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**Condensed Interim Consolidated Financial Statements**

# **Plato Gold Corp.**

**For the Three Months Ended March 31, 2019 and 2018  
(Stated in Canadian Dollars)**

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## **NOTICE TO READER**

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

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# Plato Gold Corp.

Condensed Interim Consolidated Statements of Financial Position

Unaudited - See Notice to Reader

Stated in Canadian dollars

	March 31, 2019	December 31, 2018
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 2,147	\$ 11,674
Other receivables (note 4)	40,937	54,009
Portfolio investments (note 5)	214,266	217,123
	<u>257,350</u>	<u>282,806</u>
<b>Equipment</b>	57	62
<b>Mineral Properties and Deferred Exploration Costs</b> (note 6)	<u>1,474,413</u>	<u>1,470,998</u>
	<u>\$ 1,731,820</u>	<u>\$ 1,753,866</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities (note 10)	<u>\$ 704,082</u>	<u>\$ 707,701</u>
<b>Shareholders' Equity</b>		
Share Capital (note 7)	8,730,206	8,730,206
Warrants (note 8)	154,984	154,984
Contributed Surplus	3,403,789	3,403,789
Deficit	(11,235,389)	(11,217,872)
Non-Controlling Interest	(25,852)	(24,942)
	<u>1,027,738</u>	<u>1,046,165</u>
	<u>\$ 1,731,820</u>	<u>\$ 1,753,866</u>

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

Approved on behalf of the Board

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

\_\_\_\_\_"John H. Paterson"\_\_\_\_\_, Director

# Plato Gold Corp.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the Three Months Ended March 31

Unaudited - See Notice to Reader

Stated in Canadian dollars

	2019	2018
<b>Income</b>		
Investment income	\$ 1,263	\$ 847
<b>Expenses</b>		
Amortization	5	7
Consulting fees	175	26,475
Insurance	1,803	1,778
Interest and financing fees	352	14,897
Office and general	771	3,335
Professional fees	20,625	6,548
Publicity and advertising	267	2,945
Rent	600	1,200
Salaries and benefits	25	24,000
Interest accretion	-	6,908
Transfer and filing fees	8,852	9,114
Write-down of mineral properties (note 6)	13,913	-
Less:		
Fair value adjustment on portfolio investments	(16,358)	(2,831)
Realized gain on sale of portfolio investment (note 5)	(11,340)	-
	<u>19,690</u>	<u>94,376</u>
<b>Net Loss and Comprehensive Loss</b>	<u>\$ (18,427)</u>	<u>\$ (93,529)</u>
<b>Attributable to:</b>		
Equity holders of Plato Gold Corp.	(17,517)	(92,880)
Non-Controlling Interest	(910)	(649)
<b>Loss per Share - basic and diluted</b>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
<b>Weighted Average Number of Common Shares Outstanding - basic and diluted</b>		
	<u>197,499,727</u>	<u>167,400,713</u>

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

# Plato Gold Corp.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

For the Three Months Ended March 31

Unaudited - See Notice to Reader

Stated in Canadian dollars

	Share Capital			Contributed Surplus	Equity Component of Convertible Debentures	Accumulated Deficit	Non- Controlling Interest	Total
	Shares	Amount	Warrants					
<b>Balance - January 1, 2018</b>	164,707,455	\$ 7,235,377	\$ -	\$ 3,187,275	\$ 85,300	\$ (11,281,472)	\$ (21,620)	\$ (795,140)
Shares and warrants issued from private placement	8,300,000	290,420	-	124,580	-	-	-	415,000
Shares and warrants issuance cost	-	(23,677)	-	(3,341)	-	-	-	(27,018)
Net comprehensive loss	-	-	-	-	-	(92,880)	(649)	(93,529)
<b>Balance - March 31, 2019</b>	173,007,455	\$ 7,502,120	\$ -	\$ 3,308,514	\$ 85,300	\$ (11,374,352)	\$ (22,269)	\$ (500,687)

	Share Capital			Contributed Surplus	Equity Component of Convertible Debentures	Accumulated Deficit	Non- Controlling Interest	Total
	Shares	Amount	Warrants					
<b>Balance - January 1, 2019</b>	197,499,727	\$ 8,730,206	\$ 154,984	\$ 3,403,789	\$ -	\$ (11,217,872)	\$ (24,942)	\$ 1,046,165
Net comprehensive loss	-	-	-	-	-	(17,517)	(910)	(18,427)
<b>Balance - March 31, 2019</b>	197,499,727	\$ 8,730,206	\$ 154,984	\$ 3,403,789	\$ -	\$ (11,235,389)	\$ (25,852)	\$ 1,027,738

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

# Plato Gold Corp.

Condensed Interim Consolidated Statements of Cash Flow

For the Three Months Ended March 31

Unaudited - See Notice to Reader

Stated in Canadian dollars

	2019	2018
<b>Cash Flows from Operating Activities</b>		
Net loss	\$ (18,427)	\$ (93,529)
Items not involving cash from operating activities		
Gain on sale of securities	(11,340)	
Items not involving cash		
Amortization	5	7
Accretion expense		6,908
Write-down of mineral properties	13,913	
Fair value adjustment on portfolio investments	(16,358)	(2,832)
	<u>(32,207)</u>	<u>(89,446)</u>
Changes in non-cash working capital		
Other receivables	13,072	(42,831)
Deposits and prepaid expenses	-	(67,500)
Accounts payable and accrued liabilities	(3,618)	211,795
	<u>(22,753)</u>	<u>12,018</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of shares and warrants	-	415,000
Share and warrant issuance costs	-	(27,018)
Financing in progress	-	25,000
	<u>-</u>	<u>412,982</u>
<b>Cash Flows from Investing Activities</b>		
Mineral properties and deferred explorations costs	(17,328)	(249,778)
Proceeds on sale of investments	30,554	-
	<u>13,226</u>	<u>(249,778)</u>
<b>Change in cash</b>	<u>(9,527)</u>	<u>175,222</u>
<b>Cash - beginning of period</b>	<u>11,674</u>	<u>36,667</u>
<b>Cash - end of period</b>	<u>\$ 2,147</u>	<u>\$ 211,889</u>

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

# Plato Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements  
For the Three Months Ended March 31, 2019 and 2018  
Unaudited - See Notice to Reader  
Stated in Canadian Dollars

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## 1. Nature of Operations

Plato Gold Corp. (the "Company") is an Ontario corporation formed by amalgamation on May 30, 2005. The primary offices are located at 1240 Bay Street, Suite 800, Toronto, Ontario M5R 2A7.

The Company is a public gold and rare minerals exploration company with three projects. The first project, Good Hope Niobium Project consists of a total of 254 claims, consisting of 227 Single Cell Mining Claims and 27 Boundary Cell Mining Claims, and covers an area of approximately 5,100 hectares in Killala Lake Area and Cairngorm Lake Area Townships, northwest of Marathon, Ontario. The second project, the Lolita Project in Santa Cruz, Argentina, includes three adjoining concessions in Southern Argentina, which are held by the Company's 75% owned subsidiary, Winnipeg Minerals S.A. ("WMSA"). The third project, the Timmins Gold Project in Northern Ontario 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 Company is in the process of exploring its mineral properties and has not yet determined whether its properties contain economic mineral reserves. Consequently, at March 31, 2019 the Company considers itself to be an exploration and evaluation stage company with respect to these properties.

The Company has not yet realized profitable operations and has incurred significant losses to date resulting in a cumulative deficit of \$11,235,389 as at March 31, 2019. The Company's continued existence is dependent upon its ability to raise additional capital and/or obtaining financing from related parties and develop profitable operations. Management believes that it has the ability to raise the required additional funding. While management has been historically successful in raising the necessary capital, it cannot provide assurance that it will be able to execute on its business strategy or be successful in future financing activities. As at March 31, 2019, the Company's current liabilities exceed its current assets by \$446,732. Given the above, the Company has material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

## 2. Basis of Presentation and Going Concern

The Company's condensed interim consolidated financial statements reflect the results of operations for the three months ended March 31, 2019 and 2018, and the assets, liabilities and shareholders' equity as at March 31, 2019.

The condensed interim consolidated financial statements include the accounts of the Company and its 75% owned subsidiary, Winnipeg Minerals S.A., an Argentinean company. All significant intercompany balances and transactions have been eliminated on consolidation.

### a) Statement of Compliance

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

# Plato Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements  
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## 2. Basis of Presentation and Going Concern (continued)

### a) Statement of Compliance (continued)

These condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2018.

The policies applied in the Company's consolidated financial statements are in accordance with International Financial Reporting Standards ("IFRS") effective as of March 31, 2019 as issued by the International Accounting Standards Board. The date that the Board of Directors approved the statements is May 22, 2019.

### b) Critical judgements, estimates, and assumptions

The preparation of the condensed interim consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed interim consolidated financial statements and the reported amounts of operations during the reporting period. Significant estimates and assumptions include those related to the following:

- the recoverability of the carrying value of the resource properties
- management's determination that there is no deferred tax asset recognized in these consolidated financial statements and
- the ability to continue as a going concern
- the value of warrants issued by the Company

While management believes that the estimates and assumptions are reasonable, actual results could differ from those estimates.

Management has also used its judgement in determining that the functional currency of the Company is the Canadian dollar and the state of development of the mineral properties as exploration stage.

### c) Going Concern

The Company's ability to continue as a going concern is dependent upon, but not limited to, its ability to raise financing necessary to fund its exploration and development programs and general and administrative expenses, maintain its resource properties, discharge its liabilities as they become due and generate positive cash flows from operations. There is no certainty that the Company will be successful in raising financing given the current condition of the financial markets, and as such there is significant uncertainty the Company will be able to continue as a going concern.

# Plato Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements  
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## 2. Basis of Presentation and Going Concern (continued)

### c) Going Concern (continued)

The condensed interim consolidated financial statements are prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of the business. Accordingly, these condensed interim consolidated financial statements do not give effect to adjustments that may be necessary, should the Company be unable to continue as a going concern. If the going concern assumption is not used then the adjustments required to report the Company's assets and liabilities at liquidation values could be material to these condensed interim consolidated financial statements.

## 3. Significant Accounting Policies

The Company's complete accounting policies have been included in the consolidated financial statements for the year ended December 31, 2018. The accounting policies the Company followed in preparing these condensed interim consolidated financial statements were the same as those applied by the Company in the annual consolidated financial statements as at and for the year ended December 31, 2018.

### a) Changes in accounting standards effective January 1, 2019:

IFRS 16 Leases ("IFRS 16") was issued by the IASB in January 2016 and replaces IAS 17, Leases for annual periods beginning on or after January 1, 2019. IFRS 16 specifies the methodology to recognize, measure, present, and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases except for short-term leases and leases with low value assets. A lessee will apply IFRS 16 to its leases either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of applying IFRS 16 being recognized at the date of initial application. The adoption of IFRS 16 did not have a significant impact on its condensed interim consolidated financial statements.

## 4. Other Receivables

Other receivables include a receivable from a related party of \$51,630 (December 31, 2018 - \$50,833), which is net of a valuation allowance of \$23,912 (December 31, 2018 - \$23,912) and HST receivable of \$40,937 (December 31, 2018 - \$15,907).

The receivables from related party are due on demand and do not bear interest. Due to the short-term nature, the carrying amount of the receivables approximates fair value. The related party holds the non-controlling interest in WMSA.



# Plato Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements  
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## 5. Portfolio Investments

### a) Osisko Mining Inc. (formerly - Northern Gold Mining Inc. and Oban Mining Corporation)

During the three months ended March 31, 2019, the Company sold 1,500 shares for gross proceeds of \$4,910 resulting in a realized loss of \$12,532.

As at March 31, 2019, the Company holds a total of 10,249 (December 31, 2018 - 11,749) shares of Osisko, with fair value of \$29,927 (December 31, 2018 - \$36,069).

### b) Monarques Gold Corporation (formerly Monarques Resources Inc.)

As at March 31, 2019, the Company holds a total of 80,758 (December 31, 2018 - 80,758) shares of Monarques, with fair value of \$25,842 (December 31, 2018 - \$19,786).

### c) Kirkland Lake Gold Inc. (formerly St. Andrew Goldfields Ltd.)

During the three months ended March 31, 2019, the Company sold 630 shares for gross proceeds of \$25,644 resulting in a realized gain of \$23,872.

As at March 31, 2019, the Company holds 3,900 (December 31, 2018 - 4,530) common shares of Kirkland, with fair value of \$158,496 (December 31, 2018 - \$161,268).

The Company classifies all portfolio investments as Level 1 under the fair value hierarchy. There were no transfers between fair value levels during the three months ended March 31, 2019.

# Plato Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2019 and 2018

Unaudited - See Notice to Reader

Stated in Canadian Dollars

## 6. Mineral Properties and Deferred Exploration Costs

	Good Hope Project	Lolita Project	Timmins Gold Project	Total
<b>Balance - December 31, 2014</b>	\$ -	\$ 316,964	\$ 1,025,067	\$ 1,342,031
Expenditures (recoveries) - January 1, 2015 to December 31, 2018	1,470,998	42,260	10,554	1,523,812
Write downs - January 1, 2015 to December 31, 2018	-	(359,224)	(1,035,621)	(1,394,845)
<b>Balance - December 31, 2018</b>	\$ 1,470,998	\$ -	\$ -	\$ 1,470,998
Acquisition costs	-	-	-	-
Exploration costs	3,415	-	-	3,415
Other	-	13,097	816	13,913
Total Current expenditures	3,415	13,097	816	17,328
Write-down of mineral property	-	(13,097)	(816)	(13,913)
<b>Balance - March 31, 2019</b>	<b>\$ 1,474,413</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,474,413</b>

### a) Good Hope Niobium Project

On May 31, 2017, the Company signed two Option Agreements, KL226 Option Agreement and KL37 Option Agreement to acquire 100% interest in the Good Hope Niobium Project in Killala Lake area, near Marathon Ontario.

The Good Hope Niobium Property consists of a total of 254 claims, consisting of 227 Single Cell Mining Claims and 27 Boundary Cell Mining Claims, and covers an area of approximately 5,100 hectares in Killala Lake Area and Cairngorm Lake Area Townships, northwest of Marathon, Ontario. The Good Hope Property is located approximately 45 kilometers northwest of Marathon and 28 km north of Highway 17. The property is readily accessible from Trans-Canada Highway 17 and Dead Horse Road. The Property is also in close proximity to the Hemlo gold mining camp.

For the KL226 Option Agreement, the Company, as the Optionee, will earn in for 100% interest in the KL226 claims upon completion of the following:

i) Total cash payment of \$106,600 as follows:

- i) \$11,600 within 7 days of signing
- ii) \$15,000 within 60 days of TSXV approval
- iii) \$20,000 on or before the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> anniversary of the TSXV approval

# Plato Gold Corp.

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

### a) Good Hope Niobium Project (continued)

ii) Total payment of 7,500,000 common shares

- i) 3,500,000 common shares within 15 days of TSXV approval
- ii) 1,000,000 common shares on or before the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> anniversary of the TSXV approval

iii) Combined exploration expenditures of \$400,000 on either or both the KL226 and KL37 properties

- i) \$100,000 on or before the 1<sup>st</sup> anniversary of the TSXV approval
- ii) \$300,000 on or before the 4<sup>th</sup> anniversary of the TSXV approval

For the KL37 Option Agreement, the Company, as the Optionee, will earn in for 100% interest in the KL37 claims upon completion of the following:

i) Total cash payment of \$2,000 as follows:

- i) \$2,000 within 7 days of signing

ii) Total payment of 1,600,000 common shares

- i) 1,000,000 common shares within 15 days of TSXV approval
- ii) 150,000 common shares on or before the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> anniversary of the TSXV approval

iii) Combined exploration expenditures of \$400,000 on either or both the KL226 and KL37 properties

- i) \$100,000 on or before the 1<sup>st</sup> anniversary of the TSXV approval
- ii) \$300,000 on or before the 4<sup>th</sup> anniversary of the TSXV approval

For both the KL226 and KL37 Option Agreements

- i) A 3% Net Smelter Return Royalty to Optionors, with first right of refusal for 50% buy back for \$1,500,000.
- ii) A 3% Gross Overriding Royalty from the production of diamonds only to Optionors, with first right of refusal for 50% buy back for \$1,500,000.
- iii) Performance Shares of 1,000,000 common shares to Optionors, if a NI 43101 compliant resource exceeding 100 million tonnes of Nb205/P205 and an additional 2,000,000 common shares to Optionors, upon a positive bankable feasibility study.
- iv) 10% of the sale price or option price in cash or shares to Optionors, if the KL226 or KL37 claims are sold or optioned to a third party.

# Plato Gold Corp.

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

### a) Good Hope Niobium Project (continued)

Prior to the 1st anniversary of the TSXV approval, on May 31, 2018, the Company issued 1,150,000 common shares for the KL37 and KL226 Option Agreements and made cash payment of \$20,000 for the KL226 Option Agreement. As well, exploration expenditures in excess of \$100,000 were made prior to the 1<sup>st</sup> anniversary.

The two option agreements are in good standing as of March 31, 2019 and there are no breaches of any covenants, terms or conditions in respect thereof.

### b) Lolita Project

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

Upon completion of the initial expenditures, a Joint Work Program for up to US\$500,000 was jointly developed and financed 75% by the Company and 25% by the other party ("Lhotka"). The agreement allows that Lhotka shall have its Joint Venture interest in the property diluted by 5% for each US\$100,000 in expenditures spent by the Company, if Lhotka declines its portion of the expenditure. Lhotka's interest in the property shall not be reduced to less than 2%, unless otherwise agreed by the parties, and Lhotka is entitled to receive a 2% Net Smelter Royalty ("NSR"). The Company has available an option to purchase the NSR for US\$500,000.

With the completion of the initial expenditures, registration of ownership of the property proceeded in accordance with the Joint Venture Agreement. As of August 9, 2011, Winnipeg Minerals S.A. ("WMSA") was incorporated in Argentina with the Company holding 75% and Lhotka holding 25% of the outstanding shares. The mineral claims were subsequently transferred to WMSA as of November 14, 2011.

With the exception of the amendment on June 16, 2009, there have been no changes to the terms of the option agreement since August 27, 2007.

Expenditures after the initial stage from January 1, 2010 to the incorporation of WMSA in 2011 incurred by the Company were \$179,829. As of the incorporation of WMSA, the total due from Lhotka amounted to CDN \$47,824 and consisted of:

1. 25% of \$179,829 which amounts to \$44,957
2. 25% of the mandatory deposit for shares of \$11,465 which amounts to \$2,867

The total due in 2011 prior to the incorporation of WMSA is \$47,824. In 2015, the Company reported an allowance of \$23,912 on the total due. Going forward, the Company is reporting a total due of \$23,912 prior to the incorporation of WMSA.

# Plato Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

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

### b) Lolita Project (continued)

#### Winnipeg Minerals S.A (“WMSA”).

WMSA was incorporated on August 9, 2011. Since incorporation funding to the Lolita Project consists of loans to WMSA and expenses incurred by the Company which are allocated to the Company (75%) and Lhotka (25%).

As at December 31, 2015, the total loaned to WMSA and expenses incurred by the Company after the incorporation of WMSA totaled \$74,045 with Plato accounting for \$55,534 (75%) and Lhotka \$18,511 (25%). The Company reported total due from Lhotka at December 31, 2015 of \$42,423.

As at December 31, 2016, the total loaned to WMSA and expenses incurred by the Company after the incorporation of WMSA totaled \$81,265 with Plato accounting for \$60,949 (75%) and Lhotka \$20,316 (25%). In 2016, Lhotka incurred expenses resulting in a credit of \$3,220, a reduction in accounts receivable for services provided by Lhotka. The Company reported total due from Lhotka at year end 2016 of \$41,008.

As of December 31, 2017, the total loan to WMSA and expenses incurred by the Company after the incorporation of WMSA totals \$103,315 with Plato accounting for \$77,486 (75%) and Lhotka \$25,829 (25%). The Company reported total due from Lhotka at December 31, 2017 of \$46,521.

As of December 31, 2018, the total loan to WMSA and expenses incurred by the Company after the incorporation of WMSA totals \$120,565 with Plato accounting for \$90,424 (75%) and Lhotka \$30,141 (25%). The Company reported total due from Lhotka at December 31, 2018 of \$50,833.

As of March 31 2019, the total loaned to WMSA and expenses incurred by the Company after the incorporation of WMSA totals \$123,752 with Plato accounting for \$92,814 (75%) and Lhotka \$30,938 (25%). The Company reported total due from Lhotka at March 31, 2019 of \$51,630.

The option agreement, including the amendment, was in good standing as of March 31, 2019 and there are no breaches of any covenants, terms or conditions in respect thereof.

# Plato Gold Corp.

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

### b) Lolita Project (continued)

Pursuant to an impairment analysis performed on the Company's Lolita property as at December 31, 2015, the Company decided to write down the carrying value of the property totaling \$321,275 to \$Nil. While the Company's interest in the Lolita project remains unchanged for the three months ended March 31, 2019, the Company has determined not to substantiate the carrying value of the properties until there are expenditures by the Company on exploration and evaluation of mineral resources for this property. Accordingly, all costs incurred to date were written off as an impairment loss. Should a valuation analysis be performed in the future such that the estimated recoverable amount of the Lolita property is greater than the carrying amount of \$Nil, the impairment losses recognized in prior years could reverse in part, or in full. In this situation, the carrying amount could be increased to an amount that does not exceed the original carrying amount that would have been determined had no impairment loss been recognized for the Lolita property in prior years. To date, the Company has incurred and written down \$372,321 of project related costs.

### c) Timmins Gold Project

The Timmins Gold Project is comprised of four properties along the DestorPorcupine Fault Zone located east of Timmins. The properties are comprised of 4 leases and 98 claims. The Company holds 100% interest in the Holloway and Marriott Properties. The Company holds 50% interest in the Guibord property with the remaining 50% held by Osisko, of which 10% is beneficially held for Kirland Lake. The Company holds 20% interest in the Harker property with the remaining 80% held by Osisko. The properties are subject to a 2% net smelter royalty held by a former director of the Company.

Pursuant to an impairment analysis performed on the Company's Timmins property as at December 31, 2015, the Company decided to write down the carrying value of the property at December 31, 2015 totaling \$1,010,246 to \$Nil. While the Company's interest in the Timmins project remains unchanged for the three months ended March 31, 2019, the Company has determined not to substantiate the carrying value of the properties until there are expenditures by the Company on exploration and evaluation of mineral resources for this property. Accordingly, all costs incurred to date were written off as an impairment loss during the three months ended March 31, 2019. Should a valuation analysis be performed in the future such that the estimated recoverable amount of the Timmins property is greater than the carrying amount of \$Nil, the impairment losses recognized in prior years could reverse in part, or in full. In this situation, the carrying amount could be increased to an amount that does not exceed the original carrying amount that would have been determined had no impairment loss been recognized for the Timmins property in prior years. To date, the Company has incurred and written down \$1,036,437 of project related costs.

# Plato Gold Corp.

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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>
<b>Balance - January 1, 2018</b>	164,707,455	\$ 7,235,377
Issued for:		
Private placements completed in May 7, 2018	11,450,000	404,081
Flow-through shares	4,000,000	200,000
Private placements completed in September 5, 2018	9,592,272	527,575
Conversion of convertible debenture	6,600,000	350,500
Option agreements payment	1,150,000	57,500
Issuance costs	-	(44,827)
	<u>197,499,727</u>	<u>\$ 8,730,206</u>
<b>Balance - December 31, 2018 and March 31, 2019</b>	<u>197,499,727</u>	<u>\$ 8,730,206</u>

There were no shares issued during the three months ended March 31, 2019.

## 8. Warrants

a) A summary of the status of the Company's warrants is as follow:

	<u>Number</u>	<u>Amount</u>	<u>Weighted Average Exercise Price</u>
<b>Balance - January 1, 2018</b>	-	\$ -	\$ -
Issued first tranche, February 20, 2018	2,400,000	72,504	0.10
Issued second tranche, March 16, 2018	1,750,000	52,076	0.10
Issued third tranche, May 7, 2018	1,575,000	43,838	0.10
Expired	-	-	-
Issuance costs	-	(13,434)	-
	<u>5,725,000</u>	<u>\$ 154,984</u>	<u>\$ 0.10</u>
<b>Balance - December 31, 2018 and March 31, 2019</b>	<u>5,725,000</u>	<u>\$ 154,984</u>	<u>\$ 0.10</u>

During the three months ended March 31, 2019 the Company did not issue any warrants and no warrants expired.

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## 8. Warrants (continued)

### b) Finders Warrant

Each Finders warrant will entitle the holder to purchase one Unit, at an exercise price equal to \$0.10 per Warrant Unit for a period of 24 months from the closing date. The Warrants underlying the Units issuable upon exercise of the Finders Warrant will be void and of no value at the Expiry Time.

A summary of changes to Finders Warrant is as follow:

	<u>Number</u>	<u>Amount</u>	<u>Weighted Average Exercise Price</u>
<b>Balance - December 31, 2018 and March 31, 2019</b>	154,000	\$ 6,696	\$ 0.10

All outstanding Finders Warrants have fully vested and are exercisable.

## 9. Stock Based Compensation

### a) Stock Options Plan

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

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

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

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

	<u>Number</u>	<u>Weighted Average Exercise Price</u>
<b>Balance -December 31, 2018 and March 31, 2019</b>	11,375,000	\$ 0.10

All outstanding options have fully vested and are exercisable.



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## 9. Stock Based Compensation (continued)

During the three months ended March 31, 2019 the Company did not issue any options and no options expired.

- c) As at March 31, 2019 the following options were outstanding:

Exercise Price	Number of Options		Expiry Date
	Unvested	Vested	
\$ 0.100	-	595,000	December 4, 2019
\$ 0.100	-	1,325,000	April 20, 2020
\$ 0.100	-	300,000	October 29, 2020
\$ 0.100	-	2,375,000	March 29, 2021
\$ 0.100	-	6,780,000	October 29, 2028
	-	11,375,000	

## 10. Related Party Transactions

During the three months ended March 31, 2019, the Company:

- incurred rent of \$600 (March 31, 2018 - \$1,200) 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 March 31, 2019, accounts payable and accrued liabilities included (net of taxes) \$9,600 (December 31, 2018 - \$9,000) related to rent payable.
- incurred consulting fees of \$25 (March 31, 2018 - \$18,000) with the Company's CFO. As at March 31, 2019, accounts payable and accrued liabilities included (net of taxes) \$228,121 (December 31, 2018 - \$228,096) of consulting fees payable to the CFO.
- incurred consulting fees of \$Nil (March 31, 2018 - \$1,475) with the Company's former Corporate Secretary. As at March 31, 2019, accounts payable and accrued liabilities included (net of taxes) \$14,750 (December 31, 2018 - \$14,750) of consulting fees payable to the former Corporate Secretary.
- incurred consulting fees of \$25 (March 31, 2018 - \$Nil) with the Company's Corporate Secretary. As at March 31, 2019, accounts payable and accrued liabilities included (net of taxes) \$25 (December 31, 2018 - \$Nil) of consulting fees payable to the Corporate Secretary.
- incurred directors fees of \$125 (March 31, 2018 - \$7,000). As at March 31, 2019, accounts payable and accrued liabilities included (net of taxes) \$43,475 (December 31, 2018 - \$43,350) of directors' fees payable.
- wrote-off accounts payable and accrued liabilities of \$Nil (December 31, 2018 - \$681,091) for director fees and salaries owed to an officer and the directors.

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## 11. Financial Instruments

### a) 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 March 31, 2019, the Company had current assets of \$257,350 (December 31, 2018 - \$282,806) to settle current liabilities of \$704,082 (December 31, 2018 - \$707,701). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

The Company has no income and relies on equity financing to support its exploration program. Additional financing is required to fund the related operating expenses required to manage the Company through fiscal 2019. Management prepares budgets and ensures funds are available prior to commencement of any exploration program. During the years ended December 31, 2018 and 2017, the Company has received the majority of its financing from the private placements. During the three months ended March 31, 2019, the Company received the majority of its financing proceeds through the sale of portfolio investments.

### b) Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk relates to cash and other receivables. Cash is held with a reputable financial institution and is closely monitored by management. Other receivables include a receivable from a related party of \$51,630 (December 31, 2018 - \$50,833), which is net of a valuation allowance of \$23,912 (December 31, 2018 - \$23,912) and HST receivable of \$40,937 ((December 31, 2018 - \$15,907).

### c) Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as foreign exchange rates and equity prices.

#### *(i) Foreign Exchange Risk*

The Company is exposed to financial risk related to foreign exchange rates. The Company operates in Canada and Argentina. A significant change in the currency exchange rates between the Canadian dollar and Argentinean peso could have an effect on the Company's results of operations.

At March 31, 2019, the Company is exposed to currency risk through Argentinean cash expressed in Canadian dollars of \$205 (December 31, 2018 - \$216). A 10% depreciation or appreciation of the Canadian dollar against the Argentinean peso would result in an increase/decrease of approximately \$20 (December 31, 2018 - \$16) the Company's condensed interim consolidated statement of comprehensive loss.

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## 11. Financial Instruments (continued)

### c) Market Risk (continued)

#### *(ii) Equity Price Risk*

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company's investments in the common shares of Osisko Mining Inc., Monarques Gold Corporation and Kirkland Lake Gold Inc. are subject to fair value fluctuations arising from changes in the equity market. At March 31, 2019, should the equity prices of the Company's holdings increase or decrease by 5%, the impact on net loss would be approximately \$10,713 (December 31, 2018 - \$10,856).

## 12. Capital Disclosures

The Company's objective when managing capital is to raise sufficient funds to execute its exploration plan. At March 31, 2019, the Company's capital consists of shareholders' equity in the amount of \$1,027,738 (December 31, 2018 - 1,066,892).

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 three months ended March 31, 2019 and the year ended December 31, 2018.