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles 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 share capital. 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 Six Months Ended June 30, 2008

Unaudited - See Notice to Reader

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## 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.

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 occurred. Gains and losses on translation are recorded in loss from operations.

### j) Asset Retirement Obligations

The Company is subject to the provisions of 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 December 31, 2007 and 2006 the company has not incurred and is not committed to any asset retirement obligations in respect of its mineral exploration properties.

# Plato Gold Corp.

Notes to the Financial Statements  
For the Six Months Ended June 30, 2008  
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## 2. Significant Accounting Policies (continued)

### k) Loss Per Share

Loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period, 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.

### l) Related Party Transactions

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

## 3. New Accounting Policy

### 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's objective is to raise sufficient capital to execute its exploration plan. The Company does not use any capital-based metrics. The Company does not have any externally imposed capital requirements.

### General Standards of Financial Statement Presentation

Section 1400 has been amended for new requirements relating to the assessment of an entity's ability to continue as a going concern. The Company has determined that these new standards will have no material impact on the financial statements.

## 4. Future Accounting Pronouncements

### International Reporting Standards

The CICA plans to converge Canadian Generally accepted Accounting Principles with International Financial Reporting Standards (IFRS) over a transition period expected to end in 2011. The impact of the transition to IFRS on the Company's financial statements is not yet determinable.

# Plato Gold Corp.

Notes to the Financial Statements

For the Six Months Ended June 30, 2008

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## 4. Future Accounting Pronouncements (continued)

### General Presentation of Financial Information

Section 1400 has been amended for new requirements relating to the assessment of an entity's ability to continue as a going concern. The Company has determined that these new standards will have no material impact on the financial statements.

## 5. Mineral Properties and Deferred Exploration Costs

	June 30, 2008				
	Timmins Gold Project	Val d'Or Project	Lolita Project	Other	Total
Acquisition costs	\$ 855	\$ 58,875	\$ 3,454	\$ -	\$ 63,184
Diamond Drilling	3,180	347,522	-	-	350,702
Geochemistry	-	24,994	-	-	24,994
Geology	-	97,311	-	-	97,311
Other	2,749	16,807	-	-	19,556
Current expenditures	6,784	545,509	3,454	-	555,747
Balance - beginning of period	1,458,947	1,365,220	45,386	-	2,869,553
Write-down of mineral properties	-	-	-	-	-
Balance - end of period	<u>\$ 1,465,731</u>	<u>\$ 1,910,729</u>	<u>\$ 48,840</u>	<u>\$ -</u>	<u>\$ 3,425,300</u>

On February 1, 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 and pay an additional \$15,000 by January 31, 2010 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 April 22, 2008, the Company entered into an amendment of the Option Agreement with Globex Mining Enterprises Inc. which extended the exercise date to December 31, 2012. The remaining required cash payment of \$250,000 under the Option Agreement will now be payable in 2 equal installments on or before December 31 of each of 2008 and 2009. In addition, Plato will be required to make further cash payments of \$75,000 and \$100,000 on or before December 31, 2010 and 2011, respectively.

# Plato Gold Corp.

Notes to the Financial Statements  
For the Six Months Ended June 30, 2008  
Unaudited - See Notice to Reader

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

Plato will be required to issue to Globex a maximum of 2,000,000 Plato shares by installments of 500,000 Plato shares on or before December 31 of each of 2008, 2009, 2010 and 2011.

The time limits for required expenditures under the Option Agreement have been extended to as late as December 31, 2011 and the deadline for completion of the remaining Option Agreement requirements, including delivery of a bankable feasibility study, has been extended to December 31, 2012.

## 6. 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, 2007	53,543,560	\$ 4,151,864
Issued for:		
Mineral property acquisition	125,000	10,000
Tax effect on renunciation of flow-through shares	-	(542,474)
	<u>53,668,560</u>	<u>\$ 3,619,390</u>

## 7. Warrants

	<u>Number</u>	<u>Amount</u>	<u>Weighted Average Exercise Price</u>
Balance - December 31, 2007	19,817,873	\$ 552,867	0.20
Issued during the period	-	-	-
Balance - June 30, 2008	<u>19,817,873</u>	<u>\$ 552,867</u>	<u>\$ 0.24</u>

As at June 30, 2008, the following common share purchase warrants ("warrants") were issued and outstanding:

- a) 2,000,000 warrants entitling the holder to purchase one common share at \$0.15 per share until February 2, 2008. On January 28, 2008, the Company received approval to extend the expiry date to August 2, 2008.
- b) 2,083,332 warrants entitling the holder to purchase one common share at \$0.20 per share until November 3, 2007 and \$0.30 until November 3, 2008.

# Plato Gold Corp.

Notes to the Financial Statements  
For the Six Months Ended June 30, 2008  
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## 7. Warrants (continued)

- c) 2,727,270 warrants entitling the holder to purchase one common share at \$0.20 until February 19, 2008 and \$0.30 until February 19, 2009.
- d) 1,000,000 warrants entitling the holder to purchase one common share at \$0.15 until February 19, 2008 and \$0.25 until February 19, 2009.
- e) 2,727,271 warrants entitling the holder to purchase one common share at \$0.20 until June 18, 2008 and \$0.30 until June 18, 2009.
- f) 9,280,000 warrants entitling the holder to purchase one common share at \$0.20 until December 12, 2008 and \$0.30 until December 12, 2009.

## 8. 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.

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:

	<u>Number</u>	<u>Amount</u>	<u>Weighted Average Exercise Price</u>
Balance - December 31, 2007	6,101,968	501,042	0.126
Granted/vested	<u>350,000</u>	<u>62,070</u>	<u>0.100</u>
Balance - June 30, 2008	<u>6,451,968</u>	<u>\$ 563,112</u>	<u>\$ 0.124</u>

# Plato Gold Corp.

Notes to the Financial Statements  
For the Six Months Ended June 30, 2008  
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## 8. Stock Options (continued)

c) As at June 30, 2008 the following options were outstanding:

Option Price	Number of Options		Expiry Date
	Unvested	Vested	
\$ 0.10	-	1,200,000	December 18, 2012
\$ 0.10	100,000	300,000	June 4, 2009
\$ 0.11	-	272,727	June 18, 2009
\$ 0.105	-	1,800,000	November 16, 2011
\$ 0.11	-	248,181	December 12, 2009
\$ 0.12	-	208,333	November 3, 2008
\$ 0.175	-	900,000	April 5, 2011
\$ 0.10	-	372,727	February 19, 2009
\$ 0.20	-	700,000	September 1, 2010
\$ 0.10	-	350,000	March 28, 2013
	<u>100,000</u>	<u>6,351,968</u>	

## 9. Related Party Transactions

During the six months ended June 30, 2008, the Company:

- Incurred rent of \$12,000 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.
- Incurred consulting fees of \$40,824 with one of the Company's officers. As at June 30, 2008, accounts payable and accrued liabilities included \$7,237 payable to this officer.
- Incurred consulting fees of \$2,835 with one of the Company's directors. As at June 30, 2008, accounts payable and accrued liabilities included \$1,523 payable to this director.
- Incurred accounting fees of \$45,750 with an accounting firm in which one of the Company's officers is a partner. As at June 30, 2008, accounts payable and accrued liabilities included \$78,473 payable to this accounting firm.

## 10. Comparative Figures

Certain comparative figures have been reclassified to conform with the current period's presentation. Net income (loss) previously reported has not been affected by this reclassification.

# Plato Gold Corp.

Notes to the Financial Statements

For the Six Months Ended June 30, 2008

Unaudited - See Notice to Reader

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## 11. Subsequent Events

Subsequent to June 30, 2008, the Company completed the first tranche of its non-brokered private placement offering. Pursuant to the offering, the Company issued 2,000,000 flow-through units consisting of one common flow-through share and one non-flow-through common share purchase warrant at a price of \$0.10 per flow-through unit for gross proceeds of \$200,000. As well, the Company issued 555,556 units consisting of one non-flow-through common share and one non-flow-through common share purchase warrant, at a price of \$0.09 per unit for gross proceeds of \$50,000.