Management Discussion and Analysis
For the quarter ended July 31, 2008

The following management discussion and analysis of the financial position of Sonora Gold & Silver Corp. ("Sonora" or the "Company") and results of operations of the Company should be read in conjunction with the unaudited financial statements including the notes thereto for the six months ended July 31, 2008. The accompanying unaudited financial statements and related notes are presented in accordance with Canadian generally accepted accounting principles. These statements, together with the following management's discussion and analysis dated September 29, 2008 ("Report Date"), are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to the potential future performance. The information in the MD&A may contain forward-looking statements. These statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth below.

Description of Business

Sonora Gold & Silver Corp. (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 Inc. on July 14, 1999. The Company was deemed inactive by the TSX Venture Exchange on March 19, 1996 and traded on the NEX until April 6, 2006. After receiving approval from the Exchange the Company's listing was transferred from NEX to the TSX Venture Exchange effective April 7, 2006. At the September 13, 2005 AGM the Company received approval from the shareholders to change its name from Crux Industries Inc. to Mont Blanc Resources Inc. Effective July 17, 2008, the Company received approval from the shareholders and changed its name from Mont Blanc Resources Inc. to Sonora Gold & Silver Corp.

The Company is currently focused on exploration and development of precious and base metal projects in the richly mineralized state of Sonora Mexico. The company employs the use of outside geologists and consultants prospectors and industry contacts to identify projects in the world-class mining friendly jurisdictions of Mexico.

Mineral properties – Sonora Mexico

On September 17, 2007, the Company entered into an option agreement to purchase three separate mineral claims in the state of Sonora, Mexico. The Company paid USD$50,000 to purchase a two-year option on the three separate mining claims. Under the agreement the Company has the right to earn a 100% interest in the three properties, named Los Pavitos, Brenda and Christina. In order to exercise the options relating to the Los Pavitos Property and the Christina Property, the Company must, for each property, complete payments of USD$50,000 and issue 1.5 million shares of the Company's common stock. To exercise the option on the Brenda Property, the Company must issue 3.5 Million shares of its common stock but no cash payment is required. All three properties are subject to a 2% NSR (Net Smelter Return). There are no expenditure commitments in connection with the options on the properties.

Description of the properties

The Brenda Property covers 10,000 hectares and is located approximately 35 kilometres northeast of Navojoa in the state of Sonora, Mexico. The property adjoins the Las Minitas Project of Pershmico Resources Inc. In 2006, Pershmico's joint venture partner, Tara Gold Resources Corporation announced an "Indicated Mineral Resource" of 13,534,398 metric tonnes @ 7.58oz/t or 102,590,736.8 ounces of silver based upon re-evaluation of historical data. The geology of the Brenda Property exhibits similar rock types and structures that host mineralization observed at Las Minitas. Several old mine workings, predominately gold, are present throughout the Brenda Property

The Los Pavitos Property lies directly south of the Brenda Property and covers 10,000 hectares and is located approximately 35 kilometres southeast of Navojoa, Sonora. Los Pavitos hosts similar geology to the Brenda Property. Small-scale copper and gold mining have taken place historically throughout the property.

The Christina Property is located 25 kilometres south-southeast of Alamos, Sonora and covers 10,000 hectares. The property is located northeast and east and adjoins Pan America Silver Corporation's Alamo Dorado Mine. The Alamo Dorado Mine has "Proven and Probable Reserves" of 12,436,000Mt @ 112g Ag/t or 44,916,424oz of silver. The geology of the Christina is similar to that observed at Alamo Dorado. A preliminary and limited review of the property identified numerous old copper, gold, and silver workings that were previously exploited.

The Company, along with two independent geologists, performed two site inspections of its 100% owned Los Pavitos mining claim in Sonora, Mexico. The inspections included grab sampling and rock-chip sampling and a general assessment of the geography of the area as well as an assessment of road, water and electricity access.

On November 27, 2007, following receipt and analysis of assays, the Company exercised its option to acquire 100 per cent of the Los Pavitos mining claim in Sonora, Mexico, by making a cash payment of USD$50,000 and by issuing 1.5 million common shares at a price of $0.295 per share. The shares were issued from treasury on January 10, 2008. The Los Pavitos Claim covers 10,000 hectares and is located approximately 35 kilometres southeast of Navojoa, Sonora. Small-scale copper and gold mining have taken place historically throughout the property. The property hosts similar age copper-bearing intrusives as observed at the Piedras Verdes mine located 30 kilometres to the northeast. The Piedras Verdes mine has been in production since October, 2006, by Frontera Copper Corp.

Marvin Mitchell, P.Eng., one of two independent geologists involved in the January 2008 site inspection, has interpreted the results along with his other observations at the site and of the surrounding area. Mr. Mitchell comments "The Los Povitos property is comprised of mineralized rhyolite dykes in granodiorite." "The preliminary site inspection indicates the potential existence of a porphyry copper system."

As of July 31, 2008 the Company has incurred $617,067 in acquisition and other costs as follows.

	Los Pavitos $	Brenda $	Christina $	July 31, 2008 $	Jan 31, 2008 $
Acquisition costs	516,275	19,501	19,501	555,277	553,677
Geological and assay	34,698	2,897	2,897	40,492	23,275
Travel and consulting	10,043	3,210	3,210	16,463	12,941
Other	2,417	1,209	1,209	4,835	4,835
	563,433	26,817	26,817	617,067	594,728

The Company incurred $nil in expenditures in the current quarter.

Exploration program

The exploration program to date consisted of geological recognition procedures to locate mineralized zones including systematic soil and rock-chip sampling. The information obtained from the geological recognition phase will be followed by a detailed geological mapping of the mineralized zones.

The Company is expecting to receive the results regarding its second stage geological exploration program on the Los Pavitos claim some time in early summer.

Future plans

The Company expects to further explore the properties currently under option and also to pursue in the acquisition of new leases with great upside potential. The Company is seeking to hire a senior mining executive to expand its professional team. The Company is reviewing various financing options to continue its acquisition and exploration programs.

Discontinued Operations

Taber Gas Project-Southern Alberta

In the prior year, the Company was actively engaged in a Joint Venture arrangement with Magnum Energy Inc ("Magnum"), exploring oil and gas opportunities within South Eastern Alberta farm-in lands containing multi-zone potential. As at the date hereof, the Company has written off its interests in the oil and gas properties.

Sonora entered into a the joint venture arrangement ("Magnum JV") on January 11, 2006 with respect to 50% of a Farm-out and Overriding Royalty Agreement ("the FORA") also dated January 11, 2006 to drill a minimum of 6 medium-risk exploration wells in Southern Alberta.

Magnum Energy Inc. entered into the FORA with a private Alberta company. The FORA calls for Magnum to pay 100% of the drilling costs of the earning "test wells" to earn a 50% working interest in mineral rights and drilling spacing units as detailed in the FORA. Before payout, Magnum will receive 100% of the production and shall pay the "Farmor" a 15% gross overriding royalty. Following payout, the "Farmor" will have the option to convert its royalty to a 50% working interest.

Pursuant to the terms of the Magnum JV, Sonora agreed to pay 55% of Magnum's drilling costs pursuant to the FORA where after Sonora will earn 50% of Magnum's interest in the FORA properties. Following the effect of both, the FORA and Magnum JV, Magnum will pay 45% of the drilling costs to earn a 25% APO working interest in the properties. Sonora will likewise pay 55% of the drilling costs to earn a 25% APO working interest the properties.

During the 2007 year-end the Company incurred $1,411,163 to acquire and develop the property pursuant to these arrangements, $234,829 of which was paid by Magnum on the Company's behalf. Also during the 2007 year-end, the Company performed a ceiling test on the oil and gas properties and determined that the value was impaired and, accordingly, the properties were written down by $1,207,354 to the fair value of $203,809. The fair value of the oil and gas properties was calculated using estimated cash flows from the Company's interest in oil and gas reserves discounted at 10%.

During the 2008 year-end, pursuant to these arrangements, the Company incurred an additional $58,224 in net capital expenditures to develop the property all of which was paid by Magnum on the Company's behalf. Also during the year the Company's portion of the pipeline cost was determined to be $417,933. As at January 31, 2008, the total capital expenditures paid on the Company's behalf was $710,986, all of which is subject to a 300% penalty as the Company is in default of its obligations according to the Magnum Agreement. As such, Magnum has been including the default amount in its carrying costs, and is entitled to the Company's share of operating income until 300% of the default has been recovered.

Expenditures paid by Magnum on behalf of the Company	
To January 31, 2007	234,829
To January 31, 2008	476,157
Total amount under default	710,986
300% of the amount under default	2,132,958
Company portion of net operating income recovered by Magnum	(61,947)
Remaining balance	$2,071,011

Previously, the Company had recorded the amounts due to Magnum as part of the oil and gas property. However, as the Company became unable to pay for its share of the joint venture expenditures, its interest in the joint venture effectively has been reduced to zero value, with no further income from the joint venture until 300% of the default has been recovered by Magnum. The Company does not expect the wells it is participating in to generate an amount in excess of $2,071,010 and a write-down of the entire cost of the oil and gas property was recorded in the year.

The Company's oil and gas property was discontinued on January 31, 2008. The Company's directors determined that the liability and penalty due to Magnum was higher than estimated future revenues and abandoned its interest in the property as of that date. As Magnum has been garnishing the Company's portion of revenue until the default and penalty has been paid pursuant to the agreements, the Company has no further liability in the Magnum Arrangement and has written-off the default amount of $710,986 due to Magnum. As the default amount is greater than the net book value of $684,019 of the property, the Company recognized a $26,967 cost recovery. The cost recovery of $26,967 as a result of the discontinued operations, net of future income tax recovery of $110,216, results in a net gain of $137,183.

Operations and Financial Condition

Operations of 2009 and 2008 are not directly comparable to operations of 2007 because of change in focus from Oil and Gas Exploration to Mineral Exploration.

Summary of Quarterly Results

	Year Ending 2009	Year Ending 2009	Year Ending 2008	Year Ending 2008
	2nd Quarter, July 31, 2008	1st Quarter, April 30, 2008	4th Quarter, January 31, 2008	3rd Quarter, October 31, 2007
Total Revenue	-	-	-	-
Income (Loss) before Extraordinary Items	$ (67,397)	$ (51,714)	$ (27,518)	$ (81,381)
Net Income (Loss)	$ (67,397)	$ (51,714)	$ (27,518)	$ (81,381)
Basic and Fully Diluted Income (Loss) Per Share	$(0.01)	$(0.01)	$(0.01)	$(0.01)

	Year Ending 2008	Year Ending 2008	Year Ending 2007	Year Ending 2007
	2nd Quarter, July 31, 2007	1st Quarter, April 30, 2007	4th Quarter, January 31, 2007	3rd Quarter, October 31, 2006
Total Revenue	-	-	-	-
Income (Loss) before Extraordinary Items	$ (35,154)	$ 79,058	$ (1,279,191)	$ (38,838)
Net Income (Loss)	$ (35,154)	$ 79,058	$ (1,279,191)	$ (38,838)
Basic and Fully Diluted Income (Loss) Per Share	$(0.01)	$(0.01)	$(0.10)	$(0.01)

Discussion of Quarterly Results

Summarized revenue and net income information for the eight most recent quarters are reflected in the chart above.

Revenues

In the past eight quarters the Company did not generate revenues. Although four wells in the Taber project came on line in the past year, the Company's portion of revenue is being garnished by Magnum until the $710,986 default and related penalty has been paid off. The Company has not earned any revenue from its mineral exploration properties.

Expenses- Period ended July 31, 2008

Cash based general and administrative expenses for the second quarter of 2009 includes contract fees paid to suppliers for services relating to general management and typical expenses incurred in maintaining the Company's public listing. This quarter's filing and professional fees increased due to expenditures related to annual filings and annual shareholder meeting. Travel expenses and consulting fees are higher in this quarter than in the same period of previous year due to expenditures related to due diligence on the Company's mineral property interest in Mexico. Office expenses and management fees are higher in this quarter than previous quarters due to the additional management services provided by a new director of the Company and expenses incurred related to his joining the company's operations.

Expenses- Year ended January 31, 2008

Cash based general and administrative expenses for the four quarters of 2008 all include contract fees paid to suppliers for services relating to general management and typical expenses incurred in maintaining the Company's public listing. In the third quarter of 2008 the Company experienced a significant increase in consulting, travel and legal expenses due to the due diligence and resulting option agreement regarding the three mining claims in Sonora Mexico.

Listing expenses were lower this year due to a decrease in financing activities and shareholder communication costs were also lower mainly due to a significant reduction in news dissemination because of the change in activity. Professional fees are also lower due to the change in activity.

These reductions were offset by increases in office, travel and entertainment/marketing expense as the Company explored new resource opportunities, sourced funding and continued its search for additional management in the mining sector.

Expenses -Year ended January 31, 2007

Cash based general and administrative expenses for the 2007 fiscal year relate primarily to contract fees paid to suppliers for services relating to general management and for services required for regulatory filings in connection with reactivating the company, obtaining financing and managing the oil and gas property interest as well as the typical expenses incurred in maintaining the public listing.

Office and administrative expenses for each quarter of 2007 averaged approximately $50,000, except the forth quarter where additional fees were accrued for consulting and professional fees related to the preparation and audit of the annual financial statements as well as services performed by the Company's oil and gas consultant.

Net Income (Loss)

Net loss of current quarter is equal to the total general and administrative expenses of the quarter because there was no revenue or any other income or expenses in the quarter.

In the first quarter of 2008, the operating loss of $31,158 was offset by an income tax recovery of $110,216 from the renouncement of flow through shares issued in the prior year.

In the last quarter of 2008, the $54,485 loss from operations was offset by a $26,967 recovery on the impairment of its oil and gas property. This recovery resulted from the write-off of the Taber Gas project as described above, and the default amount being greater than the net book value of the property.

Net loss in the last quarter of 2007 was significantly higher than prior quarters due to the write-down of the oil and gas properties of $1,207,354 based on the ceiling test performed and the Reserve Report on the properties.

Other

In the prior quarter the Company incurred $22,339 in expenditures on its mineral property interests, of which $17,221 was on Los Pavitos property primarily for a first stage geology program.

In the third quarter of the 2008 year, the Company incurred approximately $75,000 in expenditures relating to the mining claims, of which $52,360 (USD$50,000) was paid to purchase the three mining claim options. In the fourth quarter of 2008, the Company incurred an additional $513,324 in expenditures, the bulk of which was from the issuance of 1,500,000 common shares of the Company at $0.295 for the acquisition of the Los Pavitos mining claim. All others were cash expenses primarily for consulting and travel.

There were no legal proceedings of any kind initiated by or against the Company. There were no contingent liabilities and no default under debt or other contractual obligations, other than those disclosed below in related party transactions.

There have been no special resolutions passed by shareholders during the current quarter.

Financings

There were no financing activities in the current quarter.

During the third quarter of 2008, Company issued 4,000,000 units at $0.10 per unit for gross proceeds of $400,000. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant entitles the holder to acquire an additional common share, at a price of $0.20 per share until September 13, 2008.

During the year 2007 the Company completed a three part private placement issuing 2,040,000 units of one common shares and one warrant at $0.50 per unit for total proceeds of $1,020,000, and completed a flow-through private placement in October, 2006 consisting of 717,831 Units at $0.45 per Unit for gross proceeds of $323,024.

Related party transactions

The following is a summary of amounts owing at July 31, 2008 to directors and/or companies controlled by directors of the Company or companies with common directors which are all unsecured, non-interest bearing and due on demand.

	July 31, 2008 $	**January 31, 2008 $**
Due to a company controlled by a director for management fees	7,500	10,615
Due to a company controlled by a director for consulting fees	-	10,380
	7,500	20,995

During the six months ended July 31, 2008, the Company incurred the following related party transactions:

a) The Company paid $4,500 (2007: $7,500) for management services to Mont Blanc Capital Corp., a Company controlled by the former CEO of the Company.

b) The Company paid $8,700 (2007: $6,500) for management and administrative services to Q4 Financial Group Inc. (“Q4 Financial”), a company controlled by the former CFO of the Company.

c) The Company paid $6,000 (2007: $nil) for management services to Ken Churchill, a new director and officer of the Company.

All related party transactions are in the normal course of operations and in management’s opinion, undertaken with the same terms and conditions as transactions with unrelated parties.

Disclosure Controls and Procedures

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 Corporation will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificate under Multilateral Instrument 52-109 ("MI 52-109") (Certificate of Disclosure in Issuer's Annual and Interim Filings), the Venture Issuer Basic Certificate 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.

Recent Accounting Changes

Comprehensive income - Effective February 1, 2007, the Company adopted the CICA Handbook Section 1530, "Comprehensive Income", which establishes standards for presentation and disclosure of comprehensive income. Comprehensive income is the overall change in the net assets of the Company for the period, other than changes attributed to transactions with shareholders. It is made up of net income and other comprehensive income. The historical make up of net income has not changed. Other comprehensive income includes gains or losses, which generally accepted accounting principles requires to be recognized in a period but excluded from net income for that period. The Company has no items of other comprehensive income in any period presented. Accordingly, net loss as presented in the Company's statement of operations equals comprehensive loss.

Financial instruments - Accountants' ("CICA") Handbook Section 3855, "Financial Instruments – Recognition and Measurement", which establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. The standard requires the Company to account for certain financial assets and liabilities at fair value at each balance sheet date. Financial instruments must be classified into one of these five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments are measured in the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities, which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is no longer recognized or impaired, at which time the amounts would be recorded in net income. The adoption of this standard had no impact on the Company's financial statements.

Liquidity

The Company has incurred significant operating losses and its continued existence is dependent upon the continued support of its shareholders and its ability to obtain additional financing and generate profitable operations in the future.

The financial statements of the Company have been prepared on the going concern basis of accounting, which assumes that the Company will continue for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company has an accumulated deficit of $8,208,919 (January 31, 2008 - $8,090,808), and has a working capital deficit of $15,683 (January 31, 2008 – working capital $125,433), as at July 31, 2008. A failure to continue as a going concern would require that stated amounts of assets and liabilities be reflected on a liquidation basis, which will differ from the going concern basis. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company.

Over the next twelve months, the Company will require significant working capital to cover general and administrative expenses and substantial investment capital to finance further exploration and development of its existing mining properties and future acquisitions. The expected sources of the funds will be primarily from private placements offerings, and warrant and option exercises.

Additional information about the Company is available on SEDAR at *www.sedar.com* and the Company website at *montblancresources.com*.