

**Form 45-106F1**  
***Report of Exempt Distribution***

This is the form required under section 6.1 of National Instrument 45-106 for a report of exempt distribution.

**Issuer/underwriter information**

**Item 1:** State the full name of the issuer of the security distributed and the address and telephone number of its head office.

**Sonora Gold & Silver Corp.**  
**Suite 2300, 1066 West Hastings Street**  
**Oceanic Plaza**  
**Vancouver, BC**  
**Tel: 778.373.5499**

**Item 2:** State whether the issuer is or is not a reporting issuer and, if reporting, each of the jurisdictions in which it is reporting.

**The issuer is a reporting issuer in BC and AB.**

**Item 3:** Indicate the industry of the issuer by checking the appropriate box next to one of the industries listed below.

☐ Bio-tech

Financial Services

☐ investment companies and funds

☐ mortgage investment companies

☐ Forestry

☐ Hi-tech

☐ Industrial

Mining

☒ exploration/development

☐ production

☐ Oil and gas

☐ Real estate

☐ Utilities

☐ Other (describe)

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## Details of distribution

**Item 4:** Complete Schedule I to this report. Schedule I is designed to assist in completing the remainder of this report.

**Item 5:** State the distribution date. If the report is being filed for securities distributed on more than one distribution date, state all distribution dates.

**October 19 and 20<sup>th</sup>, 2010**

**Item 6:** For each security distributed:

- (a) describe the type of security,

**Units comprised of one common share and ½ of one share purchase warrant.**

- (b) state the total number of securities distributed. If the security is convertible or exchangeable, describe the type of underlying security, the terms of exercise or conversion and any expiry date; and

**Total Units distributed - 5,000,000, comprised of one common share and one-half (1/2) share purchase warrant with each whole warrant exercisable for \$0.50 for a period of two years expiring on October 19, 2010.**

- (c) state the exemption(s) relied on.

**NI 45-106 2.3, NI 45-106 2.5 and BCI 72-503**

**Item 7:** Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Do not include in this table, securities issued as payment for commissions or finder's fees disclosed under item 8, below.

Each jurisdiction where purchasers reside	Number of purchasers	Price per security (Canadian \$) <sup>1</sup>	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
British Columbia	11	\$0.25	\$875,000
Gibraltar	1	\$0.25	250,000

Each jurisdiction where purchasers reside	Number of purchasers	Price per security (Canadian \$) <sup>1</sup>	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
Switzerland	1	\$0.25	\$125,000
<b>Total number of Purchasers</b>	13		
<b>Total dollar value of distribution in all jurisdictions (Canadian \$)</b>			<b>\$1,250,000</b>

**Note 1:** If securities are issued at different prices list the highest and lowest price the securities were sold for.

### Commissions and finder's fees

**Item 8:** Complete the following table by providing information for each person who has received or will receive compensation in connection with the distribution(s). Compensation includes commissions, discounts or other fees or payments of a similar nature. Do not include payments for services incidental to the distribution, such as clerical, printing, legal or accounting services.

If the securities being issued as compensation are or include convertible securities, such as warrants or options, please add a footnote describing the terms of the convertible securities, including the term and exercise price. Do not include the exercise price of any convertible security in the total dollar value of the compensation unless the securities have been converted.

Full name and address of the person being compensated	Compensation paid or to be paid (cash and/or securities)				
	Cash (Canadian \$)	Securities			Total dollar value of compensation (Canadian \$)
		Number and type of securities issued	Price per security	Exemption relied on and date of distribution	
N/A					

**Item 9:** If a distribution is made in Ontario, please include the attached “Authorization of Indirect Collection of Personal Information for Distributions in Ontario”. The “Authorization of Indirect Collection of Personal Information for Distributions in Ontario” is only required to be filed with the Ontario Securities Commission. – **Not Applicable.**

## **Certificate**

On behalf of the SONORA GOLD & SILVER CORP., I certify that the statements made in this report are true.

Date: October 28, 2010

Per:

Sonora Gold & Silver Corp.

Ken Churchill, President & CEO, 778.373.5499

Print name, title and telephone number of person signing

"Ken Churchill"

Signature

### *Instruction*

*The person filing the form must complete the bracketed information by deleting the inappropriate word.*

**Item 10:** State the name, title and telephone number of the person who may be contacted with respect to any questions regarding the contents of this report, if different than the person signing the certificate.

**Please contact administrator, Stacy Broadway at 604.788.5150 for any comments or questions in regards to this report.**

**IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT.**