# MANAGEMENT DISCUSSION AND ANALYSIS

# FOR THE YEAR ENDED JANUARY 31, 2011

## FORWARD-LOOKING STATEMENTS

*All statements in this report that do not directly and exclusively relate to historical facts, constitute forward-looking statements. These statements represent the Company's intentions, plans, expectations and beliefs, and are subject to risks, uncertainties and other factors of which many are beyond the control of the Company. These factors could cause actual results to differ materially from such forward-looking statements. The Company disclaims any intention or obligation to update or revise such forward-looking statements, as a result of new information, future events or otherwise.*

## MANAGEMENT'S DISCUSSION AND ANALYSIS

*May 30, 2011*

This Management Discussion and Analysis ("MD&A") is intended to help the reader understand the Sonora Gold & Silver Corp. ("Sonora") financial statements. The statements are provided for the purpose of reviewing the fourth quarter of fiscal 2011, as well as the fiscal year, and comparing results to the previous period. The MD&A should be read in conjunction with the Company's audited consolidated financial statements and corresponding notes for the fiscal years ending January 31, 2011 and 2010. The financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and all monetary amounts are expressed in Canadian dollars. The following comments may contain management estimates of anticipated future trends, activities, or results. These are not a guarantee of future performance, since actual results could change based on other factors and variables beyond management control.

The management of Sonora is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures, and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's board of directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

The reader is encouraged to review the Company's statutory filings on www.sedar.com.

## DESCRIPTION OF BUSINESS AND OVERVIEW

Sonora is a Canadian mineral acquisition and exploration company based in Vancouver, British Columbia, Canada. Its common shares are listed on the TSX Venture Exchange ("TSX.V" or the "Exchange") as a Tier 2 issued under the symbol "SOC". Sonora is exploring for commercially exploitable mineral deposits and is focused on deposits located in Tanzania, Africa.

The Company was incorporated on November 23, 1983 under the name Southern Star Resources Ltd. After undergoing several earlier name changes, the company changed its name from Alda Industries Corporation to Crux Industries on July 14, 1999. The Company requested to be deemed inactive by the

Exchange on March 19, 1996 to complete corporate restructuring. On August 12, 2003, the Company was moved to the NEX, a new and separate board of the TSX Venture Exchange for public companies that a designated “inactive”. On March 9, 2004, the Company was reinstated for trading on NEX. At the September 13, 2005 Annual General Meeting (“AGM”) the Company received approval from the shareholders to change its name from Crux Industries Inc. to Mont Blanc Resources. Subsequently, after receiving approval from the TSX.V, the Company was transferred from NEX to the TSX.V, effective April 7, 2006.

On July 18, 2008, the Company changed its name to Sonora Gold & Silver Corp. after receiving approval from the TSX Venture Exchange and shareholders on June 26, 2008 at the company's previous AGM.

Sonora’s operational focus has been primarily on the exploration of gold and silver mineral properties with the objective of identifying commercially exploitable mineralization, this has been a divergence from the company’s previous focus in oil and gas exploration.

Through much of 2008, and in 2009, the Company continued work on the Los Pavitos claim group, consisting of trenching and mapping of the area. In 2008 and 2009 sampling work was also conducted, which indicated mineralization consisting of silver (Ag), copper (Cu), lead (Pb) and zinc (Zn). The Company did not carry out any direct exploration work on its Los Pavitos claim in 2010 and during the fiscal year ending January 31, 2011, decided to terminate its agreement of the Los Pavitos property in Mexico and return the claims to its owner.

In July, 2010, the Company entered into an Exploration Development and Purchase Option Agreement with Abdalah Omary Kigoda of P.O. Box 80, Handeni, Tanga, Tanzania (the "ML Holder"), to acquire title to a mining license situated in The Handeni Tanga Mining District of United Republic of Tanzania, Africa. The Handeni Mining License covers 7.02 hectares and is located in the Handeni region. On September 6, 2010, the ML Holder made application to the Commissioner for Minerals, Ministry of Energy and Minerals in Dar es Salaam for the conversion of the PML into a mining license ("Mining Licence"). The ML holder also assigned the PML and all rights and obligations under the Option Agreement to his son Abdallah Omar Kigoda. As part of this assignment, the Company agreed to issue 700,000 common shares to Abdallah Omar Kigoda, which was done in October 2010.

Subsequent to the year end, the Minister for Energy and Minerals for Tanzania cancelled the mineral licence underlying the Handeni Property option agreement which was previously transferred to the Company. The Company believes that it holds a valid agreement and that the Minister for Energy and Minerals erred in law when he advised he was cancelling the mineral licence. The Company has appealed to the High Court of Tanzania to have the mineral licence reinstated. The outcome cannot be reasonably determined at this time.

On September 9, 2010, the Company entered into an Exploration Development and Purchasing Option Agreement with Mojar One Company Limited ("the ML Holder") of Box 33023 Dar es Salaam, Tanzania through its wholly owned subsidiary DJ Mines Limited, a company duly established in Tanzania. Mojar One Company Limited is the legal owner of Mining License Number 380/2009 issued on July 30, 2009 covering an area of approximately 10 square kilometres located in the Negese Area in Kilindi District, Tanzania. Under the terms and conditions of the Agreement, Mojar One Company Limited irrevocably granted to the Company the sole right to prospect and mine on the Mining Licence ("ML") area and granted to the Company the exclusive option to purchase the ML at the sole discretion of the Company.

The Company has, under the terms of the Option Agreement, paid Mojar One Company the $5,000US payment plus an additional $25,000US after initial due diligence on the property. In addition, the Company is obligated to make monthly instalments of $2,000US per month plus issue 300,000 common shares of Sonora which were issued in October at a price of $0.48 per share for total consideration of $144,000. Monthly payments commenced October 1, 2010. The Option Agreement is in effect for 12 months and the Company has the right to extend the option for up to four additional 12-month periods by giving notice in writing to the ML Holder plus paying $5,000US in monthly instalments. The Company has the option, at any time, of exercising the Option by paying the ML Holder the sum of $1,300,000US. On payment of this amount, the Company will acquire ownership of the ML, and the ML Holder shall be entitled to a 2% net smelter return royalty.

The Company's business is managed by officers with professional backgrounds and an active board of directors with technical expertise. This is augmented by independent financial, geological and mining professionals retained to advise the Company on its exploration programs and business.

This MD&A is prepared to conform to the requirements of National Instrument 51-102F1 and has been approved by the Board of Directors prior to release. The financial statements have been prepared by management and are audited by the Company's auditors, Saturna Group Chartered Accountants LLP.

## OVERALL PERFORMANCE

Sonora (TSX.V – SOC) is a Canadian-based mineral exploration company searching for commercially exploitable mineral deposition is Sonora, Mexico. This region is historically recognized as a gold-silver-copper rich area and is home to many producers operating mines in close proximity to Sonora's current mineral properties. Sonora's strategy is to identify potentially economic resources and acquire further mineral properties in areas that have potential for such discoveries.

### *2010/2011 Fiscal Year Financial Summary*

The Company will have to raise additional funds in the future as it develops its exploration programs. The Company's two properties in Tanzania will require continuous work to keep advancing them towards a commercially viable state for the purpose of developing a mining operation.

The Company did not undertake any exploration work on the Los Pavitos claim group in Mexico during the fiscal year ending January 31, 2010, but it did incur travel and investigation costs in assessing the viability of retaining this property. The Company determined in the summer of 2010 that they would return the claims to the owner and terminate their interest in Los Pavitos claim group. Net loss for the year ended January 31, 2011 amounted to $1,940,027 compared to $218,846 for the year ended

January 31, 2010. This increase was primarily attributed to a stock-based compensation charge of $848,929 vs. $15,121 in 2010 and an impairment charge in the year ended January 31, 2011 of $560,217 vs. $53,632 in 2010. Professional fees also increased appreciably to $154,239 at January 31, 2011 from $25,615 for the year ended January 31, 2010. Additional fees were the result of disputes regarding the Handeni claims in Tanzania. The impairment charges resulted from termination of its agreement regarding the Los Pavitos property in Mexico. Management fees were $58,800 in 2011, compared to $48,000 in 2010. The Company also incurred travel costs of $101,545 vs. $26,537 in 2010, with the increased travel attributed to extensive travel to Africa regarding resource properties located in Tanzania.

### *Investor Awareness*

During the fiscal years ending January 31, 2011 and 2010, the Company had no investor relations costs. The Company decided to preserve cash and focus on property acquisition opportunities and that investor relation costs can be implemented once appropriate properties have been identified and preliminary exploration work carried out. It is expected that as world markets continue to be promising and precious metals prices remain at current levels, the Company will increase its investor awareness programs including print and web media advertising to gain a stronger corporate profile.

## MINERAL PROPERTIES

On September 11, 2007, the Company entered into an Option Agreement (the “Option”) to purchase three separate mineral claim blocks, referred to as the Los Pavitos, the Christina and the Brenda, all located in the state of Sonora, Mexico, and each comprising 10,000 hectares in size.

Under the terms of the Option, the Company paid an initial USD $50,000 to purchase the two year option on all three claim blocks; however, in order to earn the full 100% interest in each of the underlying properties, the Company is obligated to the following terms:

| | |
|---|---|
| Los Pavitos | -payment of USD $50,000 and issue 1,500,000 common shares to the vendors, issued at a fair value of $0.295 (paid); |
| Christina | -payment of USD $50,000 and issue 1,500,000 common shares to the vendors; |
| Brenda | -issue 3,500,000 shares to the vendors. |

In the year ended January 31, 2010, the Company terminated its property agreements on Christina and Brenda and incurred an impairment charge of $53,632. In the fiscal year ended January 31, 2011, the Company terminated its property agreement in relation to the Los Pavitos claims and incurred an impairment charge of $574,965. The Company has no further obligations with respect to any of the Mexican properties.

### *Handeni Property*

In July, 2010, the Company entered into an Exploration Development and Purchase Option Agreement with Abdalah Omary Kigoda of P.O. Box 80, Handeni, Tanga, Tanzania (the "ML Holder"), to acquire title to a mining license situated in The Handeni Tanga Mining District of United Republic of Tanzania, Africa. The Handeni Mining License covers 7.02 hectares and is located in the Handeni region. On September 6, 2010, the ML Holder made application to the Commissioner for Minerals, Ministry of Energy and Minerals in Dar es Salaam, Tanzania for the conversion of the PML into a mining license ("Mining Licence"). The ML holder also assigned the PML and all rights and obligations under the Option Agreement to his son Abdallah Omar Kigoda. As part of the assignment, the Company agreed to issue 700,000 common shares to Abdallah Omar Kigoda, which was done in October 2010.

### *Negese Property*

On September 9, 2010, the Company entered into an Exploration Development and Purchasing Option Agreement with Mojar One Company Limited ("the ML Holder") of Box 33023, Dar es Salaam, Tanzania through its wholly owned subsidiary DJ Mines Limited, a company duly established in Tanzania. Mojar One Company Limited is the legal owner of Mining License No 380/2009 issued on July 30, 2009 covering an area of approximately 10 square kilometres.

### *Exploration Program*

The Company is currently carrying out a preliminary exploration stage work program on the Negese Property, including trenching, geophysics and geochem analysis. Surface sampling is also underway through systematic soil and rock-chip sampling. The information obtained from the reconnaissance programs will be followed by detailed geological mapping of the mineralized zones. Upon conclusion of geological mapping the Company will determine its options for further development.

## SELECTED ANNUAL INFORMATION

| | Year ended January 31, 2011 $ | Year ended January 31, 2010 $ | Year ended January 31, 2009 $ |
|---|---|---|---|
| Total revenues | – | – | – |
| Net loss for the year | (1,940,027) | (218,846) | (253,036) |
| Net loss per share, basic and diluted | (0.08) | (0.01) | (0.01) |
| Total assets | 2,118,957 | 641,145 | 849,219 |
| Total working capital | 1,033,634 | 14,975 | 164,268 |
| Shareholders’ equity | 1,891,440 | 601,440 | 805,165 |

## RESULTS OF OPERATIONS

*Corporate and Administrative*

Total operating expenses for the year amounted to $1,896,609 compared to $218,846 in 2010. Included in expenses are consulting fees of $40,745 ($9,000 in 2010), management fees of $58,800 ($48,000 in 2010), professional fees of $154,239 ($25,615 in 2010), travel and promotion $101,545 ($26,537 in 2010), stock-based compensation of $848,929 ($15,121 in 2010) and impairment of mineral property costs of $560,217 ($53,632 in 2010) which comprise most of the expenses incurred in the fiscal year ending January 31, 2011 in comparison to 2010.

The primary reason for the increase in expenses during the current year was as a result of various costs associated with the acquisition of the Handeni and Negese properties in Tanzania, as well as costs related to the title dispute over the Handeni claim.

*Stock-based Compensation*

During the year, the Company granted 2,700,000 options which vested immediately. 100,000 options were granted on June 10, 2010, 800,000 were granted on July 30, 2010, 900,000 were granted on September 22, 2010, and 900,000 were granted on October 1, 2010. A charge of $848,929 was incurred as stock-based compensation.

## SUMMARY OF QUARTERLY RESULTS

| Quarter Ending | January31, 2011 $ | October31, 2010 $ | July 31, 2010 $ | April 30, 2010 $ | January 31, 2010 $ | October 31, 2009 $ | July31, 2009 $ | April30, 2009 $ |
|---|---|---|---|---|---|---|---|---|
| Revenue | – | – | – | – | – | – | – | – |
| Net loss | (842,468) | (929,699) | (137,857) | (30,003) | (51,795) | (86,821) | (37,043) | (43,187) |
| Basic and diluted loss per share | (0.04) | (0.04) | – | – | (0.01) | (0.01) | – | – |

## CAPITAL RESOURCES AND LIQUIDITY

At January 31, 2011, the Company had $1,225,194 in cash, compared to $52,855 in cash at January 31, 2010.

The Company's working capital position increased to $1,033,634 at January 31, 2011 compared to $14,975 at January 31, 2010.

As the Company does not receive any revenues from any of its operations, cash flows are mainly from the Company's financing activities. The Company has commenced a surface work program on the Negese property and the company has sufficient funds to complete this phase of the exploration program. The Company has adequate funds on hand at the present time but recognizes that should it exercise its options to acquire resource assets, and should it carry out an extensive drilling program, it will require additional funding to continue the development of its mineral properties and to pay for general corporate and administrative expenses.

## TRANSACTIONS WITH RELATED PARTIES

During the year ended January 31, 2011, the Company entered into Promissory Notes (the "Notes") in the aggregate amount of $150,000 in relation to loans received from three directors who each loaned the Company $50,000. The Notes are for a one year term and are accruing interest at a rate of 12% per annum. The Notes can be repaid at any time without penalty provided accrued interest to the date of repayment is paid in full. Included in the loan transactions was a bonus payment of $30,000 which was paid to the directors in 58,824 in stock, with each director receiving 19,608 common shares.

Sonora did not enter into any other related party transactions in the year ending January 31, 2011.

## FOURTH QUARTER

| | **2011** | **2010** |
|---|---:|---:|
| Expenses | | |
| Amortization | - | 200 |
| Consulting fees | 23,745 | 9,000 |
| Foreign exchange loss | 14,545 | - |
| Impairment of mineral properties | 560,217 | - |
| Management fees | 9,150 | 12,000 |
| Office and miscellaneous | 11,127 | 1,871 |
| Professional fees | 131,839 | - |
| Project evaluation costs | 3,139 | - |
| Rent | 9,804 | 2,151 |
| Transfer agent and other listing fees | 13,174 | 8,370 |
| Travel and automobile | 54,721 | 18,000 |
| Interest expense | 43,418 | - |
| Finance and sundry | (32,411) | - |
| Total Expenses | 842,468 | 51,794 |

## CHANGES IN ACCOUNTING POLICY AND PRESENTATION

In August 2009, the Accounting Standards Board ("AcSB") issued CICA Handbook Section 1625, "Comprehensive Revaluation of Assets and Liabilities" for consistency with new Section 1582, "Business Combinations". The amendments apply prospectively to comprehensive revaluations of assets and liabilities occurring in fiscal years beginning on or after January 1, 2011. The adoption of this section is not expected to have a material impact on the Company's consolidated financial statements.

In August 2009, AcSB issued CICA Handbook Section 3251, “Equity” in response to issuing Section 1602, “Non-controlling Interests”. The amendments require non-controlling interests to be recognized as a separate component of equity. The amendments apply only to entities that have adopted Section 1602. The adoption of this section is not expected to have a material impact on the Company’s consolidated financial statements.

In January 2009, the AcSB issued CICA Handbook Sections 1582, “Business Combinations”, 1601, “Consolidated Financial Statements” and 1602, “Non-controlling Interests” which replace CICA Handbook Sections 1581, “Business Combinations” and 1600, “Consolidated Financial Statements”. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1582 is applicable for the Company’s business combinations with acquisition dates on or after January 1, 2011. Early adoption of this section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company’s interim and annual consolidated financial statements for its fiscal year beginning February 1, 2011. Early adoption of this section is permitted and all three sections must be adopted concurrently.

## CONVERSION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

In February 2008, the AcSB confirmed that public companies will be required to prepare interim and annual financial statements under International Financial Reporting Standards (“IFRS”) for fiscal years beginning on or after January 1, 2011. The transition date of February 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended January 31, 2011. Management has assessed the impact of adopting IFRS and it does not expect a material effect on the Company’s consolidated financial statements.

Company personnel have attended IFRS seminars and a responsible person has been designated to effect the transition. It is planned that during the period from February 1, 2011 to January 31, 2012 the Company must prepare and file Canadian GAAP annual and quarterly financial statements, and include quantitative disclosure of the IFRS conversion plan. In addition the Company will prepare IFRS compliant comparative annual and quarterly financial statements and prepare parallel accounting under IFRS and GAAP for differences identified. From February 1, 2011 and onwards the Company will prepare and file IFRS quarterly and annual financial statements fully compliant with detailed IFRS disclosures and reconciliations. The Company has assessed the impact of adopting IFRS and it does not expect a material effect on the Company’s consolidated financial statements.

## FINANCIAL AND OTHER INSTRUMENTS

The fair values of the Company’s financial instruments which consist of cash, amounts receivable, accounts payable and accrued liabilities approximate their carrying values due to the relatively short-term maturity of these instruments.

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

## RISK FACTORS

Companies involved in the mineral exploration industry are faced with many risk factors. The following selected risk factors are those management views as the most germane to the Company as this stage in the Company's growth. While it is not possible to eliminate all the factors inherent in the mineral exploration business, the Company, through ongoing assessment, strives to mitigate these risks to ensure the protection of its assets.

### *Exploration and Development Risk*

Mineral exploration and development involves a high degree of risk and few properties explored are ultimately developed into producing mines. There is no assurance that any mineral resources identified and defined can be commercially mined. Sonora attempts to mitigate these risks by conducting exploration programs and studies using qualified contractors and personnel who will make professional recommendations based upon the findings of these studies.

### *Competitive Risk*

The Company's business is intensely competitive, and the Company competes with other mineral exploration companies, many of which have greater resources and experience. Competition in the precious and base metals mining industry is primarily for mineral rich properties which can be developed and produced economically; the technical expertise to find, develop, and produce such properties; the labour to operate such properties; and the capital for the purpose of financing development of such properties. Many competitors not only explore for and mine precious and base metals, but conduct refining marketing on a world-wide basis and many of these companies have much greater financial and technical resources that the Company. Such competition may result in the Company being unable to acquire other desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these mineral deposits could have a material adverse effect on the Company's result of operations and business.

### *Resource/Reserve Calculation Risk*

There is a degree of uncertainty attributable to the calculation of mineral resources and mineral reserves and corresponding grades. Until ore is actually mined and processed, quality of mineral resources and mineral reserves and grades must be considered as estimates only. In addition, the quantity of mineral resources or reserves and grades may vary depending upon the prices of the individual commodities contained. Any material change in quantity of mineral resources or reserves, grade, or recovery ratio may affect the economic viability of the Company's project. In addition, there can be no assurances that recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. The Company attempts to mitigate these risks by conducting resource evaluations and studies using qualified contractors and personnel who will make professional recommendations based upon the findings of these evaluations and studies.

*Financing Risk*

Sonora has limited financial resources and relies upon the issuance of share capital to raise funds. The Company's management is aware that the availability of equity funds at favourable terms is not certain, so the financial requirements of Sonora's operations are reviewed at least quarterly to all for timely changes in capital deployment. The Company has been successful in the past in obtaining financing through the placement of equity, however, there can be no assurance that it will obtain adequate financing in the future or that the terms of such financing will be favourable.

*Country Risk*

The Company conducts exploration in Tanzania, Africa. Tanzania is a developing country and obtaining, financing, finding or hiring qualified people or obtaining necessary services for the Company's operations in Tanzania may be difficult. Tanzania's status as a developing country may make it more difficult for the Company to attract investors or obtain any required financing for its mining projects.

The acquisition of the right to exploit mineral properties is a detailed and time-consuming process. Although the Company is satisfied it has taken reasonable measures to acquire unencumbered rights to explore on and exploit its mineral reserves on the Company's mining claims, no assurance can be given that such claims are not subject to prior unregistered agreements or interests or to undetected or other claims or interests which could be material and adverse to the Company.

*Business Cycle Risk*

General market conditions and the price of precious and base metals will have an impact on the Company's ability to raise financing in the future to continue the exploration of its properties and further the Company's long term plan. Commodities prices are generally regarded to behave cyclically, however gold has reached a significant high in recent months. There can be no assurance that these conditions will remain over the long-term. The Company can be favourably or adversely affected by a change in cyclical market direction. Any changes in general market conditions are beyond the control of the Company.

## OUTSTANDING SHARE DATA

As at January 31, 2011, and at the date of this report, the Company had 35,726,172 common shares outstanding.

*Stock Options*

Outstanding stock options as at May 30, 2011 are as follows:

| Number | Date of Grant | Exercise Price | Expiry Date | Type |
|---|---|---|---|---|
| 900,000 | October 1, 2010 | $0.60 | October 1, 2015 | Directors |
| 850,000 | Sept 22, 2010 | $0.50 | Sept 22, 2015 | Directors |
| 250,000 | July 30, 2010 | $0.10 | July 30, 2015 | Former Directors and Consultant |
| 100,000 | June 10, 2010 | $0.10 | June 10, 2015 | Consultant |

*Warrants*

Warrants outstanding as of May 30, 2011 are as follows:

| Number | Date of Issue | Exercise Price | Expiry Date |
|---|---|---|---|
| 750,000 | June 15, 2010 | $0.15 | June 15, 2011 |
| 2,500,000 | October 20, 2010 | $0.50 | October 20, 2012 |

**DISCLOSURE CONTROLS AND PROCEDURES**

Disclosure controls and procedures have been designed to ensure that information required to be disclosed by the Company is accumulated and communicated to our management as appropriate to allow timely decisions regarding required disclosure. The Company's Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation as of January 31, 2011, that our disclosure controls and procedures were effective. It should be noted that while the Company's Chief Executive Officer and Chief Financial Officer believe that our disclosure controls provide a reasonable level of assurance and that they are effective, they do not expect that the disclosure controls and procedures will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

**INTERNAL CONTROLS OVER FINANCIAL REPORTING**

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. We assessed the design of our internal control over financial reporting as of January 31, 2011. During this process, management identified a material weakness in internal controls over financial reporting which is as follows:

- The Company has not formally adopted internal controls surrounding its financial reporting procedures including the absence of sufficient management review and separation of duties.

The weakness in the Company's internal controls over financial reporting result in a more than remote likelihood that a material misstatement would not be prevented or detected. Management and the board of directors work to mitigate the risk of material misstatement in financial reporting, however, there can be no assurance that this risk can be reduced to less than a remote likelihood of material misstatement.

## CORPORATE DATA

| HEAD OFFICE | | REGISTERED OFFICE & SOLICITOR |
|---|---|---|
| | | |
| Suite 2300 – 1066 West Hastings Street<br>Vancouver, BC V6E 3X2<br>Tel: 604.780.8708<br>Fax: 604.669.3844<br>Email: ken@sonoroagoldcorp.com<br>Website: www.sonoragoldcorp.com | | AXIUM LAW CORPORATION<br>Suite 3350, Four Bentall Centre<br>1055 Dunsmuir Street, PO Box 49222<br>Vancouver, British Columbia V7X 1L2<br>Telephone: 604-692-4907<br>Facsimile: 604-692-4900 |
| | | |
| **REGISTRAR AND TRANSFER AGENT** | | **AUDITORS** |
| | | |
| Computershare Trust Company of Canada<br>3rd Floor, 510 Burrard Street<br>Vancouver, BC V6C 3B9 | | Saturna Group Chartered Accountants LLP<br>Suite 1250- 1066 West Hastings Street<br>Vancouver, BC V6E 3X1 |
| | | |
| **DIRECTORS & OFFICERS** | | **CAPITALIZATION** |
| | | |
| Ken Churchill, President & CEO, Director | | Authorized: 100,000,000 |
| Robert G. Dinning C.A., CFO | | Issued: 35,726,172 |
| Michael Resendes, Director | | Options: 2,100,000 |
| Paul Matysek, Director | | Warrants: 3,250,000 |
| Giulio T. Bonifacio, Director | | Fully Diluted: 41,076,172 |
| Joseph Giuffre, Director | | |
| | | |
| **LISTING** | | |
| TSX Venture Exchange: SOC<br>CUSIP: 835651 | | |