



## PLATO GOLD CORP

### MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended December 31, 2020

This Management Discussion and Analysis (“**MD&A**”) of Plato Gold Corp (the “**Company**”) provides analysis of the Company's financial results for the year ended December 31, 2020. The following information should be read in conjunction with the accompanying 2020 audited consolidated financial statements and the notes to the audited consolidated financial statements.

The audited consolidated financial statements and related notes of the Company have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”). Refer to the notes of the December 31, 2020 audited consolidated financial statements for disclosure of the Company's significant accounting policies. The Company's functional and reporting currency is the Canadian dollar.

The Company is publicly traded on the TSX Venture Exchange (TSX-V: **PGC**) and the Frankfurt Exchange (**4Y7**).

#### **International Financial Reporting Standards**

The Company's audited consolidated financial statements for the year ended December 31, 2020 and the December 31, 2019 audited consolidated financial statements have been prepared in accordance with IFRS as published by the International Accounting Standards Board.

#### **Date of Report**

This report is prepared as of April 22, 2021.

#### **Forward Looking Statements**

This MD&A includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address exploration drilling, exploration activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the

forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include exploration successes, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements.

Additional information, including press releases, have been filed electronically through the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) and are available online under our profile at [www.sedar.com](http://www.sedar.com) or the Company’s website at [www.platogold.com](http://www.platogold.com).

## **Company Overview**

Plato Gold Corp is a Canadian exploration company focused on prospective properties in recognized mining districts worldwide, including Marathon and Timmins Ontario, and Santa Cruz, Argentina.

The Company was first listed on the TSX Venture Exchange (TSX-V: **PGC**) in 2005. Plato Gold Corp was formed as a result of a reverse takeover by its predecessor corporation, Plato Gold Corp of Shatheena Capital Corp., a capital pool company, and the subsequent amalgamation of Plato Gold Corp and Shatheena Capital Corp. Plato Gold Corp, the private company, was started in 1996.

The Company has four regionally based projects. The first project is the Good Hope Niobium Project consisting 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 5,146 hectares in Killala Lake Area and Cairngorm Lake Area Townships, near Marathon Ontario. The Company holds a 100% interest in the Good Hope Niobium Property.

The second project is the Pic River Platinum Group Metals (PGM) Project consists of a total of 111 Single Cell Mining Claims and covers an area of approximately 2,247 hectares in Foxtrap Lake and Grain Township, near Marathon Ontario of which 19 claims are contiguous to the western boundary of Generation Mining’s Marathon PGM project where their Sally deposit is located. On January 28, 2020, the Company signed an option agreement to acquire a 100% interest in the Pic River PGM claims.

The third project, the Lolita Project in Santa Cruz, Argentina, is comprised of a number of contiguous mineral rights totaling 9,672 hectares in Southern Argentina. On August 9, 2011, Winnipeg Minerals S.A. (“WMSA”) was incorporated in Argentina with Plato Gold Corp holding 95% and Dr. P. Lhotka holding 5%. The mineral rights were subsequently transferred to WMSA as of November 14, 2011. As of August 31, 2020, Plato Gold Corp holds 95% of the outstanding shares of WMSA and Dr. P. Lhotka holds 5%.

The fourth project is the Timmins 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 Project consists of 4 mining leases and 98 claims and covers 1,658 hectares.

Plato Gold Corp is in the early stage of exploration on the Ontario and Argentina projects.

### **Year Ended December 31, 2020 Highlights**

In the year ended December 31, 2020:

- In the year 2020, governments in Canada and globally continued to impose a myriad of measures to combat the COVID-19 pandemic, resulting in a series of closing and reopening of businesses in Canada, resulting in an ongoing slowdown in the national economy. Exploration and financing activities have been at a near standstill during this period.
- As a result of COVID-19, the Ontario government extended work credit requirements for one year on all claims and the Company has applied for the extension where appropriate.
- The Company has applied to the government COVID-19 relief programs and received loan proceeds of \$40,000 in November. At the writing of this report, the Company received an additional loan of \$20,000 from the same program.
- During the year, the Company completed two private placements. On June 17, 2020, the Company completed a non-brokered private placement for gross proceeds of \$153,500. And, on December 30, 2020, the Company completed a second non-brokered private placement for gross proceeds of \$55,000.
- On the Good Hope Niobium Project, during the year, the Company sent more drill core samples to the lab and results were reported on August 12, 2020. The initial preliminary mineralogical and metallurgical study yielded encouraging results. At this time, the Company is working to secure additional financing in 2021 for the next stage of development for the Good Hope Niobium Project.
- On January 28, 2020, the Company entered into an Option Agreement to acquire a 100% interest in the Pic River PGM Project in Foxtrap Lake and Grain Township, near Marathon Ontario. The Company's adjoining neighbor, Generation Mining, announced favourable drill results immediately to the west of their planned open pit development. As well, Generation Mining announced the start of a feasibility study, after releasing a favourable PEA, and any increase in the size of their project is favourable to Plato's land position touching part of Generation's western boundary, and on strike to their Sally deposit. The Company is working to secure a small financing in 2021 for the Pic River PGM project.
- For our Lolita Property in Santa Cruz, Argentina, two nearby companies announced very positive developments during the year. In their October 28, 2020 press release, E2 Metals

Limited of Australia, announced exceptional results at their Mia project, including 424 gpt Au and 1,489 gpt Ag over 1 metre at 68 meters depth. As well, Austral Gold Limited announced on October 13, 2020, that they had acquired the Sierra Blanca gold deposit just south of the Lolita Property. Several years ago, in 2016, Austral Gold acquired the Pinguino deposit immediately southeast of the Lolita Property.

- On August 31, 2020, in accordance with the joint venture agreement, the Company recorded cumulative expenditures above \$400,000, and thus, the parties agreed to dilute the Lhotka interest by 20%. Accordingly, the Lhotka contribution outstanding after the incorporation of WMSA will be recorded as settlement in full. As well, the Company's holding in WMSA increased to 95%. Accordingly, as of August 31, 2020, Lhotka's outstanding contribution is \$Nil.
- At Plato's Holloway gold project, the Company has engaged the services of Orix Geoscience Inc. to digitize historical drill data and 3D model our geology to establish drill targets for our winter drill program. The Company is looking forward to starting this promising gold project within 2 km of the Holt and Holloway gold mines and mill complex owned by Kirkland Lake Gold and Newmont. On August 17, 2020, these two Companies announced an up-to \$75 million investment to acquire an option on certain mining and mineral rights on the Holt Mine Property. The Black Top zone, Ghost zone, and Deep Thunder zone of Kirkland Lake Gold are in close proximity to Plato's claims.
- The Company is also working to convert the Marriott claims to a lease.

## **Overall Performance**

On the Consolidated Statements of Financial Position, total assets increased to \$1,909,454 as of December 31, 2020 compared to \$1,882,064 as at December 31, 2019. The increase in the year is primarily due to completion of the non-brokered private placements in the year offset by the use of the funds for the year and nominal increase in the carrying value of the Good Hope Niobium Project and the Pic River PGM Project.

As per the note below about Exploration Properties Write Down, in 2015 the Company has taken the position to write-off the entire carrying value of the Company's exploration properties in Timmins, Ontario and Santa Cruz, Argentina. In 2017, the Company optioned the Good Hope Niobium Project and subsequently acquired 100% ownership in 2019, and in 2020 the Company optioned the Pic River PGM Project, both of which are in its early stage with ongoing exploration and evaluation activities. Therefore, the Company will continue to substantiate the carrying value of these two properties as exploration and evaluation activities are active.

Cash decreased to \$57,033 from \$93,667 at December 31, 2019 due the use of cash for exploration activities and the ongoing operations of the company.

The other receivables decreased to \$29,540 from \$35,250 at December 31, 2019 mainly due to GST and HST receivables.

Portfolio investments increased from \$95,660 at December 31, 2019 to \$96,020 at December 31, 2020 representing the securities holdings. The increase is a result of normal fluctuation in the market value of the remaining shares and the increase in market price of gold during the period.

Mineral properties and deferred exploration costs of \$1,726,861 were recorded as of December 31, 2020 compared to \$1,657,443 as of December 31, 2019 due to recognition of the carrying value on the Good Hope Niobium Project and the Pic River PGM Project. See note below regarding the ongoing write-off for the entire carrying value of the Company's exploration properties in Timmins, Ontario and Santa Cruz, Argentina.

On the liabilities side, accounts payable and accrued liabilities decreased to \$623,152 at December 31, 2020 from \$629,096 at December 31, 2019 as a result of normal operating costs for the year. Accounts payable and accrued liabilities include professional fees such as accounting, auditing, and legal, as well as current payables related to the Company's exploration activities. Due to related company of \$6,545 during the year represents an advance from a related party. Loans payable represent the government COVID-19 loan.

Shareholders' equity increased to \$1,260,506 as at December 31, 2020 from \$1,252,968 at December 31, 2019. The increase is a result of an increase in share capital from the non-brokered private placements during the year offset by write-down of mineral properties and expenses for the operations of the Company.

On the Consolidated Statements of Loss and Comprehensive Loss, the decrease in net loss and comprehensive loss of \$202,156 for the year ending December 31, 2020 compared to the net loss and comprehensive loss of \$270,180 for same period in fiscal 2019. The decrease is primarily due to tax reassessment charge, share-based compensation, realized gain on sale of portfolio, all in 2019. Additionally, this is offset by increases in consulting fees, and publicity and advertising, in 2020. Excluding the one-time items in 2019, year over year, the management has kept expenses are low and stable, as evidence by the minimal compensation for officers and directors.

Investment income of \$3,218 was offset by expenses of \$205,374 during the year ending December 31, 2020 compared to investment income of \$4,096 and expense of \$274,276 for the same period last year. Basic and diluted loss per share was \$Nil for the year 2020 and 2019.

On the Consolidated Statements of Cash Flow, cash used in operating activities was \$200,052 for the year ended December 31, 2020, compared to cash used of \$289,485 for the same period last year. Cash provided by financing activities was \$247,955 for the year ended December 31, 2020 compared to cash provided of \$350,000 in the same period last year. Cash flow from investing activities was cash used of \$84,537 for the year compared with cash provided of \$21,478 in the same period last year.

Cash balance as at December 31, 2020 was \$57,033 compared to cash of \$93,667 as at December 31, 2019.

### **Exploration Properties Write Down (2015)**

As part of the 2015 audit, the Company was required to complete an impairment analysis to compare the carrying value of the two exploration properties the Company held in 2015 to the fair market value at that time. In order to substantiate the carrying values of the exploration properties, the Company would have had to complete a valuation analysis of the properties. Due to the mineral exploration market conditions at that time, it was determined that the extreme volatility of the market and the depressed value of gold, that a valuation analysis of the properties would likely result in a reduced market value for the properties. The Company is of the view that the prohibitive cost of a valuation analysis does not justify the end result of determining a reduced market value just for reporting purposes.

As a result, the Company has taken the unique position to preserve working capital and to ensure available funds are allocated to exploration activities, by foregoing a valuation analysis and writing down the properties to \$Nil. For these two properties in Timmins, Ontario and in Argentina, the Company will continue to write down all exploration expenditures and investments until such time as when it is beneficial to the Company to complete an assets analysis.

The Company intends to complete an assets analysis on these two exploration properties when appropriate, which is anticipated to be greater than the \$Nil value reported. In this situation, the carrying amount could be increased to an amount that does not exceed the carrying amount that would have been reported had no write down been recognized in prior years.

Based on consultations with the Company's directors, accounting professionals and auditors, the Company, starting 2015, has taken the position to write-off annually the entire carrying value of the Company's two exploration properties in Timmins, Ontario and in Argentina.

As of December 31	Write Down for the Year	Cumulative Write Down
2015	\$1,331,521	\$1,331,521
2016	\$18,005	\$1,349,526
2017	\$23,199	\$1,372,725
2018	\$22,120	\$1,394,845
2019	\$52,629	\$1,447,474
2020	\$35,134	\$1,482,608

As of December 31, 2020, no assets analysis was completed and the Company continues to report a nil value for the Company's two exploration properties in Timmins, Ontario and in Argentina.

Accordingly, during the year ended December 31, 2020, the Company has written off exploration expenditures and investments totaling \$35,134 for cumulative impairment loss to date of \$1,482,608 as of December 31, 2020 for the two properties.

The Company's historic valuation of the exploration properties in previously reported financial statements are available on the Company's website and in SEDAR. Shareholders are encouraged to review the previous statements to determine the historic asset value prior to the write down.

## **Selected Annual Information**

Unless otherwise noted, all currency amounts are stated in Canadian dollars.

The following selected financial data for each of the three most recently completed financial years are derived from the audited annual financial statements of the Company, which were prepared in accordance with International Financial Reporting Standards.

<b>For the Years Ended December 31,</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
	\$	\$	\$
Income	3,218	4,096	4,755
Net income (loss) and comprehensive income (loss)	(202,156)	(270,180)	60,278
Net income (loss) and comprehensive income (loss), per share	-	-	-
Net income (loss) and comprehensive income (loss), per share fully diluted	-	-	-
Total assets	1,909,454	1,882,064	1,753,866
Total long-term liabilities	19,251	-	-
Cash dividends	-	-	-

The Company has recorded losses in all the three most recently completed fiscal years and expects to continue to record losses until such time as the Company's projects are identified, developed, and brought into profitable commercial operation.

## **Results of Operations**

### **Exploration and Development Activities**

Mineral properties expenditures during the year totaled \$104,552 compared to expenditures of \$239,074 for the same period in the previous year. Funding of projects was mainly from proceeds of non-brokered private placements.

During the year ended December 31, 2020 the Company was focused on the results of the drill program for the Good Hope Niobium Project and raising funds to continue exploration work on the Company's Good Hope Niobium Project, Pic River PGM Project, Timmins Gold Project and the Lolita Project in Argentina. In the coming year with the successful raising of funds, exploration work will be conducted on the Company's properties. As noted above, exploration and financing

activities will depend on the economic rebound and government actions with respect to COVID-19.

### **Good Hope Niobium Project, Marathon Ontario**

As announced on August 27, 2019, the Company owns 100% of the Good Hope Niobium claims.

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 5,146 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.

The regional geology around the Good Hope Property consists of alkaline and carbonatite intrusions formed during Midcontinental rifting within the Trans-Superior Tectonic zone. The Good Hope Property forms a doughnut around the Prairie Lake Complex. The Prairie Lake Complex is composed of carbonatite, ijolite and potassic nepheline syenite. The most common rock types on the Good Hope Property are carbonatite, syenite breccia and ijolite. The Good Hope Property hosts Niobium mineralization in pyrochlore. The Niobium mineralization differs from that in Prairie Lake Complex in that it is low in Th and U contents.

The discovery of Niobium mineralization at Good Hope was made by Rudy Wahl in 2010 when he identified 1.63 % Nb<sub>2</sub>O<sub>5</sub> in a small outcrop on site #28. In 2014, he followed up with mapping and prospecting in 5 pits that he dug in the area. Subsequent exploration work on the property includes: grab sampling, channel sampling, trenching, ground radiometrics survey, airborne magnetic - radiometrics surveys and mineralogical studies. Mineralogical studies completed in 2014 by Professor Roger H. Mitchell on samples from site #28 shows that the pyrochlore minerals are ThO<sub>2</sub>-free and contain very low UO<sub>3</sub> so radionuclide problems are low for future extraction.

During the summer of 2015, a detailed prospecting-geological survey was completed on the Good Hope Property with the objective of finding larger zones of mineralized, non-radioactive carbonatite. The first trench, TR-01, revealed a non-radioactive carbonatite at the contact with a syenite. The carbonatite is at least 5 meters wide by 15 meters long, and observations indicate that it extends underneath the swamp for an unknown distance. The best result from 26 channel samples in trench TR-01 is 1.205% Nb<sub>2</sub>O<sub>5</sub> over 1.10 meters. Trench TR-04 revealed a contact between ijolite breccia and syenite breccia, both matrix being carbonatite, with a chunk of massive carbonatite. Again, the carbonatite most likely extends underneath the swamp. The best channel sampling result for TR-04 is 0.437% Nb<sub>2</sub>O<sub>5</sub> over 0.60 meters. In summary, the 2015 exploration program was successful in discovering a new type of niobium mineralization which is potentially a non-radioactive carbonatite intrusion. As the discovery coincides with a low magnetic/low



topography sector, all the multi square-kilometers low topography, low magnetics area covered by the Good Hope Property, is considered highly prospective.

Two drill holes were completed in 2016 for a total of 280.7 m on an airborne radiometric anomaly near the discovery site #28. The assay highlights for drill hole PL-01 include 0.45 % Nb<sub>2</sub>O<sub>5</sub> over 1.0 m and 6.25 % P<sub>2</sub>O<sub>5</sub> over 1.0 m. The assay highlights for drill hole PL-02 include 0.34 % Nb<sub>2</sub>O<sub>5</sub> over 1.0 m and 5.81 % P<sub>2</sub>O<sub>5</sub> over 1.0 m. The Niobium mineralization in drill core is associated with carbonatite and syenite carbonatite breccia.

In June 2017, Plato initiated a data compilation on the Property to use for exploration targeting and program planning. A geological mapping and sampling program was completed in the summer of 2017. The goal of the program is to identify additional Niobium mineralization on the Property. Geophysics surveys suggest that the Prairie Lake Complex has a non-magnetic ring dyke and radial fracture system around it on Plato's Good Hope Property. The geological mapping will search for Niobium mineralization within the ring dyke. Another goal of the June geological mapping program was to collect more geological data for drill targeting for the drill program in 2018.

In May 2018, Plato completed 5016 metres of diamond drilling on the Good Hope Property. The drilling focused on outcropping mineralization at 'Site 28' in the northwestern part of the property and encompassed an area of approximately 500m by 500m. All holes were drilled in a northwesterly direction. The nine completed drill holes ranged in length from 372 to 672 metres, testing the area to a vertical depth of between 285 and 580 metres. All holes intersected zones (up to 27m wide) of massive carbonatite within a brecciated system consisting of variably fenitized syenite/quartz-syenite intruded by carbonatite dykes and crosscutting carbonatite veins. Although the brecciated nature of the host rocks makes any orientation or trend of mineralization difficult to determine, the intersection of massive carbonatite in every drill hole from surface up to approximately 500m depth suggests that significant potential exists for niobium mineralization over a large area.

Assays of the drill core samples collected from the program peaked at 0.950% niobium (Nb<sub>2</sub>O<sub>5</sub>) with 6.20% phosphorus (P<sub>2</sub>O<sub>5</sub>) over 1.1m in a sample of massive carbonatite. The two most significant intersections from the drilling program were 0.190% Nb<sub>2</sub>O<sub>5</sub> and 2.04% P<sub>2</sub>O<sub>5</sub> over 93.08m (drill hole PGH-18-06; 354.18-447.26m) and 0.175% Nb<sub>2</sub>O<sub>5</sub> and 2.03% P<sub>2</sub>O<sub>5</sub> over 89.24m (drill hole PGH-18-10A; 345.0-434.24m).

In the second quarter of 2020, the Company completed a study with an independent consulting firm to review the data from the drill program and to help with planning the next phase of drilling. The completion of this Preliminary Mineralogical and Metallurgical Study was announced on August 12, 2020, with encouraging results.

In the third quarter, the Company sent more drill core samples to the labs and we are expecting assay results in the near future. If the assays are favourable, this would be significant because these sections of drill core have not been assayed and we still have many sections of core that should be assayed.

At the writing of this report, the Company is working to secure additional financing for the next stage of development for the Good Hope Niobium Project.

### **Pic River PGM Project, Marathon Ontario**

On January 28, 2020, the Company signed an option agreement to acquire a 100% interest in the Pic River PGM claims. On April 28, 2020, the Company added an additional 6 new claims to the total property.

As a result, the Pic River Platinum Group Metals (PGM) Project consists of a total of 111 claims, Single Cell Mining Claims and covers an area of approximately 2,247 hectares in Foxtrap Lake and Grain Township, near Marathon Ontario.

Mapping by Walker et al (1993) indicates the favourable layered gabbro series (the basal portion of the Coldwell Complex) of rocks that host the PGE-Cu-Ni mineralized zone of Generation Mining Inc.'s Sally, Willie, Skipper, Four Dams zones and the Marathon Deposit trend onto the Pic River PGM-Cu-Ni property. Previous ground magnetic surveys indicate magnetic highs that may correspond to the higher magnetic zones within the gabbroic rocks.

The Marathon deposit is "one of" the largest undeveloped platinum group metal mineral resources in North America hosting several PGM-Copper deposits, including the 7.1 million-ounce palladium-equivalent Marathon Deposit. On January 6, 2020, Generation Mining Limited released a preliminary economic assessment (PEA) giving Marathon an after-tax net present value (NPV) of \$871 million.

Mineralization hosted on the Marathon property is not necessarily indicative or representative of mineralization hosted on the Company's property.

Generation Mining Inc.'s Sally Area 41 zone is indicated to be on strike to the Pic River PGM-Cu-Ni property. This PGM-Cu-Ni drill defined mineralized zone is located on the northern margin of the East Gabbro and is comprised of four mineralized zones.

Generation Mining announced favourable drill results during the third quarter of 2020, immediately to the west of their planned open pit development. As well, Generation Mining announced the start of a feasibility study, after releasing a favourable PEA, and any increase in the size of their project is favourable to Plato's strategic land position touching part of Generation's western boundary, and on strike to their Sally deposit.

Planned exploration by Plato for 2021 will focus on defining the gabbroic units on the Pic River PGM-Cu-Ni property and determining the PGM-Cu-Ni mineralization.

### **Lolita Project, Santa Cruz, Argentina**

In 2007, Plato Gold successfully acquired, through a joint venture agreement, a majority interest in 29,000 hectares of strategically located property in Santa Cruz, Argentina. In the beginning, Plato holds a 75% interest in the joint venture with Dr. P. Lhotka holding the remaining 25%

interest. The first three phases of work have involved prospecting, geochemical sampling as well as a Mag and IP survey over a large portion of the property.

The property is located in a geological metal rich province, hosted by Jurassic aged rocks of the Deseado Massif. The structures found to date are hosted by a felsite unit and felsic tuffs. To the immediate south significant base metal and precious metal vein systems occur and are held by some major Companies. The results to date have located a number of strong hydrothermal structures with chalcedonic silica, brecciation, iron oxides and pyrite with areas of weak to strong anomalous pathfinder elements of arsenic, antimony and mercury, which may be prospective for precious metals at deeper levels. Also encouraging is that these structures have been traced from 1 to 5 kilometers in length.

In light of these favourable results the Company followed up on Dr. P. Lhotka's recommendation by conducting a geophysical survey to locate and define specific targets within these surface defined structures for exploration by diamond drilling.

During the first quarter of 2011, the Company completed a Ground Magnetic Survey on the Lolita Property in Santa Cruz, Argentina, which was a prelude to an IP program and a planned drill program. In the Third quarter the Company completed the Ground Magnetic Survey and the IP program. The results of the IP program were announced on October 20, 2011.

On August 9, 2011, Winnipeg Minerals S.A. ("WMSA") was incorporated in Argentina with Plato Gold holding 75% and Dr. P. Lhotka holding 25% of the outstanding shares. The mineral claims totaling 27,857 hectares were subsequently transferred to WMSA as of November 14, 2011.

On August 31, 2020, in accordance with the joint venture agreement, the Company recorded cumulative expenditures above \$400,000 and thus the parties agreed to dilute the Lhotka interest by 20%. Accordingly, the Company's holding in WMSA increased to 95% with Lhotka holding 5% and the outstanding Lhotka contribution as of August 31, 2020 will be recorded as \$Nil and settlement paid in full.

As of December 31, 2020, there were no changes to the current share structure. Currently the claims total 9,672 hectares. The property is drill ready subject to available financing or an option agreement.

In 2020, two nearby companies announced some very positive developments. In their October 28, 2020 press release, E2 Metals Limited of Australia announced exceptional results at their Mia project which included 424 gpt Au and 1,489 gpt Ag over 1 metre at 68 meters depth.

As well, Austral Gold Limited announced on October 13, 2020 that they have acquired the Sierra Blanca gold deposit just south of the Lolita Property. Several years ago, in 2016, Austral Gold acquired the Pinguino deposit immediately southeast of the Lolita Property.

### **Timmins Gold Project, Ontario**

The Timmins Gold Project is comprised of four properties along the Destor Porcupine Fault Zone located east of Timmins. The Guibord, Harker, and Holloway properties are comprised of 4 mining leases. The Marriott property is comprised of 98 claims, consisting of 70 Single Cell Mining Claims and 28 Boundary Cell Mining Claims, and covers an area of approximately 1,658 hectares.

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.

At Plato's Holloway gold project, the Company has engaged the services of Orix Geoscience Inc. to digitize historical drill data and 3D model our geology to establish drill targets for our winter drill program. The Company is looking forward to starting this promising gold project which is within 2 km of the Holt and Holloway gold mines and mill complex owned by Kirkland Lake Gold and Newmont. On August 17, 2020, these two companies announced an up-to \$75 million investment to acquire an option on certain mining and mineral rights on the Holt Mine Property. The Black Top zone, Ghost zone and Deep Thunder zone of Kirkland Lake Gold are in close proximity to Plato's Holloway claims.

The Company is monitoring and working hard to further develop the four assets in the Timmins Gold Project in northern Ontario and is also working to convert the Marriott claims to a lease.

## **Administration**

During the year ended December 31, 2020, investment income of \$3,218 for the period was offset by administrative expenses, normal operating expenses, write-down of mineral properties and fluctuation in fair value adjustment on portfolio investments, resulting in a net loss of \$202,156 for the year compared to a net loss of \$270,180 for the year ended December 31, 2019. The basic and diluted loss per share was \$Nil for the period ended December 31, 2020 and the period ended December 31, 2019.

Expenses during the year totaled \$205,374 compared to \$274,276 for the comparable period in 2019. The decrease is mainly due to activities in 2019 from tax reassessment charge, share-based compensation, realized gain on sale of portfolio, as noted above. Comparing the two years, cash related expenses increase for consulting, professional fees, publicity and advertising, and transfer and filing fees, representing the Company's focus in the year in promoting the projects. In general, expenses are reduced and stable as noted in office and general, insurance, and rent, reflecting management's efforts to minimize expenses.

As a junior exploration company, cash flow from financing will continue to be an ongoing focus for management. The current market conditions represent significant challenges to the entire junior exploration sector and there is no assurance that financing will be available in this market. We are maintaining a close watch on market activities as it relates to financing in our sector.

## Summary of Quarterly Results

The following selected financial data are derived from the unaudited quarterly financial statements of the Company, which were prepared in accordance with International Financial Reporting Standards for the results from January 1, 2019 to December 31, 2020.

For the Quarters Ended	2020				2019			
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31
	\$	\$	\$	\$	\$	\$	\$	\$
Income	758	706	780	974	950	854	1,029	1,263
Net Income (loss) and Comprehensive Income (loss)	(82,555)	(40,306)	(18,862)	(60,433)	(116,196)	(30,395)	(105,162)	(18,427)
Net Income (loss) and Comprehensive Income (loss), per share basic and fully diluted	-	-	-	-	-	-	-	-

## Liquidity and Capital Resources

In management's view, given the nature of the Company's operations, which consist of the exploration of mining properties, the most relevant financial information relates primarily to current liquidity, solvency, and planned exploration expenditures. In addition, the Company holds common shares in four publicly traded companies as reported in the accompanying audited consolidated financial statements. The Company's financial success will be dependent on the economic viability of the Good Hope Niobium Project, the Pic River PGM Project, the Lolita Project and the Timmins Gold Project.

The Company had cash of \$57,033 as of December 31, 2020 which is sufficient to cover the Company's short-term cash requirements. In the past the Company has been successful in raising sufficient short-term funds to satisfy its obligations. As well, the Company is reporting other receivables of \$29,540 consisting primarily of HST & GST receivable. As well, the Company holds a marketable portfolio investment of \$96,020. Additional financing is required to finance on-going administration and continue the exploration activities of the Company.

As an exploration company, the Company generates minimal revenue and will have to return to the equity markets in order to secure additional financing for the Company to continue exploration. Management believes that it has the ability to raise sufficient funds for the continuation of operations. While management has been historically successful in raising the necessary capital, it cannot provide assurance that it will be able to obtain the required financing in light of the current economic conditions.

## Changes in Accounting Standards

In October 2018, the International Accounting Standards Board ("IASB") issued amendments to IFRS 3 Business Combinations, that seek to clarify whether a transaction results in an asset or a

business acquisition. The amendments include an election to use a concentration test. This is a simplified assessment that results in an asset acquisition of substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets. The amendments apply to businesses acquired in annual reporting periods beginning on or after January 1, 2020. The adoption of these amendments did not have a significant impact on the consolidated financial statements.

## **Financial Instruments**

The Company's financial instruments consist of cash, portfolio investments and accounts payable and accrued liabilities.

Management does not believe these financial instruments expose the Company to any significant interest, currency or credit risks arising from these financial instruments. The fair market value of cash, portfolio investments and accounts payable and accrued liabilities approximate their carrying values.

In conducting its business, the principal risks and uncertainties faced by the Company relate to exploration and development success. Exploration for gold and niobium involves significant risks, many of which are outside the Company's control. In addition to the normal and usual risks of exploration, the Company often works in remote locations that lack the benefit of infrastructure and easy access.

The Company relies on equity financing for its long-term working capital requirements and to fund its exploration programs. There is no assurance that such financing will be available to the Company, or that it will be available on acceptable terms.

## **Outstanding Share Data**

### **a) Common and Preferred Shares**

The Company is authorized to issue an unlimited number of common shares without par value. As at December 31, 2020, the Company had issued and outstanding 208,919,717 common shares with a carrying value of \$9,339,631.

The Company issued 1,150,000 common shares on May 22, 2019 and 2,300,000 common shares on August 8, 2019 to complete the earn in for 100% of the Good Hope Niobium property.

On July 3, 2019, the Company completed a non-brokered private placement of 3,500,000 common shares at a price of \$0.10 each for total gross proceeds of \$350,000.

On January 28, 2020, the Company issued 300,000 shares as initial payment to earn in for 100% on the Pic River PGM Option Agreement.

On June 17, 2020, the Company completed a non-brokered private placement of 3,069,990 common shares at a price of \$0.05 each for total gross proceeds of \$153,500.

On December 30, 2020, the Company completed a non-brokered private placement of 1,100,000 units at a price of \$0.05 each for total gross proceeds of \$55,000. Each unit consists of one common share and one common share warrant with the warrants expiring on December 30, 2023.

The Company is also authorized to issue an unlimited number of preferred shares without par value, of which none have been issued.

b) Warrants

During 2020, 5,879,000 warrants and finders warrants expired unexercised. On December 30, 2020, 1,100,000 warrants were issued. As of December 31, 2020, there are 1,100,000 warrants issued and outstanding.

c) Stock Options

As at December 31, 2020, the Company had an aggregate of 14,030,000 options outstanding with a weighted average exercise price of \$0.10.

On April 23, 2019, the Company granted 5,250,000 options to its directors, officers, employees, and consultants. Each option entitles the holder to acquire one common share of the Company at an exercise price of \$0.10 per share for a period up to 10 years from the date the option was granted. The stock options vest immediately upon grant and are fully exercisable.

No options were granted in 2020. During the year ended December 31, 2020, 1,550,000 options expired unexercised.

As at the date of December 31, 2020, the following options were outstanding:

<u>Option Price</u>	<u>Number of Options</u>		<u>Weighted Average</u>
	<u>Unvested</u>	<u>Vested</u>	<u>Remaining Contractual Life</u>
			<u>In Years</u>
\$0.100		2,150,000	0.2
\$0.100		6,630,000	7.8
\$0.100		5,250,000	8.3
	-	14,030,000	6.8

## **Off-Balance Sheet Arrangements**

For the year ended December 31, 2020 the Company had no off-balance sheet arrangements, such as guaranteed contracts, contingent interests in assets transferred to an entity, derivative investment obligations or any investments that could trigger financing, market or credit risk to the Company.

## **Transactions with Related Parties**

During the year ended December 31, 2020 the Company:

- a) Incurred rent at 1240 Bay Street of \$2,400 (December 31, 2019 - \$2,400) with a related party, Gulf & Pacific Equities Corp. The Company and the related party are related by virtue of the fact that they both have the same President of the company. The President is also a director and shareholder of both companies. As at December 31, 2020, accounts payable and accrued liabilities included \$13,800 (December 31, 2019 - \$11,400) payable to the related party.
- b) Incurred consulting fees for financial, technical and management services of \$100 (December 31, 2019 - \$100) by Greg K. W. Wong, in the position of CFO, one of the Company's officers. As at December 31, 2020, accounts payable and accrued liabilities included \$165,024 (December 31, 2019 - \$214,080) of consulting fees payable to the officer.
- c) Incurred consulting fees for corporate services of \$100 (December 31, 2019 - \$100) by Greg K. W. Wong, in the position of Corporate Secretary, one of the Company's officers.
- d) Incurred salaries of \$100 (December 31, 2019 - \$100) with Anthony J. Cohen, the Company's CEO.
- e) Incurred directors' fees of \$500 (December 31, 2019 - \$500). As at December 31, 2020, accounts payable and accrued liabilities included \$43,450 (December 31, 2019 - \$43,450) of director's fees to current directors and one past director.
- f) As at December 31, 2020, accounts payable and accrued liabilities included \$14,750 (December 31, 2019 - \$14,750) of consulting fees payable to the former Corporate Secretary.
- g) Other related party transaction information is disclosed in note 8, 10.



## **Contractual Obligations and Commitments**

Contractual obligations exist with respect to royalties however, gold production subject to royalty cannot be ascertained with certainty as the Company is still in the exploration stage with respect to its properties.

## **Internal Control over Financial Reporting and Disclosure Controls**

Management, including the President and Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”), is responsible for designing, establishing, and maintaining a system of internal controls over financial reporting (“ICFR”) to provide reasonable assurance that all information prepared by the Company for external purposes is reliable and timely. Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with IFRS.

The Company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately reflect the transactions of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company’s assets that could have a material effect on the Company’s Financial Statements. Due to its inherent limitations, internal control over financial reporting and disclosure may not prevent or detect all misstatements.

The CEO and CFO have evaluated whether there were changes to the ICFR during the year ended December 31, 2020 that have materially affected, or are reasonably likely to materially affect, the ICFR. As a result, no such significant changes were identified through their evaluation.

There have been no material changes in the Company’s internal control over financial reporting during the year ended December 31, 2020 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

## **COVID-19**

The outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures which include the implementation of travel bans, self-imposed quarantine periods, and social distancing have caused material disruption to businesses resulting in a global economic disruption. At the same time, global equity markets have experienced historic volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal

interventions designed to stabilize domestic economic conditions. The duration and eventual impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation in future periods.

For the Company, COVID-19 has no physical impact on the mineralization (gold, niobium, platinum, etc.) contained within the four mineralize properties currently held by the Company. However, COVID-19 does significantly impact the daily operations of the company, its exploration activities, and its ability to access funds in the capital markets all of which is difficult to measure at this time.

## **Outlook**

The Company's current focus is to raise funds for its exploration programs.

For the Good Hope Niobium project, the Company completed a study with an independent consulting firm to review the data from the drill program and the completion of this Preliminary Mineralogical and Metallurgical Study was announced on August 12, 2020, with encouraging results. The next phase of the Good Hope Niobium program in 2021 may include infill drilling and sampling, extension of the drilling pattern to the west and north, and drilling of other target areas.

A drill program is planned on its Holloway gold property. The Company has engaged Orix Geoscience Inc.'s services to digitize historical drill data and 3D model our geology to establish promising drill targets.

The plan for the new Pic River Platinum Group Metals ("PGM") Project is to conduct more prospecting work on the Pic River site and find suitable targets on the property. As noted above in the highlights, Generation Mining announced some favourable results during the year.

In Argentina, with the exceptional news by adjacent companies in 2020, the Company intends to secure financing to fund the next stage of exploration on the Lolita Project which has a drill ready program and local exploration team ready to go.

## **Risk Factors**

Readers of this Management Discussion and Analysis should give careful consideration to the information included or incorporated by reference in this document and the Corporation's audited consolidated financial statements and related notes for the period ended December 31, 2020. Significant risk factors for the Corporation are metal prices, government regulations, foreign operations, environmental compliance, dependence on management, claim renewals and performance of option agreements.

The Company has limited financial resources, has no source of operating income, and has no assurance that additional funding will be available to it for further exploration and development of its projects. Although the Company has been successful in the past in financing its activities through the issuance of equity securities, there can be no assurance that it will be able to obtain sufficient financing in the future to execute its business plan.

a) Foreign Operations

The Company's Lolita project is currently conducted through a subsidiary located in Argentina and, as such, its operations are exposed to various levels of political, economic and other risks and uncertainties which could result in work stoppages of the Company's exploration activities. There is currently no local opposition to exploration activities, but there can be no assurance that such local opposition will not arise with respect to the Company's Argentina operations.

The Company's exploration and development activities are subject to extensive foreign federal, state and local laws and regulations governing such matters as environmental protection, management and use of toxic substances and explosives, management of natural resources, health, safety and labour, mining law reform, price controls import and export laws, taxation, maintenance of claims, tenure, government royalties and expropriation of property. There is no assurance that future changes in such regulations, if any, will not adversely affect the Company's activities.

**Other Information**

Additional information on the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com) or by contacting the Company at 1240 Bay Street, Suite 800, Toronto Ontario M5R 2A7 or on our website at [www.platogold.com](http://www.platogold.com).

Finally, I would again like to thank all our shareholders for your faith and confidence as we continue to explore and discover mineral wealth in Marathon, Ontario, Timmins, Ontario and Santa Cruz, Argentina.

Yours truly,

(signed) "Anthony J. Cohen"

Anthony J. Cohen

President & CEO

April 22, 2021