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**Financial Statements**

**Plato Gold Corp.**

**Nine Months Ended September 30, 2007**

**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

	September 30, 2007 (unaudited)	December 31, 2006
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 348,947	\$ 418,877
Other receivables	-	43,261
Deposits and prepaid expenses	34,031	34,976
	<u>382,978</u>	<u>497,114</u>
<b>Mineral Properties and Deferred Exploration Costs</b> (note 5)	2,719,686	2,411,420
<b>Property, Plant and Equipment</b>	<u>3,603</u>	<u>4,523</u>
	<u>\$ 3,106,267</u>	<u>\$ 2,913,057</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 286,242	336,196
Due to related parties (note 6)	102,537	102,537
	<u>388,779</u>	<u>438,733</u>
<b>Shareholders' Equity</b>		
<b>Share Capital</b> (note 7)	3,431,454	3,436,910
<b>Warrants</b> (note 8)	346,672	135,246
<b>Stock Options</b> (note 9)	326,432	282,910
<b>Contributed Surplus</b>	214,555	155,503
<b>Deficit</b>	<u>(1,601,625)</u>	<u>(1,536,245)</u>
	<u>2,717,488</u>	<u>2,474,324</u>
	<u>\$ 3,106,267</u>	<u>\$ 2,913,057</u>

Approved on behalf of the Board

“Anthony J. Cohen”, Director

“Robert Van Tassell”, Director

# Plato Gold Corp.

Statements of Operations and Deficit  
Nine Months Ended September 30, 2007 and 2006  
Unaudited - See Notice to Reader

	Nine Months Ended		Three Months Ended	
	September 30, 2007	September 30, 2006	September 30, 2007	September 30, 2006
<b>Revenue</b>				
Interest income	\$ 8,959	\$ 1,013	\$ 2,321	\$ 563
<b>Expenses</b>				
Amortization	920	1,453	292	554
Consulting fees	75,637	106,350	25,212	19,250
Insurance	15,499	18,584	3,837	6,476
Interest and financing costs	1,058	344	397	148
Investor relations	15,000	-	10,000	-
Office and general	7,494	16,280	664	6,919
Professional fees	87,798	79,687	7,950	43,879
Publicity and advertising	10,955	6,827	4,804	-
Rent	16,981	16,875	5,660	5,660
Salaries and benefits	110,692	104,443	36,814	33,906
Stock-based compensation	72,770	172,957	-	30,866
Transfer and filing fees	24,694	28,117	2,171	8,650
	<u>439,498</u>	<u>551,917</u>	<u>97,801</u>	<u>156,308</u>
<b>Loss Before the Undernoted Item</b>	(430,539)	(550,904)	(95,480)	(155,745)
<b>Write-Down of Mineral Properties and Deferred Exploration Costs</b>	<u>(300)</u>	<u>(6,244)</u>	<u>-</u>	<u>-</u>
<b>Loss before Income Taxes</b>	(430,839)	(557,148)	(95,480)	(155,745)
<b>Future Income Tax Recoveries</b>	<u>365,459</u>	<u>266,818</u>	<u>-</u>	<u>-</u>
<b>Loss for the Period</b>	(65,380)	(290,330)	(95,480)	(155,745)
<b>Deficit - Beginning of Period</b>	<u>(1,536,245)</u>	<u>(1,130,578)</u>	<u>(1,506,145)</u>	<u>(1,265,163)</u>
<b>Deficit - End of Period</b>	<u><u>\$(1,601,625)</u></u>	<u><u>\$(1,420,908)</u></u>	<u><u>\$(1,601,625)</u></u>	<u><u>\$(1,420,908)</u></u>
<b>Loss per Share</b>				
Basic	\$ -	\$ (0.01)	\$ -	\$ -
Fully diluted	-	(0.01)	-	-
<b>Weighted Average Number of Common Shares Outstanding</b>				
Basic	41,611,447	24,901,555	44,163,560	27,297,425
Fully diluted	41,611,447	24,901,555	44,163,560	27,297,425

# Plato Gold Corp.

## Cash Flow Statements

Nine Months Ended September 30, 2007 and 2006

Unaudited - See Notice to Reader

	Nine Months Ended		Three Months Ended	
	September 30, 2007	September 30, 2006	September 30, 2007	September 30, 2006
<b>Cash Flows from Operating Activities</b>				
Net Income (Loss)	\$ (65,380)	\$ (290,330)	\$ (95,480)	\$ (155,745)
Items not affecting cash				
Amortization	920	1,453	292	554
Stock-based compensation	72,770	142,091	-	-
Write-down of mineral properties	300	6,244	-	-
Future income tax recoveries	(365,459)	(266,818)	-	-
	(356,849)	(407,360)	(95,188)	(155,191)
Changes in non-cash working capital				
Other receivables	43,261	72,257	10,436	(6,049)
Deposits and prepaid expenses	945	(3,974)	(5,531)	6,476
Accounts payable and accrued liabilities	36,666	121,733	(55,930)	53,603
	(275,977)	(217,344)	(146,213)	(101,161)
<b>Cash Flows from Financing Activities</b>				
Issuance of share capital	601,233	777,137	-	590,866
<b>Cash Flows from Investing Activities</b>				
Mineral properties and deferred exploration costs, net	(395,186)	(483,076)	192,856	(302,029)
<b>Change in cash and cash equivalents</b>	(69,930)	76,717	46,643	187,676
<b>Cash and cash equivalents - beginning of period</b>	418,877	126,911	302,304	15,952
<b>Cash and cash equivalents - end of period</b>	<u>\$ 348,947</u>	<u>\$ 203,628</u>	<u>\$ 348,947</u>	<u>\$ 203,628</u>
<b>Non-cash financing and investing activities</b>				
Stock options granted to agent	\$ 29,804	\$ 30,866	\$ -	\$ 30,866

# Plato Gold Corp.

Notes to the Financial Statements

Nine Months Ended September 30, 2007

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 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 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 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 Vauquelin 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. The third project, Lolita Gold 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 mineral reserves. Consequently, the Company considers itself to be an exploration stage company.

## 2. 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, 2006. These interim financial statements have not been reviewed by the Company's auditors.

## 3. Changes in Accounting Policies

Effective January 1, 2007, the Company adopted the following new Canadian Institute of Chartered Accountants' Handbook Sections:

- Section 1530 – Comprehensive Income;
- Section 3855, Financial Instruments – Recognition and Measurement;
- Section 3861, Financial Instruments – Disclosure and Presentation, and
- Section 3865, Hedges.

These standards require that the Company initially recognize all financial assets and financial liabilities on the balance sheet at their fair values. Subsequent to initial recognition, financial instruments are measured at fair value, amortized cost or cost depending on the financial instrument classification.

# Plato Gold Corp.

Notes to the Financial Statements

Nine Months Ended September 30, 2007

Unaudited - See Notice to Reader

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### 3. Changes in Accounting Policies (continued)

The Company's financial instruments recognized on the balance sheet consist of cash and cash equivalents, other receivables, accounts payable and accrued liabilities, and amounts due to related parties. The Company has no unrecognized financial instruments or derivative financial instruments.

The estimated fair market values of the financial instruments approximate their carrying values due to their short-term maturities.

In accordance with the new policies, no adjustment was required at the start of the period.

### 4. Basis of Presentation

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

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.

# Plato Gold Corp.

Notes to the Financial Statements

Nine Months Ended September 30, 2007

Unaudited - See Notice to Reader

## 5. Mineral Properties and Deferred Exploration Costs

	September 30, 2007			
	GHHM Gold Project	Nordeau Vauquelin Gold Project	Other Properties	Total
Acquisition costs	\$ -	\$ 37,338	\$ 19,500 <sup>(1)</sup>	\$ 62,369
Diamond Drilling	-	347,683	-	347,683
Geochemistry	-	33,024	-	33,024
Geology	1,387	84,970	-	86,357
Geophysical	-	-	-	-
Linecutting	-	-	-	-
Other	6,077	2,213	-	8,290
Government grants	-	(223,626)	-	(223,626)
Current expenditures	7,464	281,602	19,500	308,566
Balance - beginning of period	\$ 1,393,316	\$ 1,017,804	\$ 300	\$ 2,411,420
Write-down of mineral properties	-	-	(300)	(300)
Balance - end of period	<u>\$ 1,400,780</u>	<u>\$ 1,299,406</u>	<u>\$ 19,500</u>	<u>\$ 2,719,686</u>

- <sup>(1)</sup> During the third quarter, the Company announced that it had entered into a joint venture agreement to acquire a 75% interest in 29,904 hectares known as the Lolita Property in Argentina. The Company is required to incur \$50,000US in initial expenditures before June 19, 2009. After the initial expenditure, a Work Program for up to \$500,000US 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 Venture 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 \$500,000.

## 6. Due to Related Parties

	September 30 2007	December 31, 2006
Related company	\$ 25,858	\$ 25,858
Director	76,679	76,679
	<u>\$ 102,537</u>	<u>\$ 102,537</u>

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.

# Plato Gold Corp.

Notes to the Financial Statements  
Nine Months Ended September 30, 2007  
Unaudited - See Notice to Reader

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## 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, 2006	37,709,019	\$ 3,436,910
Issued for private placements	6,454,541	360,003
Tax effect on renunciation of flow-through shares	-	(365,459)
	<u>44,163,560</u>	<u>\$ 3,431,454</u>

## 8. Warrants

	<u>Number</u>	<u>Amount</u>
Balance - December 31, 2006	4,083,332	\$ 135,246
Issued	6,454,541	211,426
	<u>10,537,873</u>	<u>\$ 346,672</u>

As at September 30, 2007, 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.
- 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.
- 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.



# Plato Gold Corp.

Notes to the Financial Statements  
Nine Months Ended September 30, 2007  
Unaudited - See Notice to Reader

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## 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.

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>
Balance - December 31, 2006	4,229,933	\$ 282,910
Granted/vested	400,000	72,770
Agent's options granted	645,454	29,804
Exercised	-	-
Expired/Cancelled	<u>(621,600)</u>	<u>(59,052)</u>
Balance - September 30, 2007	<u>4,653,787</u>	<u>\$ 326,432</u>

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

	<u>Number</u>	<u>Weighted Average Exercise Price</u>
Balance - December 31, 2006	4,229,933	\$ 0.158
Granted	400,000	0.10
Agent's options granted	645,454	0.10
Exercised	-	-
Expired/cancelled	<u>(621,600)</u>	<u>(0.25)</u>
Balance - September 30, 2007	<u>4,653,787</u>	<u>\$ 0.132</u>

# Plato Gold Corp.

Notes to the Financial Statements

Nine Months Ended September 30, 2007

Unaudited - See Notice to Reader

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## 9. Options (continued)

d) As at September 30, 2007 the following options were outstanding:

Option Price	Number of Options		Expiry Date
	Unvested	Vested	
\$ 0.10	300,000	100,000	June 4, 2009
\$ 0.10	-	272,727	June 18, 2009
\$ 0.105	900,000	900,000	November 16, 2011
\$ 0.12	-	208,333	November 3, 2008
\$ 0.175	225,000	675,000	April 5, 2011
\$ 0.10	-	372,727	February 19, 2009
\$ 0.20	-	700,000	September 1, 2010
	<u>1,425,000</u>	<u>3,228,787</u>	

## 10. Related Party Transactions

During the nine months ended September 30, 2007, the Company:

- incurred rent of \$16,981 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 \$56,700 with one of the Company's officers. As at September 30, 2007, accounts payable and accrued liabilities included \$25,767 payable to this officer.
- incurred consulting fees of \$3,938 with one of the Company's directors. As at September 30, 2007, accounts payable and accrued liabilities included \$1,313 payable to this director.
- incurred accounting fees of \$58,545 with an accounting firm in which one of the Company's officers is a partner. As at September 30, 2007, accounts payable and accrued liabilities included \$120,084 payable to this accounting firm.