SONORA GOLD & SILVER CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JANUARY 31, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

May 28, 2012

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 2012, 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 financial statements and corresponding notes for the fiscal years ending January 31, 2012 and 2011. The financial statements are prepared in accordance with International Financial Reporting Standards ("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 variable 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.

Throughout 2008, and 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, terminated its agreement re the Los Pavitos property in Mexico and returned 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.

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 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 $5,000 payment plus an additional US$25,000 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 US$1,300,000. 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 seeking commercially exploitable mineral properties. The Company currently has two properties located in Tanzania, Africa. This region is historically recognized as a gold-silver rich area and is home to companies with operating mines in the same region to Sonora's mineral properties. Sonora's strategy is to identify potentially economic resources and acquire further mineral properties in areas that have potential for such discoveries.

2011/2012 Fiscal Year Financial Summary

The Company currently has two concessions in Tanzania and conducted exploration work on the Negese property throughout the fiscal year. This included general trenching, geophysics and geochem analysis along with surface sampling through soil and rock-chip sampling. This information is currently being evaluated prior to determining its program for the next year.

Total expenses for the year ended January 31, 2012 amounted to $470,503 compared to $1,940,027 for the year ended January 31, 2911. This decrease in costs was the result of no impairment of property costs during the current year compared to $560,217 in the year ending January 31, 2011 and a significant reduction of stock-based compensation in the current year of $155,350 compared to $848,929 in the year ending January 31, 2011. There was also a significant reduction in travel costs, being $9,095 in the current year compared to $101,545 in the year ending January 31, 2011. This was the result of a reduced work activity while the Company pursues its legal claim on the Handeni property. This claim was the result of the Minister of Mines cancelling the ML issued even though the Company acquired and paid for the ML from the previous owner and adhered to all work conditions on the property.

Professional fees decreased in the current year to $92,061 compared to $154,239 in the year ending January 31, 2011 and transfer agent and regulatory fees were $26,997 as compared to $53,568 in the year ending January 31, 2011.

The Company's management fees were unchanged at $58,800 at both January 31, 2012 and 2011.

The Company's net loss for year ending January 31, 2012 amounted to $470,503 compared to $1,940,027 for the year ending January 31, 2011.

Investor Awareness

During the fiscal years' ending January 31, 2012 and January 31, 2011, the Company had no investor relations costs as it chose to contain its costs while they pursued their legal claim on the Handeni claims. 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 improve 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 US$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 was obligated to the following terms:

Los Pavitos	-payment of US$50,000 and issue 1,500,000 common shares to the vendors, issued at a fair value of $0.295 (paid);
Christina	-payment of US$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 with Los Pavitos and incurred an impairment charge of $560,217. The Company has no involvement in any Mexican properties and no further obligations with respect to any of the previously contracted Mexican properties which were ultimately terminated.

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 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. On February 1, 2011, the Minister of Mines cancelled the ML acquired by the Company in spite of the fact that the ML had been acquired and paid for from a citizen of Tanzania. The Company appealed this decision and in October, 2011, the appeal court ruled that the matter must be referred to the High Court of Tanzania. This hearing was held on March 27, 2012 and the Company is awaiting the decision of the court.

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 located in the Negese Area in Kilindi District, Tanzania. Under the terms and conditions of the Agreement, Mojar One Company Limited irrevocable 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 US$5,000 payment plus an additional US$25,000 after initial due diligence on the property. In addition, the Company is obligated to make monthly instalments of US$2,000 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 US$5,000 in monthly instalments. The Company has the option, at any time, of exercising the Option by paying the ML Holder the sum of US$1,300,000. 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.

Exploration Program

The Company is currently carrying out a general work program on the Negese Property, including general 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.

SCHEDULE OF EXPENDITURES – MINERAL PROPERTIES

The Company has incurred the following expenditures on the Sonora claim group:

2012	Handeni $	Negese $	Total $
Acquisition Costs:			
Balance, January 31,2011	731,642	114,664	846,306
Additions	-	49,689	49,689
Balance, January 31, 2012	731,642	164,353	895,995
Exploration Costs			
Balance, January 31,2011	-	-	-
Geological	-	45,940	45,940
Assays	-	26,765	26,765
Balance, January 31, 2012	-	72,705	72,705
	731,642	237,058	968,700

2011	Los Pavitos $	Handeni $	Negese $	Total $
Acquisition Costs:				
Balance, January 31,2010	514,675	-	-	514,675
Additions	-	731,642	114,664	846,306
Impairment	(514,675)	-	-	(514,675)
Balance, January 31, 2011	-	731,642	114,664	846,306
Exploration Costs				
Balance, January 31,2011	60,290	-	-	60,290
Impairment	(60,290)	-	-	(60,290)
Balance, January 31, 2012	-	-	-	-
	-	731,642	114,664	846,306

SELECTED ANNUAL INFORMATION

	Year ended January 31, 2012 $	Year ended January 31, 2011 $	Year ended January 31, 2010 $
Revenues	–	–	–
Net loss	(470,503)	(1,940,027)	(218,846)
Net loss per share, basic and diluted	(0.01)	(0.07)	(0.01)
Total assets	1,637,185	2,118,957	641,145

The net loss for fiscal 2011 was significantly higher due to the impairment of mineral property costs of $560,217 (compared to $nil in fiscal 2012 and $53,632 in fiscal 2010) and stock-based compensation of $848,929 (compared to $155,350 in fiscal 2012 and $15,121 in fiscal 2010).

RESULTS OF OPERATIONS

Corporate and Administrative

Corporate and administrative expenses were down significantly during the fiscal year ending January 31, 2012 to $302,923 vs. $487,463 in the fiscal year ending 2011 and $163,900 in 2010.

Professional fees were $92,061 compared to $154,239 in 2011 and the costs are mainly attributable to the dispute in Tanzania re the Handeni claims. Travel costs were down appreciably to $9,095 compared to $101,545 as the Company restricted its activities pending settlement of the Handeni claim dispute. Transfer and regulatory fees were also down to $26,997 compared to $53,568 in 2011.

Total expenditures before interest costs for the fiscal year amounted to $458,273 compared to $1,896,609 in 2011. The Company had no impairment of mineral property costs in the current year as compared to $560,217 impairment costs incurred in 2011. Interest costs in the current year of $12,230 increased total expenses for the year to $470,503 whereas interest costs in the previous year of $43,418 increased total expenses for 2011 to $1,940,027.

The other significant cost reduction in the current year was the charge for stock-based compensation of $155,350 compared to $848,929 incurred in 2011.

Stock-based Compensation

On August 16, 2011, the Company granted 1,400,000 stock options at $0.16 for a term of 5 years with vesting being immediate. This resulted in a stock-based compensation charge of $155,350 which was calculated using the Black Scholes option pricing model.

The Company has a fixed stock-based compensation plan in effect, which provides that up to 10% of the number of shares outstanding may be reserved for stock option grants to eligible optionees. Stock options granted under the plan vest immediately. There are currently 3,500,000 options outstanding at the year end.

SUMMARY OF QUARTERLY RESULTS

Quarter Ending	January 31, 2012 Q4	October 31, 2011 Q3	July 31, 2011 Q2	April 30, 2011` Q1	January 31, 2011 Q4	October 31, 2010 Q3	July 31, 2010 Q2	April 30, 2010` Q1
Revenue	–	–	–	–	–	–	–	–
Net loss for the period	(63,033)	(193,267)	(119,582)	(94,621)	(842,468)	(929,699)	(137,857)	(30,003)
Basic and diluted loss per share	–	(0.01)	–	–	(0.03)	(0.04)	–	–

CAPITAL RESOURCES AND LIQUIDITY

As at January 31, 2012, the Company had $638,580 in cash compared to $1,225,194 in cash and cash equivalents as at January 31, 2011.

The Company’s working capital position decreased to $626,087 as at January 31, 201 compared to $1,033,634 as at January 31, 2011.

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.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for the design of internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with International Financial Reporting Standards.

In connection with Exemption Orders issued in November 2007, by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited financial statements and respective accompanying Management’s Discussion and Analysis.

In contrast to the certificate under Multilateral Instrument (“MI”) 52-109 (Certification of Disclosure in Issuer’s Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in MI 52-109.

TRANSACTIONS WITH RELATED PARTIES

During the year ended January 31, 2011, the Company negotiated Promissory Notes totaling $150,000, with three directors of the Company. The note was for a one year term with interest at 12%. This note was repaid during the fiscal year ended January 31, 2012. The negotiated notes included a bonus payment of $30,000 which was paid to the three directors with 58,824 shares of common stock.

Related party transactions for the years ended January 31, 2012 and 2011 are outlined in Note 9 of the financial statements and include compensation paid and rent paid to officers of the Company.

FOURTH QUARTER

	2012	2011
Expenses		
Consulting fees	9,000	23,745
Office and miscellaneous	6,466	11,127
Professional fees	568	131,839
Rent	4,440	9,804
Transfer agent and other listing fees	3,566	13,174
Travel and promotion	1,217	54,721
Management fees	17,700	9,150
Foreign exchange loss	1,036	-
Insurance	18,414	-
Stock-based compensation	626	-
		-
Total Expenses	63,033	253,560

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Transition to IFRS

These are the Company's first annual financial statements prepared in accordance with IFRS. The accounting policies set out in Note 2 of the financial statements have been applied in preparing the financial statements for the year ended January 31, 2012, the comparative information presented in these financial statements for the year ended January 31, 2011, and in the preparation of an opening IFRS statement of financial position as at February 1, 2010 (the Company's date of transition).

First Time Adoption of IFRS

The Company has adopted IFRS on February 1, 2011 with a transition date of February 1, 2010. Under IFRS 1, "First Time Adoption of International Financial Reporting Standards" ("IFRS"), the IFRS standards are applied retrospectively at the transition date with all adjustments to assets and liabilities as stated under GAAP taken to deficit, with IFRS providing certain optional and mandatory exemptions to this principle.

The Company has elected to apply the following optional exemptions:

Share-based payment transactions

IFRS encourages, but does not require, first-time adopters to apply IFRS 2, "Sharebased Payment to equity instruments that were granted on or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2992 and vested before the later of the date of transition to IFRS and January 1, 2005. The Company has elected not to apply IFRS 2 to awards that vested prior to February 1, 2010.

Fair value as deemed cost

The Company may elect among two options when measuring the value of its assets under IFRS. It may elect, on an asset by asset basis, to use either historical cost as measured under retrospective application of IFRS or fair value of an asset at the opening balance sheet date. The Company has elected to use historical cost for its exploration and evaluation assets.

Reconciliation to previously reported financial statements

Flow-through shares

Under IFRS, the proceeds from flow-through shares are allocated between the offering of the share and the sale of the tax benefits. The allocation is based on the difference between the amount the investor pays for the flow-through shares and the share prices as of the date the transaction is approved. A liability is recognized for the premium, and extinguished when the tax effect of the temporary differences, resulting from incurring the relevant expenditure, is recorded.

Under Canadian GAAP, the Company recorded the gross proceeds relating to the flow-through shares to share capital at the time of issuance. The Company then recorded a charge (reduction) to share capital at the time the tax benefits of the flow-through shares were renounced to the investors. The charge was calculated by multiplying the amount of the renounced tax benefits (which are equal to the proceeds of the flow-through share issue) by the effective tax rate at the time. The offset would go to the deferred tax liability to reflect the fact that the Company could no longer use the tax attributes for its benefit.

Impact on statement of financial position:

As at February 1, 2010

	Previous Canadian GAAP $	Effect of transition to IFRS $	IFRS $
Share capital	8,929,432	38,433	8,967,865
Share-based payment reserve	234,698	–	234,698
Deficit	(8,562,690)	(38,433)	(8,601,123)
Total equity	601,440	–	601,440

The transition from Canadian GAAP to IFRS had no material impact on the statement of financial position as at January 31, 2011 and the statements of operations and comprehensive loss and cash flows for the year then ended.

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, 2012, and at the date of this report, the Company had 35,926,172 common shares outstanding.

Share Purchase Warrants

As at May 25, 2012, the Company has 2,500,000 share purchase warrants outstanding exercisable at $0.50 per share expiring on September 22, 2012.

Options

Options outstanding at May 25, 2012 are detailed in the table below:

Number	Date of Grant	Exercise Price	Expiry Date	Type
1,275,000	August 16, 2011	$0.16	Aug 16, 2016	5 Directors
850,000	September 22, 2010	$0.50	Sept 22, 2015	2 Directors
900,000	October 1, 2010	$0.60	October 1, 2015	2 Directors
75,000	Aug 16, 2011	$0.16	Aug 16, 2016	1 Officer
50,000	Aug 16, 2011	$0.16	Aug 16, 2016	1 Consultant
350,000	June 10, 2010	$0.10	June 10, 2015	Former Directors and Consultant
3,500,000				

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.

CORPORATE DATA

HEAD OFFICE		REGISTERED OFFICE & SOLICITOR
Suite 2300 – 1066 West Hastings Street Vancouver, BC V6E 3X2 Tel: 604.780.8708 Fax: 604.669.3844 Email: ken@sonoroagoldcorp.com Website: www.sonoragoldcorp.com		AXIUM LAW CORPORATION Suite 3350, Four Bentall Centre 1055 Dunsmuir Street, PO Box 49222 Vancouver, British Columbia V7X 1L2 Telephone: 604-692-4907 Facsimile: 604-692-4900
REGISTRAR AND TRANSFER AGENT		**AUDITORS**
Computershare Trust Company of Canada 3rd Floor, 510 Burrard Street Vancouver, BC V6C 3B9		Saturna Group Chartered Accountants LLP Suite 1250- 1066 West Hastings Street Vancouver, BC V6E 3X1
DIRECTORS & OFFICERS		**CAPITALIZATION**
Ken Churchill, President & CEO, Director		Authorized: 100,000,000
Robert G. Dinning, C.A., CFO		Issued: 35,926,172
Michael Resendes, Director		Options: 3,500,000
Paul Matysek, Director		Warrants: 2,500,000
Joe Giuffre, Director		Fully Diluted: 41,926,172

LISTING
TSX Venture Exchange: SOC CUSIP: 835651