

NOTICE OF THE ANNUAL GENERAL AND SPECIAL MEETING OF THE SHAREHOLDERS OF SONORA GOLD & SILVER CORP.

TAKE NOTICE that the Annual General and Special Meeting of the Shareholders (the "Meeting") of Sonora Gold & Silver Corp. (hereinafter called the "Corporation") will be held at Suite 2300, 1066 West Hastings Street, Vancouver, BC, Canada V6E 3X2 at 10:00 a.m. (Vancouver local time) on Friday, August 29, 2014 for the following purposes:

1. To receive and consider the audited financial statements of the Corporation for the fiscal year ended January 31, 2014 and the Auditor's Report thereon.
2. To set the number of directors at four.
3. To elect Directors for the ensuing year.
4. To approve the appointment of Saturna Group Chartered Accountant, LLP as auditors of the Corporation for the ensuing year and to authorize the Directors to fix the auditors' remuneration.
5. To consider and if thought fit to ratify, confirm and approve the Corporation's Stock Option Plan as required by the TSX Venture Exchange.
6. To authorize the Board of Directors to effect, in its discretion, a proposed consolidation of the outstanding common shares of the Corporation, at a consolidation ratio of 1 new for 2.5 old, and the approval of corresponding amendments to our certificate of incorporation to effect the consolidation, subject to the Board of Directors' authority to abandon such proposed consolidation;
7. To consider, and if thought fit, to pass a special resolution to change the name of the Corporation to a name acceptable to the Board of Directors of the Corporation, the TSX Venture Exchange and the British Columbia Registrar of Companies, as more particularly described in the accompanying Information Circular; and;
8. To transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

NOTICE AND ACCESS

Notice is also hereby given that Sonora Gold & Silver Corp. has decided to use the Notice-and-Access method of delivery of meeting materials for the 2014 Annual General Meeting of Shareholders. The notice-and-access method of delivery of meeting materials allows the Corporation to deliver the meeting materials over the internet in accordance with the notice-and-access rules adopted by the British Columbia Securities Commission under National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer. Under the notice-and-access system, shareholders still receive a proxy or voting instruction form (as applicable) enabling them to vote at the Corporation's meeting. However, instead of a paper copy of the Management Information Circular, the annual financial statements and related management's discussion and analysis and other meeting materials, shareholders receive this notification with information on how they may access such materials electronically. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and will also reduce the cost of printing and mailing materials to shareholders. Shareholders are reminded to view the meeting materials prior to voting.

WEBSITES WHERE MEETING MATERIALS ARE POSTED

Materials can be viewed online under the Corporation's profile at www.SEDAR.com or on the Corporation's website at <http://www.sonoragoldcorp.com>.

HOW TO OBTAIN PAPER COPIES OF THE MEETING MATERIALS

Registered holders or beneficial owners may request paper copies of the meeting materials be sent to them by postal delivery at no cost to them. Requests may be made up to one year from the date the meeting materials are posted on the Corporation's website. In order to receive a paper copy of the meeting materials or if you have questions concerning Notice-and-Access, please call toll free at 1.855.777.4622.

Requests should be received by August 20, 2014 in order to receive the meeting materials in advance of the meeting date. Shareholders are entitled to vote at the Meeting either in person or by proxy. Shareholders who are unable to attend the meeting in person are requested to complete the Form of Proxy delivered to them and to return it to the Corporation.

The directors have fixed that time which is 48 hours, excluding Saturdays, Sundays and holidays, prior to the hour of the meeting or an adjournment thereof as the time before which proxies to be used at the meeting must be deposited with the Corporation or an agent thereof. A failure to so deposit the proxy may result in its invalidation.

Only holders of voting common shares of record at the close of business on July 17, 2014 (the "Record Date") will be entitled to vote at the Meeting.

DATED at Vancouver, British Columbia, this 25th day of July, 2014.

BY ORDER OF THE BOARD

"Ken Churchill"

President and Chief Executive Officer, Director

**MANAGEMENT INFORMATION CIRCULAR FOR THE
2014 ANNUAL GENERAL AND SPECIAL MEETING OF THE SHAREHOLDERS OF
SONORA GOLD & SILVER CORP.**

This information is given as of July 25, 2014 unless otherwise specified.

PERSONS MAKING THE SOLICITATION

This Management Information Circular (the "Circular") is furnished in connection with the solicitation of proxies being made by the management of Sonora Gold & Silver Corp. ("Sonora" or the "Company") for use at the Annual General and Special Meeting of the Company's shareholders (the "Meeting") to be held on Friday, August 29, 2014 at 10:00 a.m. (Pacific Standard Time) at Suite 2300, Oceanic Plaza, 1066 West Hastings Street, Vancouver, British Columbia and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Company. All costs of this solicitation will be borne by the Company. It is anticipated that this Circular, together with the accompanying Notice of Meeting and form of proxy will first be mailed to shareholders of the Company on or about July 30, 2014.

Unless otherwise indicated, all monetary amounts referred to herein are stated in Canadian dollars, the Company's reporting currency.

ADOPTION OF NOTICE-AND-ACCESS SYSTEM

In accordance with the notice-and-access rules adopted by the British Columbia Securities Commission under NI 54-101, the Corporation has sent its proxy-related materials directly to registered holders and non-objecting beneficial owners using notice-and-access. Therefore, although shareholders still receive a proxy or Voting Instruction Form (as applicable) in paper copy, this Information Circular, annual consolidated financial statements and related MD&A are not physically delivered. Instead, shareholders may access these materials on the Corporation's website at <http://www.sonoragoldcorp.com> or may also be accessed under the Corporation's profile page on SEDAR at www.sedar.com.

Registered holders or beneficial owners may request paper copies of the Meeting materials be sent to them by postal delivery at no cost to them. Requests may be made up to one year from the date the Meeting materials are posted on the Corporation's website.

In order to receive a paper copy of the Meeting materials or if you have questions concerning Notice-and-Access, please call toll free at 1-855-777-4622. Requests for paper materials should be received by August 20, 2014 in order to receive the Meeting materials in advance of the Meeting

APPOINTMENT OF PROXYHOLDER AND VOTING BY PROXY

The individuals named in the accompanying form of proxy (the "Proxy") are directors or officers of the Company (the "Management Proxyholders"). **A shareholder wishing to appoint a person or company other than Management Proxyholders to attend and act for the shareholder and on the shareholder's behalf at the meeting has the right to do so, by striking out the names of the Management Proxyholders and by inserting the desired person's or company's name in the blank space provided in the proxy, or by executing a proxy in a form similar to the enclosed form. In either case, the completed form of proxy must be delivered to Computershare prior to the Meeting or any adjournment thereof. A proxyholder need not be a shareholder.**

You can choose to vote your common shares by proxy by mail, by telephone or on the Internet. If you vote your common shares by proxy by mail, completed forms of proxies must be delivered to the Company's transfer agent, Computershare Investor Services Inc. ("Computershare"), at Proxy Department, at 100 University Avenue, 9th Floor, Toronto, Ontario, Canada M5J 2Y1, in the envelope provided for that purpose. Telephone and Internet voting can also be completed 24 hours a day, 7 days a week, at 1-866-732-VOTE (8683) (toll free) and www.investorvote.com. Duly completed forms of proxy or a vote using the telephone or over the Internet must be completed no later than forty-eight (48) hours (excluding Saturdays and holidays) before the time of the Meeting, or any adjournment thereof, unless the chairman of the Meeting elects to exercise his discretion to accept proxies subsequently received.

If you are a beneficial shareholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided by your broker or other intermediary.

ADVICE TO NON-REGISTERED HOLDERS OF COMMON SHARES

The information set forth in this section is of significant importance to many shareholders as a substantial number of shareholders do not hold securities of the Company in their own name. Shareholders who hold their securities through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their securities in their own name (referred to in this Circular as "**Beneficial Shareholders**") should note that only proxies deposited by shareholders who appear on the records maintained by the Company's registrar and transfer agent as registered holders of voting securities will be recognized and acted upon at the Meeting. If voting securities are listed in an account statement provided to a Beneficial Shareholder by a broker, those voting securities will, in all likelihood, not be registered in the shareholder's name. Such voting securities more likely will be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name of the Canadian Depository for Securities which acts as nominee for many Canadian brokerage firms). Voting securities held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their voting securities are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to registered shareholders by the Company and is commonly referred to as a "**Voting Instruction Form**". However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications Solutions, Canada (formerly, ADP Investor Communications, Canada)("Broadridge"). Broadridge typically prepares a machine-readable voting instruction form, mails such forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. ***A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote their securities directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of securities must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the securities voted. If you have any questions respecting the voting of securities held through a broker or other intermediary, please contact that broker or other intermediary promptly for assistance.*** Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting securities registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the securities in that capacity.

Beneficial Shareholders who wish to attend the Meeting and indirectly vote their securities as proxyholder for the registered shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.

REVOCATION OF PROXIES

A registered shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing, including a proxy bearing a later date, executed by the registered shareholder or by his attorney authorized in writing or, if the registered shareholder is a Company, under its corporate seal or by an officer or attorney thereof duly authorized. The instrument revoking the proxy must be deposited at the registered office of the Company, at Suite 3350, Four Bentall Centre, 1055 Dunsmuir Street, PO Box 49222, Vancouver, BC, Canada V7X (Attention: Stacy Broadway) at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the Secretary of the Company or the Chairman of the Meeting prior to the time of voting at the Meeting. Only registered shareholders have the right to revoke a proxy. **Beneficial Shareholders who wish to change their vote must arrange for their respective intermediaries to revoke the proxy on their behalf. If you are non-registered Shareholder of the Company and received these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or by the other intermediary. Failure to do so may result in your Common Shares not being eligible to be voted by proxy at the Meeting.**

EXERCISE OF DISCRETION

The enclosed Proxy, when properly completed and delivered and not revoked, gives discretionary authority to the persons named therein with respect to any amendments or variations of matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of the printing of this Circular, management of the Company knows of no such amendment, variation or other matter that may be presented to the Meeting.

If a shareholder does not specify a choice and the shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

RECORD DATE

Shareholders registered as at July 17, 2014 (the "Record Date") are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes to the Proxy.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors and confirmation of the Company's stock option plan and as may be set out herein.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Corporation consists of a maximum of 100,000,000 voting common shares without par value (the "Common Shares"); there are no other classes of shares. As of July 17, 2014, (the "Record Date"), 35,926,172 Common Shares were issued and outstanding, each share carrying the right to one vote. There are no other shares outstanding.

At a general meeting of the Corporation, on a show of hands, every Shareholder holding Common Shares, present in person shall have one vote and, on a poll, every Shareholder holding Common Shares shall have one vote for each common share of which he is the holder.

Only Shareholders of record on the close of business on the Record Date, who either personally attend the Meeting or who complete and deliver a Proxy in the manner and subject to the provisions set out under the heading "Appointment and Revocation of Proxies" will be entitled to have his or her shares voted at the Meeting or any adjournment thereof.

To the knowledge of the directors and executive officers of the Company, no persons beneficially owns, directly or indirectly, or exercise control or direction over, directly or indirectly, 10% or more of the issued and outstanding common shares of the Company.

Approval of Resolutions

To approve a motion for an ordinary resolution, a majority of the votes cast by shareholders in person or by proxy who vote in respect of that resolution will be required. To approve a motion for a special resolution, a majority of not less than two-thirds (2/3) of the votes cast in person or by proxy by those shareholders who vote in respect of that resolution will be required.

Additional Information

The following documents are filed with the securities commissions or similar regulatory authority in British Columbia, and Alberta and are specifically incorporated by reference into, and form an integral part of this Information Circular:

- (a) audited financial statements for the year ended January 31, 2014;
- (b) the auditor's report thereon; and
- (c) the management discussion and analysis for the financial year ended January 31, 2014.

Copies of these documents incorporated by reference herein may be obtained by a shareholder upon request without charge from the Corporation by sending a request to Suite 2300, 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X2. These documents are also available on the Internet through SEDAR, which can be accessed at www.sedar.com.

NUMBER OF DIRECTORS

At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors of the Corporation for the ensuing year at four. The number of directors will be approved if the affirmative vote of the majority of Common Shares present or represented by proxy at the Meeting and entitled to vote are voted in favour to set the number of directors at four.

ELECTION OF DIRECTORS

Each Director of the Corporation is elected annually and holds office until the next Annual Meeting of the Shareholders unless that person ceases to be a director before then. In the absence of instructions to the contrary, the shares represented by Proxy will, on a poll, be voted (if management's proxies are selected) in favour of the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a Director.

The following table sets out the names of management's nominees for election as Directors, the positions and offices which they presently hold with the Corporation, the length of time they have served as directors of the Corporation, their respective principal occupations or employments during the past five years, if such nominee is not presently an elected Director and the number of voting shares of the Corporation which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Management Information Circular:

Name and Country of Residence ⁽¹⁾	Date Appointed Director or Officer of Issuer	Principal Occupation for Previous Five Years	Committee Memberships	Number of Voting Shares
Ken Churchill Vancouver, BC Canada	Director since June 26, 2008 President & CEO since August 1, 2008	Consulting executive with bioMmune Technologies Inc., from May 2012 to May 2013, North American General Manager, Lenyo Bio Informatics Inc. from 2005 to 2007; and General manager, Rife Technologies Inc. from 2003 to 2005	Audit Corporate Governance and Nominating	818,000
Michael Resendes Coquitlam, BC Canada	Director since September 13, 2005	Accountant	Audit Compensation	75,000
Robert Dinning, North Vancouver, BC Canada	Director since January 22, 2013 Chief Financial Officer since July 31, 2009	Self-employed management consultant; President and CEO of Simba Energy Inc.; Chairman, President and CEO, and director of Meadow Bay Gold Corp.; Chairman and director of Paramount Gold & Silver Corp.; Chairman and CEO and director of Apolo Gold & Energy Inc; Director of Metron Capital Corporation.	Audit Compensation Corporate Governance and Nominating	50,000

⁽¹⁾ The information as to country of residence, principal occupation and number of shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Corporation, has been furnished by the respective directors individually.

CORPORATE CEASE TRADE ORDERS AND BANKRUPTCIES

Cease Trade Orders

Other than as set out below, to the best of management's knowledge, no proposed director of the Company has, within 10 years before the date of this Information Circular, been a director or officer of any company that, while that person was acting in that capacity:

- (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Robert Dinning is a director of Apolo Gold & Energy Inc. ("Apolo"). On December 15, 2009, the British Columbia Securities Commission ("BCSC") issued Mr. Dinning a CTO as a result of failure to file an insider report in accordance with the *Securities Act* (British Columbia). Mr. Dinning subsequently filed the required insider report and the BCSC issued an order to revoke the CTO.

Mr. Dinning was a director of Industrial Minerals Inc. ("Industrial"). A Delaware company exploring for graphite, listed on the OTC. In 2009 a CTO was issued regarding deficiencies in a technical report, which was subsequently resolved by management. A further CTO was issued for failure to file financial statements in British Columbia. Financials were then filed and the CTO was removed. Mr. Dinning resigned as a director on May 10, 2010.

Mr. Dinning is currently a director of Paramount Gold & Silver Corp. – an exploration company with properties in Mexico and Nevada. An issue arose with the SEC as part of a 26 Company investigation by the SEC, which was resolved when the SEC declared that Paramount had done nothing wrong. A CTO was issued in 2008 and subsequently removed when the SEC closed the file.

Bankruptcies

No proposed director of the Company:

- (a) is, as at the date of this Circular, or has been within the 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

No proposed director of the Company has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

AUDIT COMMITTEE DISCLOSURE

Pursuant to the provisions of section 224 of the *Business Corporations Act* (British Columbia), the Company is required to have an Audit Committee, which, at the present time is comprised of three of the directors of the Company. The Company must also, pursuant to the provisions of National Instrument 52-110 *Audit Committees* ("NI 52-110"), which came into force on March 17, 2008, have a written charter, attached hereto as Schedule A, which sets out the duties and responsibilities of its audit committee. The Company is relying on the exemption provided under NI 52-110, which provides for the short form disclosure of the audit committee procedures for venture issuers.

Composition of the Audit Committee

The Audit Committee is presently comprised of Ken Churchill (financially literate and non-independent), Michael Resendes (financially literate and independent) and Robert Dinning (financially literate and non-independent). For the purposes of NI 52-110, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements. The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. The Company is relying on the exemption in Section 6.1 of NI 52-110 in respect of the requirements of Part 3 (*Composition of the Audit Committee*) of NI 52-110.

Relevant Education and Experience of Audit Committee

All of the members of the Audit Committee are financially literate, in that they have the ability to read and understand consolidated statements of financial position, consolidated statements of comprehensive loss, consolidated statements of cash flows, and consolidated statements of equity and the notes attached thereto. Additionally, all of the members of the Audit Committee have accounting or related financial experience and are able to analyze

and interpret a full set of financial statements, with the level of complexity of a mining exploration issuer such as the Company, including the notes attached thereto, in accordance with International Financial Reporting Standards ("IFRS"). The following table sets out each committee member's relevant experience:

Ken Churchill is a business man with over 25 years of experience in the management of private retail companies. Mr. Churchill possesses the relevant depth of knowledge and experience required to understand and interpret the complexity of accounting issues relevant to public companies.

Michael Resendes is an accountant with over 14 years of experience as an accountant, primarily in the automotive finance industry as a controller and assistant manager. Mr. Resendes holds a Financial Management diploma from the British Columbia Institute of Technology. Mr. Resendes' experience as a financial controller provides the Company with the breadth and depth of knowledge necessary to be a member of the Committee.

Mr. Dinning is a Chartered Accountant and a lifetime member of the Alberta Institute of Chartered Accountants. He is currently President and CEO of Simba Energy Inc. a TSX Venture listed company, Chairman of the Board and a director of Paramount Gold & Silver Corp., an AMEX and TSX listed company, Chairman, President and CEO of Apolo Gold & Energy Inc., a director of Metron Capital Corp., a director and Chairman, President and CEO of Meadow Bay Gold Corporation. Mr. Dinnings' 40 years in capital markets provides the Company diverse professional skills and knowledge regarding corporate finance and accounting oversight.

Audit Committee Oversight

At no time since the commencement of the Company's most recent completed financial year was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board of Directors of the Company (the "Board").

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. The Company is relying on the exemption in Section 6.1 of NI 52-110 in respect of the composition of the Audit Committee.

Pre-Approval Policies and Procedures

The Committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit and other fees are as follows:

Financial Year Ending	Audit Fees ⁽¹⁾ (CAD\$)	Audit Related Fees (CAD\$)	Tax Fees	All Other Fees (CAD\$)
January 31, 2014	6,000	Nil	Nil	Nil
January 31, 2013	8,400	Nil	Nil	Nil

(1) Actual amounts paid.

APPOINTMENT AND REMUNERATION OF AUDITORS

Saturna Group, Chartered Accountant LLP is the Company's auditor and was first appointed as the Company's auditor on March 10, 2009. The directors of the Company recommend the re-appointment of Saturna Group, Chartered Accountant, LLP, as auditors of the Company to hold office until the termination of the next annual meeting of the Company. As in past years, it is proposed that the remuneration to be paid to the auditors be determined by the directors of the Company.

Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted in favour of the re-appointment of Saturna Group, Chartered Accountant, LLP, as auditors of the Company to hold office until the close of the next annual meeting of the Company, at a remuneration to be determined by the Board.

STATEMENT OF EXECUTIVE COMPENSATION

Set out below are particulars of compensation paid to the following persons (the "Named Executive Officers" or "NEO's"):

- (a) the Company's Chief Executive Officer ("CEO");
- (b) the Company's Chief Financial Officer ("CFO");
- (c) each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000 per year, and
- (d) any additional individuals for whom disclosure would have been provided under (c) but for the fact that the individual was not serving as an officer of the Company at the end of the most recently completed fiscal year.

During the fiscal year ended January 31, 2014, the Company had two Named Executive Officers, namely, Mr. Ken Churchill, the President and Chief Executive Officer and Robert Dinning, the Chief Financial Officer.

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis (“CD&A”) describes compensation programs and elements applicable to Executive Officers of the Corporation. For the purposes of this CD&A, “Executive Officers” means the President and Chief Executive Officer, the Chief Financial Officer. “Executive Compensation” means base salary, short-term and long-term incentives, benefits and other compensation.

This CD&A is organized to describe:

- Sonora’s approach to executive compensation;
- the approach and process for reviewing executive compensation.

Approach to Executive Compensation

Though the Board of Directors determines compensation largely through general discussion with no formal written objectives, criteria, or analysis, Sonora’s compensation policies are coordinated with the Corporation’s overall corporate strategy as it carries out its business objectives. Executive compensation is intended to appropriately compensate Executive Officers for execution of the strategy and reflect actual results achieved.

Corporate Strategy

In 2008, Sonora took a strategic review of its operations, taking into consideration the impacts of the financial crisis that emerged in late 2008. As a result, the Corporation decided to implement a more cautious strategy to ensure the long-term viability of the Corporation as whole. The corporate strategy involves three primary objectives:

- sourcing high-impact exploration and development opportunities;
- profitable long-term growth; and
- managing financial resources prudently.

As part of this corporate strategy, Sonora is ensuring that its compensation policies continue to align with business objectives. Policies may be revised or enhanced where necessary to meet changing business needs, growth and structure.

Compensation Philosophy and Plan Design

Sonora’s compensation plan, though not prescriptive in nature, is generally intended to reward Executive Officers at market competitive levels. Sonora’s compensation philosophy has evolved over the past year to carefully reward Executive Officers for their dedication to the future success of the Corporation. In keeping with this philosophy, compensation is distributed to support the overall corporate strategies the Corporation has adopted in this most recent financial year. The main objectives of Sonora’s compensation programs are to:

- attract, retain and motivate high quality individuals to drive the organization;
- develop a sense of proprietorship and responsibility for the success of the Corporation;
- align compensation needs with the needs of the business and its financial well-being as a going concern; and
- focus on performance and contribution through the attainment of goals and objectives.

Executive Officers have both fixed and variable (“at risk”) elements of compensation. Programs are intentionally designed to be more heavily weighted towards variable elements of compensation, reinforcing accountability for corporate performance. This approach provides the Corporation with financial flexibility and individuals with an incentive to perform above expectations. Executive Officers generally receive greater compensation when Sonora exceeds performance goals as performance might be rewarded through equity incentives in the form of stock options. Conversely, if the Corporation does not achieve its goals it is unlikely that share price appreciation will result in equity compensation being realized in the form of option exercises. Sonora has ensured that the design of its compensation plan is based on corporate prudence in managing financial resources in more challenging times.

Fixed Compensation

Fixed compensation is the base salary paid to Executive Officers of the Corporation. Sonora has one full time salaried Executive Officer and one part-time salaried Executive Officer. Fixed compensation rewards the Executive Officers for the competency they demonstrate in their roles relative to the skills, experience and contributions they bring to the Corporation.

Variable Compensation

Variable compensation is a key element of compensation necessary to keep an Executive Officer’s total cash compensation at a market competitive level. Variable compensation helps the Corporation reward Executive Officers for their contribution toward Sonora’s achievement of financial, operational, strategic and individual goals. Variable compensation helps reinforce accountability by the Executive Officer and promotes the achievement of long-term corporate strategies.

Variable compensation with Sonora is largely focused on the awarding of incentives in the form of stock options.

Stock Options

Stock options are an integral component of Sonora's overall compensation strategy, focusing on the Corporation's performance and the importance of creating long-term shareholder value. As contributors to the financial and operational success of the Corporation, it is important that Executive Officers have a stake in sharing that success. The key objectives of Sonora's stock option programs are to:

- align long-term interests of Executive Officers and other eligible persons, with those of shareholders;
- develop a sense of proprietorship among Executive Officers;
- focus Executive Officers and other eligible persons, on sustained long-term value creation and the overall corporate strategy; and
- provide opportunities for Executive Officers, and other eligible persons to share in Sonora's success.

The stock option program successfully attracts and retains Executive Officers and other eligible persons, aligning them with individual and shareholder interests, and focuses Executive Officers on sustained long-term value creation. In addition, high demand for talent and the prevalence of similar plans among the Corporation's peers, make it essential to maintain a competitive long-term incentive program.

Stock options are intended to be market competitive and forward-looking; they are not granted to reflect or reward the prior year's performance. As such, previous option-based awards are not taken into account when considering new grants. Sonora grants stock options to eligible persons subject to the approval of the Board of Directors. Options are fully vested on the date of grant and expire within five years of issuance. In general, the quantity of options granted depends on the intended value, the fair market value of the Common Shares on the date of grant (exercise price) and anticipated growth of the Corporation over the life of the option.

Other Compensation

In order to attract and retain high quality talent and offer competitive levels of compensation, Sonora provides certain other compensation to retain Executive Officers. Other compensation may involve incentives in the form of signing bonuses to attract and retain these Executive Officers.

EXECUTIVE COMPENSATION TABLE

Name and Principal Position	Year ⁽¹⁾	Salary (\$)	Option-based Awards ⁽²⁾ (\$)	Other Compensation ⁽³⁾ (\$)	Total Compensation (\$)
Ken Churchill ⁽³⁾ President and Chief Executive Officer	2014	40,800	--	--	40,800
	2013	40,800	--	--	80,100
	2012	40,800	39,300	--	107,300
Robert Dinning ⁽⁴⁾ Chief Financial Officer	2014	36,000	--	--	36,000
	2013	36,000	--	--	45,510
	2012	37,110	8,400	--	36,710

(1) Financial years ending on January 31, 2014, 2013 and 2012.

(2) These amounts represent the value of stock options granted to the respective NEO. The methodology used to calculate these amounts was the Black-Scholes model. This is consistent with the accounting values used in the Company's financial statements. The dollar amount in this column represents the total value ascribed to the stock options.

(3) On August 1, 2008, Mr. Ken Churchill was appointed as the President and Chief Executive Officer and a Director of the Company.

(4) On July 31, 2009, Mr. Robert Dinning was appointed the Chief Financial Officer.

Narrative Discussion

The Company has entered into employment agreements with its NEOs. The agreements specify the terms and conditions of employment, the duties and responsibilities of the executive during this term. The management functions of the Company or any subsidiary of the Company are not, to any substantial degree, performed by a person other than the directors or senior officers of the Company, except for:

- Mr. Churchill provides management services through Matteis Gold Capital Corporation, and provides these services at a rate of \$3,400 per month plus applicable GST/HST plus general office expenses. Services are billed monthly and the arrangement can be terminated with 30 days' written notice.
- On August 1, 2009, the Company entered into an agreement with Mr. Robert Dinning to provide the services of Chief Financial Officer and provide management of the related administrative functions. Mr. Dinning provides these services for \$3,000 per month plus GST/HST. The agreement may be terminated with 30 days' written notice.

INCENTIVE PLAN AWARDS

Outstanding Option-Based Awards During the Most Recently Completed Financial Year

Stock options are determined by the Company's directors and may only be granted in compliance with applicable laws and regulatory policy. The policies of the TSX Venture Exchange (the "Exchange") limit the granting of stock options to directors, officers and employees of the Company and provide limits on the length, number and exercise price of such options.

On July 8th, 2003, the Company adopted a Rolling Stock Option Plan, whereby the Company may grant options to directors, officers, employees, dependent contractors or consultants. The number of options outstanding at any time may not be more than 10% of the number of voting common shares issued and outstanding. The exercise price associated with each grant of options is determined by the Company and is subject to the policies of the Exchange. The maximum term of each option is five (5) years. The options vest on a basis as determined by the directors or a committee thereof at the time of grant.

Outstanding Option-Based Awards

The following tables set forth the outstanding option-based awards held by the NEO's at the end of the most recently completed financial year:

Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$)
Ken Churchill President and Chief Executive Officer	50,000	\$0.50	September 22, 2015	Nil
	350,000	\$0.16	August 18, 2016	Nil
Robert Dinning Chief Financial Officer	75,000	\$0.16	August 18, 2016	Nil

¹⁾ Calculated using the closing price of the common shares on the TSX Venture Exchange on January 31, 2014 of CAD\$0.02 and subtracting the exercise price of in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the common shares on the date of exercise.

Option Based-Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year by each NEO:

Name	Option-based awards – Value vested during the year ⁽¹⁾
Ken Churchill President & Chief Executive Officer	Nil
Robert Dinning Chief Financial Officer	Nil

⁽¹⁾ Calculated using the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date. Value is determined by determining the difference between the market price of the stock as of the year ended January 31, 2014, which was \$0.02 per share, and the underlying exercise price of the option based award on the vesting date.

PENSION PLAN BENEFITS

The Corporation does not provide retirement benefits for directors or executive officers.

TERMINATION AND CHANGE OF CONTROL BENEFITS

The Corporation has no compensatory plan or arrangement in respect of compensation received or that may be received by the Named Executive Officers in the Corporation's most recently completed or current financial year to compensate such executive officers in the event of the termination of employment (resignation, retirement, change of control) or in the event of a change in responsibilities following a change in control, where in respect of the Named Executive Officers the value of such compensation exceeds \$150,000.

DIRECTOR COMPENSATION

Director Summary Compensation Table

Name	Year ⁽¹⁾	Salary (\$)	Option-based Awards (\$)	Other Compensation (\$)	Total Compensation (\$)
Michael Resendes	2014	--	--	--	--
	2013	--	--	--	--
	2012	--	--	--	--
Joseph Giuffre ⁽²⁾	2014	--	--	--	--
	2013	--	--	--	--
	2012	--	--	--	--
Giulio Bonifacio ⁽³⁾	2014	--	--	--	--
	2013	--	--	--	--
	2012	--	--	--	--
Paul Matysek ⁽⁴⁾	2014	--	--	--	--
	2013	--	--	--	--
	2012	--	--	--	--

(1) Financial years ending on January 31, 2014, 2013 and 2012.

(2) Mr. Giuffre tendered his resignation to the Board on November 14, 2012.

(3) Mr. Bonifacio tendered his resignation to the Board on February 27, 2012.

(4) Mr. Matysek tendered his resignation to the Board on January 22, 2013.

INCENTIVE PLAN AWARDS

Outstanding Option-Based Awards

The following table sets forth the outstanding option-based awards held by the directors of the Company at the end of the most recently completed financial year:

Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
Michael Resendes	25,000	\$0.16	August 18, 2016	Nil

⁽¹⁾ These amounts represent the value of stock options granted to the respective NEO. The methodology used to calculate these amounts was the Black-Scholes model. This is consistent with the accounting values used in the Company's financial statements. The dollar amount in this column represents the total value ascribed to the stock options.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed fiscal year by each director:

Name	Option-based awards – Value vested during the year ⁽¹⁾ (CAD\$)
Michael Resendes	Nil

⁽¹⁾ Calculated using the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date. Value is determined by determining the difference between the market price of the stock as of the year ended January 31, 2014, which was \$0.27 per share, and the underlying exercise price of the option based award on the vesting date.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth securities of the Corporation that are authorized for issuance under equity compensation plans as at the end of the Corporation's most recently completed fiscal year:

	Number of Securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for issuance under equity compensation plans (excluding outstanding securities reflected in Column 1)
Equity compensation plans approved by securityholders ⁽¹⁾	900,000		2,692,617
Equity compensation plans not approved by securityholders	--	--	--
Total	900,000		2,692,617

⁽¹⁾ The aggregate number of the Corporation's shares that may be reserved for issuance under the 2003 Stock Option Plan ("2003 Plan"), approved on July 8th, 2003 and further ratified on September 5, 2013, shall not exceed 10% of the Corporation's issued and outstanding Common Shares as of the date of grant of the options.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

Since February 1, 2008, the beginning of the last completed financial year, no director, proposed nominee for director, officer (nor associates of these individuals), employee, or former director, officer or employee of the Corporation or any of its subsidiaries is currently indebted to the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For the purposes of this Information Circular, "informed person" means: (a) a director or executive officer of the Corporation; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Corporation; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Corporation, or a combination of both, carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation, other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Corporation if it has purchased, redeemed or otherwise acquired any of its own securities, for so long as it holds any of its securities. No informed person, no proposed director of the Corporation and no associate or affiliate of any such informed person or proposed director, has any material interest, direct or indirect, in any material transaction since the commencement of the Corporation's last completed financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Corporation or its subsidiary.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101"), the Company must disclose its approach to corporate governance which is as follows:

Board of Directors

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company.

The Company has no employees. It does not have multiple divisions, has no hierarchy of managers, vice-presidents or the like, and has only one office. The Board is currently comprised of three directors, with vacancy for a fourth qualified individual. As the Company's Board is relatively small, all matters requiring Board approval are put before meetings of the Board or obtained through consent resolutions. The Company's committees consist of an: Audit Committee, Compensation Committee and a Corporate Governance and Nominating Committee.

The Canadian Securities Regulators have adopted new guidelines for improved corporate governance in Canada which provides, among other things, that the majority of the board of directors of each public company should be independent. Directors are considered independent if they have no direct or indirect material relationship with the listed company. Following a review of the particular circumstances of each director, it was determined that at the date of this Circular, Director Michael Resendes is considered independent, while, neither Ken Churchill or Robert Dinning are considered independent as a result of their status as executive officers of the Corporation.

In the event of a conflict of interest at a meeting of the Board, the conflicted director will, in accordance with corporate law and in accordance with his fiduciary obligations as a director of the Company, disclose the nature and extent of his interest to the meeting and abstain from voting on or against the approval of such participation.

Directorships

The following Directors serve on the board of other issuers as noted below:

Director	Other Reporting Issuers
Robert Dinning	<ul style="list-style-type: none">• Simba Energy Inc., TSX.V – SMB• Meadow Bay Gold Corp., TSX - MAY• Paramount Gold & Silver Corp., TSX - PZG• Apolo Gold & Energy Inc., OTCBB – APLL• Metron Capital Corporation, MCN-P-V

Orientation and Continuing Education

At present, the Company does not provide a formal orientation and education program for new directors. Prior to joining the board, potential Board members are encouraged to meet with management and inform themselves regarding management and the Company affairs. After joining the Board, management and the Board chair provide orientation both at the outset and on an ongoing basis. The Company currently has no specific policy regarding continuing education for directors, and requests for education are encouraged, and dealt with on an ad hoc basis.

Ethical Business Conduct

The primary step taken by the Company to encourage and promote a culture of ethical business conduct is to conduct appropriate due diligence on proposed directors, and ensure that proposed directors are of the highest ethical standards. The Board does not currently have a written code of conduct.

Nomination of Directors

Once a decision has been made to add or replace a director, the task of identifying new candidates falls on the Board, in consultation with management. Proposals are put forth by the Board and management and considered and discussed. If a candidate looks promising, the Board and management will conduct due diligence on the candidate, and if the results are satisfactory, the candidate is invited to join the Board.

Compensation

Compensation of each of the CEO and CFO is ultimately determined by the Board (excluding the CEO) based upon the recommendations of the Compensation Committee. Compensation for Board members is determined by the Board as a whole and in accordance with industry norms and with reference to each individual director's level of involvement with the Company.

Other Board Committees

The Company has standing committees for corporate governance and compensation in addition to the Audit Committee.

Assessments

At present, the Board does not have a formal process for assessing the effectiveness of the Board, its committees and individual directors are performing effectively. These matters are dealt with on a case by case basis at the Board level.

PARTICULARS OF MATTERS TO BE ACTED UPON

Votes Necessary to Pass Resolutions

A simple majority of affirmative votes cast at the Meeting is required to pass the ordinary resolutions described herein. A two-thirds (2/3) majority of affirmative votes cast at the Meeting is required to pass any special resolutions described herein. If there are more nominees for election as directors than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

Ratification of Approved Stock Option Plan

At the Annual General and Special Meeting of Shareholders of the Company held on September 5, 2013, the shareholders ratified, confirmed and approved the Company's Stock Option Plan, which entitles the Company to grant options to purchase up to a maximum of 10% of the Company's issued and outstanding Shares as at the time of grant.

The Exchange requires that all Exchange listed companies who have adopted a stock option plan which reserves a rolling maximum of 10% of the number of common shares issued and outstanding on the applicable date of grant (the "Rolling Plan"), to obtain shareholder ratification of the Stock Option Plan on an annual basis. As at the date of this Circular, the Company has 35,926,172 common shares issued and outstanding so that a maximum of 3,592,617 common shares would be available for issuance pursuant to the stock options granted under the Stock Option Plan. Currently there are 900,000 stock options outstanding under the Stock Option Plan, leaving 2,692,617 available for grant of further options. Accordingly, the Company requests that the shareholders ratify and approve the Stock Option Plan.

The rules of the Exchange require that the Stock Option Plan be approved annually by the affirmative vote of a majority of the votes cast at the Meeting. Accordingly, the shareholders will be asked at the Meeting to pass the following ordinary resolution:

"BE IT RESOLVED THAT:

1. The Stock Option Plan in the form originally approved by the shareholders of the Company at the Annual General Meeting held on July 8, 2003, as amended pursuant to any duly authorized amendment, is hereby ratified, confirmed and approved;
2. The maximum number of Common Shares of the Company which may be issued under the Stock Option Plan shall be equal to 10% of the issued and outstanding Common Shares of the Company on the applicable date of grant; and
3. The Board or any committee created pursuant to the Stock Option Plan is authorized to make such amendments to the Plan from time to time as the Board may, in its discretion, consider to be appropriate, provided that such amendments will be subject to the approval of all applicable regulatory authorities and in certain cases, in accordance with the terms of the Plan, and the shareholders."

In accordance with the policies of the Exchange, the Plan must be approved by the majority of votes cast at the Meeting on the resolution. **Unless authority is withheld, the Common Shares represented by the accompanying form of proxy will be voted FOR the ordinary resolution approving the Plan.**

A copy of the Stock Option Plan is available for review during normal business hours at the Company's head office located at Suite 2300, 1066 West Hastings Street, Vancouver, British Columbia V6E 3X2.

Financial Statements

The audited financial statements of the Corporation for the year ended January 31, 2013 and the report of the auditor thereof will be placed before the shareholders at the Meeting. The audited financial statements and the report of the auditor will be mailed to shareholders who have made such request within 10 business days of filing on SEDAR. Additional copies may be obtained from the Corporation upon request and on the Internet at www.sedar.com.

Number of Directors

The size of the Board of Directors was determined at the last Annual General Meeting of the Corporation at 4. Shareholders will therefore be asked to approve an ordinary resolution that the number of directors elected be fixed at 4.

Unless otherwise directed, it is the intention of the Management Proxyholders to vote proxies in the accompanying form IN FAVOUR of the approval of the ordinary resolution fixing the number of directors at 4.

Election of Directors

The term of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia), each of the newly elected directors will hold office until the conclusion of the next annual general meeting of the Corporation.

Management proposes to nominate the persons listed above for election as directors. Management does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, it is the intention of the Management Proxyholders to vote for another nominee in their discretion unless the shareholder has specified in his or her proxy that his or her shares are to be withheld from voting in the election of directors.

Each director elected at the Meeting will hold office until the next Annual General Meeting, unless they resign before their term of office expires at the subsequent Annual General Meeting.

Consolidation of Outstanding Common Shares

In the opinion of the Corporation's management (the "Management") and the Board of Directors, the Corporation's existing issued and outstanding common share capital will make it more difficult for the Corporation to attract the additional equity financing required to maintain the Corporation and advance its exploration projects or to allow for the acquisition of new projects.

The Management and the Board of Directors of the Corporation propose a consolidation of the Corporation's issued share capital on the basis of one (1) new for two and one half (2.5) old common shares without par value. As at the date of this Information Circular, a total of 35,926,172 common shares in the capital of the Corporation are issued and outstanding and assuming no other change in the issued capital, following the proposed consolidation, a total of 14,370,469 common shares in the capital of the Corporation would be issued and outstanding. Though no present application has been made to the TSX Venture exchange to effect such consolidation, completion of any future proposed consolidation will be subject to TSX Venture Exchange approval.

Any registered shareholder who, on the date this resolution is effected, is the registered holder of a number of common shares not divisible by 2.5, then in such event, no fractional common shares shall be issued and any fraction of 0.5 or greater shall be rounded up to the next whole number and any fraction less than 0.5 shall be cancelled.

In addition, the Corporation will alter its authorized share capital, which currently allows for the issuance of a maximum of 100,000,000 Common Shares, to allow for the issuance of an unlimited number of Common Shares.

In order to effect the share consolidation, the following special resolutions will be presented at the meeting:

"BE IT RESOLVED, BY SPECIAL RESOLUTION, THAT:

1. pursuant to Section 54(1)(h) of the British Columbia Business Corporations Act, the Corporation consolidate its issued and outstanding Common shares on a 2.5 for 1 basis, so that the issued and outstanding Common shares are altered from 35,926,172 Common shares without par value to 14,370,469 Common shares without par value;
2. pursuant to Section 54(1)(c) of the British Columbia Business Corporations Act, the Corporation increase its authorized share structure from 100,000,000 Common shares without par value to an unlimited number of Common shares without par value;
3. the directors of the Corporation instruct its agents to file a Notice of Alteration to its Notice of Articles to reflect the amendments as approved by these resolutions;
4. any one or more of the directors and officers of the Corporation be authorized and directed to perform all such acts, deeds and things and execute, under the seal of the Corporation or otherwise, all such documents and other writings, including treasury orders, stock exchange and securities commission forms, as may be required to give effect to the true intent of these resolutions; and
5. any or all of these resolutions may be revoked by the directors of the Corporation in their discretion by resolution without further approval, ratification or confirmation by the shareholders at any time prior to the Notice of Alteration, as set out above, being filed and effected in respect of these amendments and in such case, the directors of the Corporation are hereby authorized to abandon these amendments without further approval, ratification or confirmation by the shareholders of the Corporation and these shareholder resolutions approving and adopting these amendments shall be deemed to have been rescinded."

Name Change

Should the Corporation proceed in effecting a future proposed share consolidation, the Shareholders will be asked to approve an amendment to the articles of the Corporation to change the name of the Corporation to one that would better represent any new business activities that the Corporation may or may not undertake.

In order to effect the name change, the following special resolution will be presented at the meeting:

"BE IT RESOLVED, BY SPECIAL RESOLUTION, THAT,

1. the authorization of the Board of Directors to effect at its discretion a special resolution to change the name of the Corporation to a name acceptable to the Board of Directors, the TSX Venture Exchange and the British Columbia Registrar of Companies; and

2. the Officers and Directors of the Corporation be authorized to take any action and execute and deliver any document which are necessary or desirable for the implementation of this Special Resolution and further that the Directors of the Corporation be authorized to forego, delay, or abandon the implementation of the share consolidation where they determine by resolution that such action is in the best interest of the Corporation.

To be effective the special resolutions must be passed by vote of at least two thirds (2/3) of the votes cast on the motion to approve the special resolutions.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE SPECIAL RESOLUTION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE VOTED AGAINST THIS RESOLUTION. If approved, the proposed amendment to the articles of the Corporation relating to the share consolidation and name change will not be effective unless and until it is accepted by the TSX Venture Exchange and the articles of amendment are filed and a certificate of Amendment is issued under the BCBCA. If not accepted by the TSX Venture Exchange the share consolidation and change of name of the Corporation will not be effective. The Board recommends you vote in favour of the special resolution.

Any Other Matters

Management knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the shares represented by the Proxy solicited hereby, will be voted on such matters in accordance with the best judgment of the persons voting by Proxy.

ADDITIONAL INFORMATION

Additional information relating to the Corporation can be found on the SEDAR website at www.sedar.com. Financial information concerning the Corporation is also provided in the Corporation's financial statements and management's discussion and analysis for the most recently completed financial year. Shareholders may obtain a copy of the Corporation's financial statements and management's discussion and analysis upon request to the Corporation at Suite 2300, 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X2.

DATED at Vancouver, British Columbia, this 25th day of July, 2014.

BY ORDER OF THE BOARD

“Ken Churchill”

Director, President and Chief Executive Officer

Schedule A

AUDIT COMMITTEE CHARTER

Purpose

The purpose of the Audit Committee (the 'Committee') of the Board of Directors ('the Board') of Sonora Gold & Silver Corp. (the 'Company') is to assist the Board in fulfilling the Board's oversight responsibilities for:

- A. The integrity of the Company's financial statements;
- B. The Company's compliance with legal and regulatory requirements;
- C. The qualifications and independence of the auditors of the Company (the "external auditors"); and,
- D. The performance of the Company's internal audit function and external auditors.

The Committee will also assist the Board by establishing appropriate procedures for receiving, reviewing and deciding on appropriate action for any and all complaints received relating to accounting, internal accounting controls or auditing matters. The Committee will also accommodate confidential, anonymous submission, of concerns regarding questionable accounting or auditing matters, by submitted by employees of the Company.

Committee Responsibilities

The Committee shall:

- Ensure that this Committee Charter is reviewed and kept current and relevant on an annual basis with any changes or adjustments to be adopted by the Board as needed;
- With respect to the external auditor of the Company:
 - recommend to the Board, the external auditor to be appointed for the purpose of preparing and issuing an auditor's report on the annual financial statements of the Company or performing other audit, review or attest services for the Company;
 - recommend to the Board the compensation of the external auditor for those services;
 - establish a clear and unambiguous relationship with the external auditor that establishes that the Committee is responsible to oversee the work of the external auditor and that the external auditor while responsible to the shareholders of the Company, will report directly to the Committee.
- With respect to the audit process:
 - meet with the external auditor, or make other suitable arrangements to review the audit plan with the external auditor and management in advance of commencement of audit work;
 - establish, with management, a reporting process whereby any and all issues that may arise before, during the course of, or after completion of the external audit process including, but not limited to, disagreements between management and the external auditor over the accounting treatment or nature of any transaction or valuation of any transaction, asset or liability; or potential weakness or concern, raised by the external auditor over any aspect of the Company's system of internal controls; or any potential weakness or concern, raised by the external auditor over any aspect of the process of reporting to shareholders, are reported directly to the Committee as they may arise;
 - establish, with the external auditor, a reporting process whereby any and all issues that may arise before, during the course of, or after completion of the external audit process including, but not limited to, disagreements between management and the external auditor over the accounting treatment or nature of any transaction or valuation of any transaction, asset or liability; or potential weakness or concern, raised by the external auditor over any aspect of the Company's system of internal controls; or any potential weakness or concern, raised by the external auditor over any aspect of the process of reporting to shareholders, are reported directly to the Committee as they may arise;
 - meet with the external auditor and management to review all material audit findings and resolve any and all areas or issues in dispute between the external auditor and management to the satisfaction of the Committee;
 - report to the Board on the completion of the audit process prior to the release of resulting financial statements to the public.
- review the Company's financial statements and MD&A both for the annual report and all interims reports and press releases prior to release of such information to the public;
- ensure adequate procedures are established over the review of any public disclosure of any financial information extracted or derived from the Company's financial statements and periodically review such procedures to ensure their continuing adequacy;
- review any and all proposed non-audit services to be supplied to the Company by the external auditor and approve any such services and terms in advance of commencement of any such services; or establish appropriate procedures where a designate of the Committee can approve such services in advance; or establish a procedure where such services would be considered to fit the definition of 'De Minimus' non-audit services

and subject to pre-approval by the Committee on the condition that any such services are promptly reported by both management and the external auditor directly to the Committee;

- establish effective procedures for the receipt, review and deciding on appropriate action for any and all complaints received relating to accounting, internal accounting controls or auditing matters; and to accommodate confidential, anonymous submission, of concerns regarding questionable accounting or auditing matters, by employees of the Company.

Responsibilities of the Committee Chair

The fundamental responsibility of the Committee Chair is to be responsible for the management and effective performance of the Committee and provide leadership to the Committee in fulfilling its mandate and any other matters delegated to it by the Board. To that end, the Committee Chair's responsibilities shall include:

- Working with the Chairman of the Board, the Chief Executive Officer and the Secretary to establish the frequency of Committee meetings and the agendas for meetings;
- Providing leadership to the Committee and presiding over Committee meetings;
- Ensuring that the Committee is properly organized and effectively discharges its duties;
- Facilitating the flow of information to and from the Committee and fostering an environment in which Committee members may ask questions and express their viewpoints;
- Reporting to the Board with respect to the significant activities of the Committee and any recommendations of the Committee;
- Leading the Committee in annually reviewing and assessing the adequacy of its mandate and evaluating its effectiveness in fulfilling its mandate;
- Taking such other steps as are reasonably required to ensure that the Committee carries out its mandate; and,
- Reporting to all other members of the Board any circumstances or instances where the Committee has or appears to be likely to fail in carrying out its mandate.

Authority of the Committee

By the adoption of this Charter, the Committee is authorized to:

- Select the external auditor to be recommended to the Board for appointment and to negotiate fees for audit services with the external auditor;
- Engage independent counsel and/or other advisors, as considered necessary by the Committee to discharge its responsibilities hereunder;
- To determine fees payable for such services and allocate funds for payment of these fees;
- Communicate directly with any members of staff, management and with external auditors in relation to the activities of the Committee;
- Report regularly to the Board;
- Review and assess its mandate and recommending any proposed changes to the Corporate Governance and Nominating Committee of the Board; and
- Evaluate the functioning of the Committee on an annual basis.

Composition

The Committee shall consist of at least three members of the Board, each of whom shall be appointed by the Board annually, and as vacancies arise. If an appointment of the members of the Committee is not made as prescribed, the members shall continue as such until their successors are appointed.

Each member of the Committee shall be financially literate or shall take reasonable effort to become financially literate upon appointment to the Committee.

Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member upon ceasing to be a Director.

A majority of the members of the Committee shall be directors whom the Board has determined are independent, taking into account the applicable rules and regulations of securities regulatory authorities and/or stock exchanges.

The Chairman of the Committee shall be appointed from time to time by the Board and shall be an independent director and shall also be financially literate at the time of the appointment.

Meetings

The time and place of the meetings of the Committee, the calling of meetings and the procedure in all things at such meetings shall be determined by the Chair of the Committee.

Meetings of the Committee may be conducted in person or via telephone or teleconference call, at the discretion of the Committee Chair.

The Committee shall hold regular *in-camera* sessions during which the members of the Committee and shall meet in the absence of management.