Financial Statements

Plato Gold Corp.

Nine Months Ended September 30, 2006

Unaudited

INDEX

Notice to Reader

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

Plato Gold Corp.

Balance Sheets

	September 30, 2006 (unaudited)	December 31, 2005
Assets		
Current Assets		
Cash and cash equivalents	$ 203,628	$ 126,911
Other receivables	10,567	82,824
Deposits and prepaid expenses	41,452	37,478
	255,647	247,213
Mineral Properties and Deferred Exploration Costs (note 5)	1,700,293	1,354,732
Property, Plant and Equipment	5,008	6,461
	$ 1,960,948	$ 1,608,406
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	$ 306,848	316,386
Due to related parties (note 6)	102,537	102,537
	409,385	418,923
Shareholders' Equity		
Share Capital (note 7)	2,552,141	2,131,658
Warrants (note 8)	158,500	84,920
Stock Options (note 9)	230,183	71,836
Contributed Surplus (note 10)	31,647	31,647
Deficit	(1,420,908)	(1,130,578)
	1,551,563	1,189,483
	$ 1,960,948	$ 1,608,406

Approved on behalf of the Board

signed "Anthony J. Cohen", Director

signed "Robert Van Tassel", Director

Plato Gold Corp.

Statements of Operations and Deficit
Nine Months Ended September 30, 2006 and 2005
Unaudited - See Notice to Reader

	Nine Months Ended		Three Months Ended	
	September 30, 2006	September 30, 2005	September 30, 2006	September 30, 2005
Revenue				
Interest income	$ 1,013	$ 3,800	$ 563	$ 2,394
Expenses				
Amortization	1,453	1,050	554	372
Consulting fees	106,350	9,667	19,250	7,667
Insurance	18,584	11,264	6,476	5,632
Interest and financing costs	344	3,410	148	91
Office and general	16,280	9,784	6,919	5,493
Professional fees	79,687	58,420	43,879	20,870
Public and investor relations	6,827	7,028	-	2,199
Rent	16,875	13,251	5,660	5,608
Salaries and benefits	104,443	48,818	33,906	35,432
Stock-based compensation	172,957	3,195	30,866	3,195
Transfer and filing fees	28,117	15,240	8,650	9,701
	551,917	181,127	156,308	96,260
Loss Before the Undernoted Items	(550,904)	(177,327)	(155,745)	(93,866)
Write-Down of Mineral Properties and Deferred Exploration Costs	(6,244)	-	-	-
Reverse Takeover Transaction Costs	-	(267,952)	-	(10,745)
Loss before Income Taxes	(557,148)	(445,279)	(155,745)	(104,611)
Future Income Tax Recoveries	266,818	-	-	-
Loss for the Period	(290,330)	(445,279)	(155,745)	(104,611)
Deficit - Beginning of Period	(1,130,578)	(279,815)	(1,265,163)	(936,159)
Share Issuance Costs	-	(315,676)	-	-
Deficit - End of Period	$(1,420,908)	$(1,040,770)	$(1,420,908)	$(1,040,770)
Loss per Share				
Basic	$ (0.01)	$ (0.02)	$ -	$ -
Fully diluted	(0.01)	(0.03)	-	(0.01)
Weighted Average Number of Common Shares Outstanding				
Basic	24,901,555	18,024,777	27,297,425	22,861,000
Fully diluted	24,901,555	17,428,214	27,297,425	21,547,600

Plato Gold Corp.

Cash Flow Statements
Nine Months Ended September 30, 2006 and 2005
Unaudited - See Notice to Reader

	Nine Months Ended		Three Months Ended	
	September 30, 2006	September 30, 2005	September 30, 2006	September 30, 2005
Cash Flows from Operating Activities				
Cash paid to suppliers and employees	$ (219,206)	$ (238,085)	$ (102,573)	$ (99,957)
Interest received	1,013	3,800	563	2,394
	(218,193)	(234,285)	(102,010)	(97,563)
Cash Flows from Financing Activities				
Due to related parties	-	26,167	-	-
Cash received from reverse takeover	-	137,323	-	-
Reverse takeover transaction costs	-	(335,460)	-	(10,745)
Share capital	512,691	1,469,080	326,420	-
Warrants	73,580	84,920	73,580	-
Share issuance costs	-	(230,924)	-	-
	586,271	1,151,106	400,000	(10,745)
Cash Flows from Investing Activities				
Mineral properties and deferred exploration costs	(291,361)	(146,791)	(110,314)	(95,939)
Property, plant and equipment	-	(6,356)	-	-
	(291,361)	(153,147)	(110,314)	(95,939)
Change in cash and cash equivalents	76,717	763,674	187,676	(204,247)
Cash and cash equivalents - beginning of period	126,911	3,756	15,952	971,677
Cash and cash equivalents - end of period	$ 203,628	$ 767,430	$ 203,628	$ 767,430
Non-cash financing and investing activities				
Assets and liabilities acquired pursuant to reverse takeover				
Prepaid share issuance costs	$ -	$ 25,700	$ -	$ -
Accounts payable and accrued liabilities	$ -	$ (416,631)	$ -	$ -
Due to related parties	$ -	$ (3,599)	$ -	$ -
Stock options granted to agent	$ -	$ 59,052	$ -	$ -
Stock options granted to directors, officers and employees	$ 172,957	$ 3,195	$ 30,866	$ 3,195
Common shares issued to acquire mineral properties	$ 160,000	$ -	$ 160,000	$ -
Mineral properties and deferred development costs contributed by shareholder	$ -	$ 30,859	$ -	$ -
Reverse takeover transaction costs incurred and included in accounts payable and accrued liabilities at end of period	$ -	$ 81,916	$ -	$ -

1. Nature of Operations

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

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

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

The Company is now a public junior gold exploration company with two projects. The first project is the GHHM Gold Project in Northern Ontario which includes four properties (Guibord, Harker, Holloway and Marriott) in what is sometimes referred to as the Harker/Holloway gold camp located east of Timmins.

The second project, Nordeau Gold Project, includes the Nordeau East and Nordeau West gold deposits, and the Bateman East & West sites, in Vauquelin Township near Val d'Or, Quebec.

2. Acquisition and Amalgamation

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

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

2. Acquisition and Amalgamation (continued)

The transaction was accounted for as follows:

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

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

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

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

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

3. Interim Financial Statements

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

4. Basis of Presentation

These interim financial statements have been prepared on a going concern basis in accordance with Canadian generally accepted accounting principles. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. There is significant

4. Basis of Presentation (continued)

doubt about the appropriateness of the use of the going concern assumption because the Company has experienced recurring losses and has experienced negative cash flows from operations over a number of years. The application of the going concern concept is dependent on the Company's ability to generate future profitable operations. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become payable.

5. Mineral Properties and Deferred Exploration Costs

	September 30, 2006				September 30, 2005
	GHHM Gold Project[1]	Nordeau Project	Other Properties	Total	GHHM Gold Project
Acquisition costs	$ -	$ 270,813	$ -	$ 270,813	$ -
Diamond Drilling	30,121	-	-	30,121	192,281
Geology	-	38,420	6,544	44,964	-
Geophysical	-	-	-	-	114,564
Linecutting	-	-	-	-	18,050
Other	4,752	1,155	-	5,907	1,767
Current expenditures	34,873	310,388	6,544	351,805	326,662[2]
Balance - beginning of period	1,354,732	-	-	1,354,732	522,440
Write-down of mineral properties	-	-	(6,244)	(6,244)	-
Balance - end of period	$ 1,389,605	$ 310,388	$ 300	$ 1,700,293	$ 849,102

During the nine months ended September 30, 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 Bay Claims in Vauquelin Township, Quebec ("Nordeau Project").

In order to acquire the interests in the Nordeau Project, the Company must pay Globex cash payments totalling $500,000 by December 31, 2007, of which $100,000 has been paid as at September 30, 2006; issued 1,000,000 common shares to Globex at a deemed price of $0.16 per share; incur exploration expenditures of $6,000,000 by December 31, 2008 (of which $39,575 has been incurred as at September 30, 2006) and complete a bankable feasibility study by December 31, 2009. Globex will 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.

5. Mineral Properties and Deferred Exploration Costs (continued)

(1) The GHHM Gold Project is comprised of four properties along the prolific Destor-Porcupine Fault Zone. These four properties are subject to a 2% net smelter returns royalty to a director of the Company as at September 30, 2006.

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

6. Due to Related Parties

	September 30, 2006	December 31, 2005
Related company	$ 25,858	$ 25,858
Director	76,679	76,679
	$ 102,537	$ 102,537

Amounts due to related parties are non-interest bearing, unsecured and due on demand. The Company and the related company have a director in common. This director is also a shareholder and officer of both companies.

7. Share Capital

a) Authorized:

Unlimited common shares
Unlimited preferred shares

b) Common Shares Issued and Outstanding:

	Number	Amount
Balance - December 31, 2005	22,861,000	$ 2,131,658
Issued for: private placement	5,208,330	471,420
exercise of options	206,356	55,881
mineral properties	1,000,000	160,000
Tax effect on renunciation of flow-through shares	-	(266,818)
Balance - September 30, 2006	29,275,686	$ 2,552,141

During the nine months ended September 30, 2006, the Company:

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

ii) Issued 206,356 common shares to a director pursuant to the exercise of an equivalent number of

7. Share Capital (continued)

stock options for cash proceeds of $41,271. The Company has allocated the $14,610 recorded value of these options to the common shares.

iii) Issued 4,000,000 units for cash proceeds of $400,000 (of which 625,000 units were issued to directors of the Company) pursuant to a private placement.

Each unit consists of one common share and one-half share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of $0.15 per share until February 2, 2008. The estimated fair values of the warrants were estimated at $73,580 and this amount has been allocated to the warrant component of the units.

The fair value of the warrants was estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	4.16%
Expected life	1.5 years
Expected volatility	100%

Warrant pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's warrants.

iv) issued 1,000,000 common shares to Globex at the deemed price of $0.16 per share as part of the considerations for the Nordeau Project as described in note 5.

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

As at September 30, 2006, the Company has sufficient unused tax losses and deductions ("losses") to offset the future income tax liability resulting from the renunciation and no future income tax assets have been previously recognized on such losses; therefore, future income tax recoveries of $266,818 related to these losses were recognized and recorded as income during the nine months ended September 30, 2006 to offset the future income tax liability.

8. Warrants

	Number	Amount
Balance - December 31, 2005	1,544,000	$ 84,920
Issued	2,000,000	73,580
Balance - September 30, 2006	3,544,000	$ 158,500

8. Warrants (continued)

As at September 30, 2006, the following common share purchase warrants ("warrants") were issued and outstanding:

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

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

9. Options

a) The Board of Directors has adopted a stock option plan for the Company (the "Plan"). Pursuant to the Plan, the Board of Directors may, from time to time at its discretion, allocate non-transferable options to purchase shares to directors, officers, employees and consultants of the Company.

   Under the Plan, the aggregate number of shares to be issued upon the exercise of options granted thereunder may not exceed 10% of the number of issued and outstanding shares at the time of granting the options. Options shall expire no later than five years after the date of grant.

   The exercise price of options granted pursuant to the Plan shall be established based on the average closing price of the shares for the five days prior to the date of grant or such other method of pricing as may be acceptable to the stock exchange on which the shares are listed.

b) During the nine months ended September 30, 2006, the Company granted 1,050,000 stock options to directors, officers and employees. Each option entitles the holder to purchase one share of the Company's common stock at a price of $0.175 per share until April 5, 2011. 25% of these options are vested at the date of grant, and the remainder vest at the rate of 25% every six months following the date of grant.

   As at September 30, 2006, 481,250 of these options have been earned and the estimated fair value of $64,295 has been included as stock-based compensation.

   The fair value of stock options to directors, officers and employees was estimated at the grant date based on the Black-Scholes pricing model, using the following weighted average assumptions:

Expected dividend yield	Nil
Risk-free interest rate	4.20%
Expected life	5.0 years
Expected volatility	100%

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

9. Options (continued)

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

	Number	Amount
Balance - December 31, 2005	1,777,956	$ 71,836
Granted	1,050,000	64,295
Exercised	(206,356)	(14,610)
Expired/Cancelled	-	-
Stock-based compensation recognized on options with graded vesting schedule	-	108,662
Balance - September 30, 2006	2,621,600	$ 230,183

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

	Number	Weighted Average Exercise Price
Balance - December 31, 2005	1,777,956	$ 0.220
Granted	1,050,000	0.175
Exercised	(206,356)	0.200
Expired/cancelled	-	-
Balance - September 30, 2006	2,621,600	$ 0.200

e) As at September 30, 2006 the following options were outstanding:

	Number of Options		
Option Price	Unvested	Vested	Expiry Date
$ 0.175	787,500	262,500	April 5, 2011
$ 0.200	262,500	687,500	September 1, 2010
$ 0.250	-	621,600	May 30, 2007
	1,050,000	1,571,600	

10. Contributed Surplus

Balance - December 31, 2005 and September 30, 2006	$ 31,647

11. Related Party Transactions

During the nine months ended September 30, 2006, the Company:

a) incurred rent of $16,875 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 $102,000 with one of the Company's officers. As at September 30, 2006, accounts payable and accrued liabilities included $72,210 payable to this officer.

c) incurred consulting fees of $3,750 with one of the Company's directors. As at September 30, 2006, accounts payable and accrued liabilities included $1,250 payable to this director.

d) incurred accounting fees of $22,500 with an accounting firm in which one of the Company's officers is a partner. As at September 30, 2006, accounts payable and accrued liabilities included $39,200 payable to this accounting firm.

e) incurred insurance premiums of $25,904 with a firm in which one of the Company's director is a senior executive.

Three additional related party transactions are described separately in note 7.

12. Subsequent Events

Subsequent to the nine months ended September 30, 2006:

a) The Company issued 2,916,668 flow through common shares for cash proceeds of $350,000 pursuant to a private placement. A director acquired 2,250,000 shares and an officer acquired 300,000 shares.

b) The Company issued 2,083,332 flow-through units for cash proceeds of $250,000 pursuant to a private placement. Each unit consists of one flow-through common share and one non-flow-through common share purchase warrant. Each warrant will entitle the holder to purchase one non-flow-through common share at a price of $0.20 per share until 1 year from the date of issuance of the units, and $0.30 per share thereafter until 2 years from the date of the issuance of the units.

   In conjunction with this private placement, the Company paid finder's due diligence fees of $25,000 cash and granted a compensation option to the broker to acquire 208,333 units at a price of $0.12 per unit until November 3, 2008. Each unit has the same features except that the shares are non-flow-through.

c) 250,000 of the Company's stock options with an exercise price of $0.20 were cancelled as a result of a director's resignation.

d) 150,000 of the Company's stock options with an exercise price of $0.175 were cancelled as a result of a director's resignation.