

SONORA GOLD CORP.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31 2007 AND 2006

Sonora Gold Corp.
Interim Consolidated Balance Sheets
For the Period Ended March 31, 2007

ASSETS	2007	2006
Current		
Cash	\$ 405,256	\$ 175,674
Accounts receivable	39,219	5,647
Prepaid expenses	26,021	26,725
	470,496	208,046
Equipment (Note 4)	112	112
Resource Property Costs - (Note 5)	5,131,544	5,026,001
Incorporation Costs	1,050	1,050
	\$ 5,603,202	\$ 5,235,209

LIABILITIES

Current		
Accounts payable and accrued liabilities	\$ 335,598	\$ 368,738
Due to related parties (Note 6)	-	47,795
	335,598	416,533
Future Income Tax	1,263,850	1,263,850
	1,599,448	1,680,383

SHAREHOLDERS' EQUITY

Share Capital (Note 7)	12,172,153	11,654,778
Contributed Surplus (Note 8)	1,262,853	1,229,162
Deficit	(9,431,252)	(9,329,114)
	4,003,754	3,554,826
	\$ 5,603,202	\$ 5,235,209

ON BEHALF OF THE BOARD:

"David McMillan", Director

"Harold Forzley", Director

Sonora Gold Corp.

Interim Consolidated Statements of Loss and Deficit

For the Period Ended March 31, 2007 and 2006

	March 31, 2007	March 31, 2006
General and Administrative Expenses		
Accounting and audit fees <i>(Note 9 and Note 10)</i>	\$ 12,091	\$ 7,313
Consulting fees <i>(Note 9 and Note 10)</i>	21,926	16,343
Director's fees <i>(Note 9 and Note 10)</i>	19,429	35,296
Gain on foreign exchange	(17,265)	(5,903)
Interest and bank charges	395	422
Investor relations	5,524	2,402
Legal	10,711	549
Management fees <i>(Note 9 and Note 10)</i>	22,069	10,500
Office and administrative	15,243	5,705
Transfer agent, listing and filing fees	7,638	6,924
Travel and promotion	4,376	1,427
Loss for the Period	102,137	85,253
Deficit - Beginning of year	9,329,114	8,878,985
Deficit - End of the Period	\$ 9,431,252	\$ 8,964,238
Weighted Average Number of Shares Outstanding	73,837,038	42,807,493
Loss per Share - Basic and Diluted	\$ 0.001	\$ 0.002

- See accompanying notes to the consolidated financial statements -

Sonora Gold Corp.**Consolidated Statements of Cash Flows**

For the Period Ended March 31, 2007 and 2006

Cash Resources Provided By (Used In)	March 31, 2007	March 31, 2006
Operating Activities		
Loss for the year	\$ (102,137)	\$ (85,253)
Items not affected by cash		
Stock-based compensation	33,691	35,296
Changes in non-cash working capital balances:		
Changes in accounts receivable	(33,572)	(4,897)
Changes in accounts payable	(80,935)	(7,908)
Prepaid expenses	704	-
	<u>(182,249)</u>	<u>(62,763)</u>
Investing Activities		
Resource property costs	(105,543)	(23,445)
	<u>(105,543)</u>	<u>(23,445)</u>
Financing Activities		
Shares issued - for cash, net	517,375	-
	<u>517,375</u>	<u>-</u>
Net Increase (Decrease) in Cash	229,583	(86,208)
Cash position - Beginning of year	<u>175,674</u>	<u>155,220</u>
Cash Position - End of Year	\$ 405,257	\$ 69,012
Supplemental Cash Flow Information		
Interest paid	\$ 395	\$ 218

- See accompanying notes to the consolidated financial statements -

Notes to the Interim Consolidated Financial Statements

For the Periods Ended March 31, 2007 and 2006

1. Continued Operations

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

Adverse conditions and events cast substantial doubt upon the validity of this assumption. The Company has incurred significant operating losses over the past several fiscal years and the Company does not have sufficient financial resources to complete the necessary exploration work on its properties. At March 31, 2007, the Company had working capital of \$134,898 (March 31, 2006 – deficit \$64,911). The Company completed a private placement in December 2006 for gross proceeds of \$1,455,275. This financing activity provided the Company with additional working capital to continue the Company's administrative and operational expenses.

The Company's ability to continue as a going concern is dependent upon its ability to accomplish the following:

- Complete the sale of its subsidiaries: First Silver Reserve, S.A. de C.V. and Recursos Escondidos, S.A. de C.V.
- maintain and work its mineral properties;
- raise additional capital through the issuance of treasury shares or debt;
- achieve profitable operations in the future;
- receive continued financial support from its general and related creditors.

If the going concern assumption were not appropriate for these consolidated financial statements, then adjustments would be necessary in the carrying values of assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used.

2. Significant Accounting Policies

a) Consolidation and Nature of Operations

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries as follows:

- First Silver Reserve, S.A. de C.V. ("First Silver");
- Recursos Escondidos, S.A. de C.V. ("Recursos");
- Sonora Gold de Mexico, S.A. de C.V. ("Sonora de Mexico");
- Red Tusk Resources Inc. ("Red Tusk").

The Company is engaged in the exploration and development of mineral properties. The Company's principal assets consist of two mineral properties located in Mexico and one in British Columbia.

b) Equipment

Equipment is recorded at cost and amortized over its estimated useful life using the straight line method:

- Office furniture 5 years
- Vehicle 4 years

The vehicle was disposed of in the year ended December 31, 2006 at a net book value of \$3,478.

One-half the annual rate is charged in the year of acquisition.

Notes to the Interim Consolidated Financial Statements

For the Periods Ended March 31, 2007 and 2006

2. Significant Accounting Policies - *Continued*

c) Resource Properties

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

Mineral exploration and development costs are capitalized on an individual prospect basis until such time as an economic ore body is defined or the prospect is abandoned. Costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of the ore reserves, while costs for the prospects abandoned are written off.

The recoverability of the amounts capitalized for the undeveloped mineral properties is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to farm out its mineral properties, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof.

The Company assesses its capitalized mineral property costs on a regular basis. A property is written-down or written-off when the Company determines that a permanent impairment of value has occurred or when exploration results indicate that no further work is warranted. The Company will also reduce its capitalized mineral property costs if no active exploration has been conducted on the property for a period of three or more years.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties is in good standing.

d) Property Option Agreements

From time to time, the Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as resource property costs or recoveries when the payments are made or received.

e) Share Capital

- The proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company.
- Share capital issued for non-monetary consideration is recorded at an amount based on fair market value

f) Stock-Based Compensation

All stock-based awards made to employees and non-employees are measured and recognized using a fair value based method. For employees, the fair value of the options is measured at the date of the grant. For non-employees, the fair value of the options is measured on the earlier of the date at which the counterparty performance is complete or the date the performance commitment is reached or the date at which the equity instruments are granted if they are fully vested and non-forfeitable. For employees and non-employees, the fair value of the options is accrued and charged to operations, with the offsetting credit to contributed surplus, on a straight-line basis over the vesting period. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital. The Company uses the Black-Scholes option pricing model to estimate the fair value of stock-based compensation.

Notes to the Interim Consolidated Financial Statements

For the Periods Ended March 31, 2007 and 2006

2. Significant Accounting Policies - *Continued*

g) Conversion of Foreign Currency

The accounts of the Company's foreign subsidiaries have been translated into Canadian dollars on the following basis:

- Revenue and expense items and exploration and development costs translated in a manner that produces substantially the same results as would have resulted had these items been translated on the date they occurred.
- Non-monetary assets and liabilities at historical exchange rates.
- Monetary assets and liabilities (assets and liabilities whose nominal value, in terms of foreign currencies are fixed) at the exchange rate at year-end.
- Exchange gains and losses relating to the translation of foreign currency are treated as current period items.

h) Loss per Share

The Company uses the treasury stock method in computing loss per share. Under this method, basic loss per share is computed by dividing earnings available to common shareholders by the weighted average number of common shares outstanding during the year.

For the years ended December 31, 2006 and 2005, the existence of warrants and options affects the calculation of loss per share on a fully diluted basis. As the effect of this dilution is to reduce the reported loss per share, fully diluted loss per share information has not been shown.

i) Future Income Tax

Future income taxes are recorded using the asset and liability method whereby future income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it to be more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

j) Fair Value of Financial Instruments

The Company's financial instruments consist of cash, accounts receivable, accounts payable and balances due to related parties. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from the financial instruments. A portion of the accounts payable are denominated in Mexican Pesos, therefore the Company is exposed to currency risk in that the Canadian dollar value of the payables will fluctuate due to changes in foreign exchange rates. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

Notes to the Interim Consolidated Financial Statements

For the Periods Ended March 31, 2007 and 2006

2. Significant Accounting Policies - *Continued*

k) **Use of estimates in the preparation of the financial statements**

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of expenses for the period. The more significant areas requiring the use of estimates include exploration properties, impairment of long-lived assets, future income taxes, and stock based compensation. Management bases its estimates on historical experience and on other assumptions considered to be reasonable under the circumstances. However, actual results may differ from the estimates.

l) **Impairment of Long-Lived Assets**

The Company follows the CICA Handbook Section 3063, "Impairment of Long-Lived Assets" ("HB 3063"). HB 3063 requires the Company to assess the impairment of long-lived assets, which consist primarily of property, plant and equipment, whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying value of the asset to its fair value. If such assets are considered to be impaired, the amount of the impairment is measured by the amount by which the carrying amount of the asset exceeds its fair value.

m) **Asset Retirement Obligations**

The Company recognizes the fair value of the liability for an asset retirement obligation in the period in which it is incurred and records a corresponding increase in the carrying value of the related long-lived asset. Fair value is estimated using the present value of the estimated future cash outflows. The liability is subsequently adjusted for the passage of time, and its recognized as an accretion expense in the statements of operations. The increase in the carrying value of the asset is amortized on the same basis as the related long-lived assets.

Notes to the Interim Consolidated Financial Statements

For the Periods Ended March 31, 2007 and 2006

3. Business Combination

Red Tusk Resources Inc. - On July 11, 2006 the Company acquired 96.30% of the issued and outstanding shares of Red Tusk Resources Inc. ("Red Tusk") for consideration of \$523,250. Red Tusk is engaged in the business of mineral exploration and has an option to acquire a 100% undivided legal and beneficial interest in 16 mineral claims located in the Liard Mining Division of British Columbia, Canada ("the RHG Property"). The acquisition has been accounted for using the purchase method of accounting and accordingly these consolidated financial statements include the operations of Red Tusk from the effective date of the transaction. The consideration comprised of issuing one common share of the Company for every one common share of Red Tusk totaling 4,550,001 shares valued at \$0.115 per share. Included in the consideration is 1,000,000 shares issued to the Optionor of the RHG Mineral Property in compliance with the option agreement.

Total consideration for the business combination was allocated based on estimated fair values on the acquisition date as follows:

	2006	
Consideration Given:		
Common shares issued - 4,550,001	\$	523,250
Net assets acquired at fair value:		
Current assets	\$	19,382
Equipment		112
Resource property costs		1,149,707
Accounts payable		(645,951)
Net assets acquired at fair value	\$	523,250

4. Equipment

	Cost	Accumulated Depreciation	Net book value	
			March 31 2007	December 31 2006
Office furniture	\$ 449	337	112	112
Vehicle	5,771	5,771	-	-
	\$ 6,220	6,108	112	112

Sonora Gold Corp.

Notes to the Interim Consolidated Financial Statements

For the Periods Ended March 31, 2007 and 2006

5. Resource Property Costs

	2007	2006
Mexico		
<i>Santa Gertrudis</i>		
Assays	\$ -	\$ 686
Drilling	-	1,837
Salaries and fees	-	96,533
Surface access fee	-	40,131
Environmental costs	-	518
Equipment rental	-	1,557
Other (legal, administrative and professional fees)	98,014	101,544
Annual mining taxes (recovery)	-	74,930
Recovery of costs	(25,000)	(269,782)
Future income tax	-	149,447
	73,014	197,401
<i>Roca Roja</i>		
Assays	-	-
Drilling	-	-
Salary and fees	-	-
Environmental costs	-	-
Equipment rental	-	-
Other (legal, administrative and professional fees)	32,529	55,081
Annual mining taxes	-	36,297
Future income tax	-	(46,593)
	32,529	44,785
Canada		
RHG Property		
Acquisition cost	-	1,149,707
Mapping and geophysics	-	568
	-	1,150,275
Total costs for the year	105,543	1,392,461
Balance - Beginning of the year	5,026,001	3,633,540
Balance - End of Year	\$ 5,131,544	\$ 5,026,001

Notes to the Interim Consolidated Financial Statements

For the Periods Ended March 31, 2007 and 2006

5. Resource Property Costs - *Continued*

The Company is currently exploring the following properties:

a. Santa Gertrudis

First Silver holds title to the Santa Gertrudis property. The Company acquired the Santa Gertrudis property by issuing 362,307 common shares of the Company with a deemed value of \$0.10 per share for total consideration of \$36,231. Regulatory approval was received on October 23, 2002 and the shares were issued on November 19, 2002. The property is located in the Santa Teresa District, Cucurpe Municipality, Sonora State, Mexico and comprises 14 mineral claims totalling 4,823 hectares (4 of these claims belonging to the San Enrique copper-moly mineral claims and 2 claims belonging to the Greta mineral claims). The agreement provides that the Company and the vendors enter into a royalty agreement providing the vendor with a 2% net smelter royalty ("NSR") that will run as a covenant with a lien on the Santa Gertrudis property. In addition the Company assumed full responsibility for all unpaid property taxes and abandonment and reclamation costs.

San Enrique

By agreements dated July 8, 2005 and amended on January 31, 2006, the Company completed a Joint Venture agreement (the "Joint Venture Agreement") with Teck Cominco Limited's wholly owned Mexican subsidiary, Minera Teck Cominco SA de C.V. ("TCM") on the Company's 100% owned San Enrique copper-moly project and its 100% Greta claims located in Sonora State, Mexico. The San Enrique is made up of four claims and the Greta property is made up of 2 claims, located approximately 6.5 kilometers south of Santa Gertrudis gold production area.

The Joint Venture Agreement grants TCM an option to earn a 60% interest in the San Enrique and Greta properties by solely funding an aggregate of US\$3,500,000 in expenditures by July 1, 2010, of which US \$300,000 must be incurred within the first 12 months. TCM will be responsible for all property upkeep costs, including taxes and surface access costs. The Joint Venture Agreement also provides TCM the option, upon earning a 60% interest, to earn an additional 10% interest by solely funding a further US\$3,500,000 by July 1, 2011, thereby earning an aggregate 70% interest in the properties with the Company retaining a 30% interest. At the date TCM exercises its earn in rights, a Joint Venture will be formed with TCM being the initial Operator on behalf of the Joint Venture and undertaking programs and expenditures as approved by a Joint Venture Management Committee.

In addition to the funding requirements, TCM must pay cash of US\$80,000 (received) and pay US\$100,000 in two instalments due August 31, 2006 (received) and August 31, 2007. In addition, TCM must pay an additional US\$450,000 if there is a positive production decision on the Greta claims.

b. Roca Roja

Recursos holds title to the Roca Roja property. The property is located in the Santa Teresa District, Cucurpe Municipality, Sonora State, Mexico and comprises 13 mineral claims totalling 1,638 hectares. The Recursos acquisition agreement provides that the vendor will receive US\$0.10 per ton of ore mined to a maximum of US\$2,000,000 and a 1% NSR. The Company assumed full responsibility for all unpaid property taxes and abandonment and reclamation costs.

Sonora Gold Corp.**Notes to the Interim Consolidated Financial Statements**

For the Periods Ended March 31, 2007 and 2006

5. Resource Property Costs - Continued**c. RHG Property**

On December 15, 2005, Red Tusk entered into an option agreement to acquire a 100% undivided legal and beneficial interest in 16 mineral claims located in the Liard Mining Division, British Columbia, Canada ("the RHG Property") in consideration for \$100,000 in cash (paid), the issuance of 1,000,000 common shares (issued) and reimbursement of exploration costs of \$405,775. The interest in the property is subject to a 2.5% net smelter return royalty. Red Tusk may purchase 60% of the net smelter return royalty at any time for \$1,000,000.

An officer of the Optionor is related to a director.

Details of cumulative expenditures are as follows:

	As at March 31, 2007			
	Acquisition	Annual Mining Concession Fees	Exploration	Total
Mineral Properties				
Santa Gertudis (i)	\$ 66,231	\$ 349,151	\$ 1,909,693	\$ 2,325,075
Roca Roja (i)	5,000	332,794	1,318,400	1,656,194
RHG Property	1,149,707	-	568	1,150,275
	\$ 1,220,938	\$ 681,945	\$ 3,228,661	\$ 5,131,544

- (i) Both First Silver and Recursos have unpaid property taxes payable to the Mexican government with respect to their claims for 2005, 2006 and 1st Semester 2007. The consequence of having unpaid taxes with respect to mineral claim title is unknown, however, to the best of management's knowledge all claims remain in good standing.

	As at December 31, 2006			
	Acquisition	Annual Mining Concession Fees	Exploration	Total
Mineral Properties				
Santa Gertudis (i)	\$ 66,231	\$ 349,151	\$ 1,836,677	\$ 2,252,059
Roca Roja (i)	5,000	332,794	1,285,873	1,623,667
RHG Property	1,149,707	-	568	1,150,275
	\$ 1,220,938	\$ 681,945	\$ 3,123,118	\$ 5,026,001

6. Due to Related Parties

As at March 31, 2007, the Company owed directors and or companies controlled by directors nil (March 31, 2006 - nil).

Sonora Gold Corp.

Notes to the Interim Consolidated Financial Statements

For the Periods Ended March 31, 2007 and 2006

7. Share Capital

a) Details are as follows:

	Number	Amount
Authorized: 100,000,000 common shares without par value		
Issued and fully paid:		
Balance – December 31, 2005	42,807,493	\$ 10,271,404
Issued for cash - Private placements	26,459,544	1,455,274
Issued for business acquisition	4,550,001	523,250
Share issuance costs	-	(97,775)
Share subscriptions receivable	-	(497,375)
Balance – December 31, 2006	73,817,038	\$ 11,654,778
Share subscription receivable	-	497,375
Issued for cash- Options exercised	200,000	20,000
Balance- March 31, 2007	74,017,038	12,172,153

b) **Private Placements**

During the period ended March 31, 2007, the Company issued common shares pursuant to the following private placements:

- i) The company received the remaining \$497,375 in subscriptions pursuant to the December 28, 2006 private placement.
- ii) The Company issued 200,000 common shares for stock option compensation that were exercised at \$0.10.

During the year ended December 31, 2006, the Company issued common shares pursuant to the following private placements:

- i) The Company issued 4,550,001 common shares in connection with the business combination described in Note 3.
- ii) At December 28, 2006, the Company issued 26,459,544 units of the Company at a price of \$0.055 per unit for gross proceeds of \$1,455,275. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share for \$0.10 per share for up to two years from the closing date. The Company received \$957,900 from the proceeds of the private placement. The remaining \$497,375 was received subsequent to year end. The Company paid \$63,525 for finders' fees in connection with this private placement.

Sonora Gold Corp.

Notes to the Interim Consolidated Financial Statements

For the Periods Ended March 31, 2007 and 2006

7. Share Capital - Continued

c) Warrants

Warrant transactions are summarized as follows:

	Number of Warrants
Balance- December 31, 2006	33,059,544
Issued	-
Expired	-
Balance- March 31, 2007	33,059,544

As at March 31, 2007 the following warrants were outstanding:

Number	Price per Share	Expiry Date
3,600,000	\$ 0.20	April 1, 2007
3,000,000	\$ 0.20	September 21, 2007
26,459,544	\$ 0.10	December 27, 2008
33,059,544		

8. Contributed Surplus

The Company's contributed surplus is comprised of the following:

	2007	2006
Balance- Beginning of year	\$ 1,229,162	\$ 1,096,374
Stock-based compensation (Note 9)	33,691	132,788
Balance- End of year	\$ 1,262,853	\$ 1,229,162

9. Stock Option Plan and Stock-Based Compensation

The Company adopted a stock option plan pursuant to which the directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Company and its subsidiaries to a maximum of 20% of the issued and outstanding common shares at the time of the grant.

Options granted under the plan shall vest as follows:

- 25% on the date of grant;
- 25% six months after the date of grant;
- 25% twelve months after the date of grant;
- 25% eighteen months after the date of grant.

Sonora Gold Corp.

Notes to the Interim Consolidated Financial Statements

For the Periods Ended March 31, 2007 and 2006

9. Stock Option Plan and Stock-Based Compensation - Continued

An aggregate of 8,561,498 common shares have been reserved for issuance under the plan.

a) A summary of the Company's outstanding options is as follows:

	2007		2006	
	Options Outstanding	Weighted Average Exercise Price	Options Outstanding	Weighted Average Exercise Price
Opening balance	7,950,000	\$ 0.102	7,130,000	\$ 0.122
Granted	-	-	2,600,000	\$ 0.090
Expired/Cancelled	(250,000)	\$ 0.19	(1,780,000)	\$ 0.164
Exercised	(200,000)	\$ 0.10	-	-
Ending balance	7,500,000	\$ 0.102	7,950,000	\$ 0.102

b) As at March 31, 2007, the Company had the following share purchase options outstanding and exercisable:

Quantity		Exercise Price	Expiry Date
Outstanding	Exercisable		
1,050,000	1,050,000	\$0.10	April 26, 2007
450,000	450,000	\$0.10	December 13, 2007
400,000	400,000	\$0.15	December 13, 2007
3,000,000	2,250,000	\$0.10	October 28, 2008
2,600,000	650,000	\$0.09	October 28, 2008
7,500,000	4,800,000		

The weighted average contract life remaining on the above options is 1.44 years.

The Company uses the Black-Scholes option pricing model to calculate the fair value of stock options granted. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions. The model requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values. For purposes of the calculation, the following weighted average assumptions were used:

	2006	2005
Risk free interest rate	4.10%	3.59%
Expected dividend yield	0%	0%
Expected stock price volatility	70%	104%
Expected life of options	2 years	3 years
Fair value of options granted in year	0.03	0.06

Total stock-based compensation for the period ended March 31, 2007 was \$33,691 (March 31, 2006 - \$35,296) and was expensed to operations under directors', management, consulting and accounting fees and included in contributed surplus for options granted to directors, officers, and consultants of the Company.

Sonora Gold Corp.

Notes to the Interim Consolidated Financial Statements

For the Periods Ended March 31, 2007 and 2006

10. Related Party Transactions

Related party transactions not disclosed elsewhere in these consolidated financial statements, are as follows:

- a) During the period ended March 31, 2007, management fees of \$15,000 (March 31, 2006 - \$10,500) were paid to directors and officers or a Company controlled by directors and officers.
- b) During the period ended March 31, 2007, the Company paid directors \$6,731 (March 31, 2006 - \$7,378) for travel and expense reimbursements relating to investor communication, property investigation, and project management.
- c) During the year period ended March 31, 2007, the Company expensed \$33,691 (March 31, 2006 – \$35,296) of stock-based compensation cost to directors' fees (\$19,429), management fees (\$7,069), accounting (\$1,767) and consulting (\$5,426) fees for options granted to directors, officers, and companies with directors in common.
- d) The Company is related to the Optionor of the RHG Property as described in Note 5.

The above transactions, occurring in the normal course of operations, are measured at the exchange amount, which is the consideration established and agreed to by the related parties and are on terms and conditions similar to non-related parties.

Amounts referred to in Note 6 are expected to be paid within the next year and therefore, they have been classified as current liabilities in the consolidated financial statements.

11. Segmented Information

Details are as follows:

	Canada	Mexico	Consolidated
March 31, 2007			
Segmented operating income (loss)	\$ (119,403)	\$ 17,265	\$ (102,138)
Resource property costs	\$ 1,150,275	3,981,269	5,131,544
December 31, 2006			
Segmented operating income (loss)	\$ (476,474)	\$ 26,345	\$ (450,129)
Resource property costs	\$ 1,150,275	3,875,726	5,026,001

Notes to the Interim Consolidated Financial Statements

For the Periods Ended March 31, 2007 and 2006

12. Contingency

The Company has determined that there may be a potential liability with respect to payroll taxes for certain contractors that may be deemed employees of the Mexican subsidiaries. It is the Company's position that all persons involved are contractors for payroll purposes. The extent and likelihood of the potential liability is not determinable at this time, consequently, no liability has been recorded in the accounts of the subsidiary.

13. Commitment

The Company is committed to a management contract with a Company controlled by a director. The contract requires payments of \$5,000 per month and expires May 31, 2007.

14. Subsequent Events

Corporate Update

On May 18, 2007, the Company announced the appointment of Mr. Ian Klassen to the Company's Board of Directors and welcomes Mr. Robin Forshaw as geological consultant.

Mr. Klassen brings almost twenty years experience in business management, public relations, government affairs and entrepreneurialism to the Company. He has extensive experience in government policy, media relationship strategies, business/government project management and legislative decision-making.

Mr. Klassen currently serves as President of Grande Portage Resources Ltd. (tsx.v: GPG), a Canadian junior resource exploration Company focused on massive sulphide exploration on Vancouver Island, BC. In addition, he is a founding Director of Goldmember Ventures Corp. a privately held company exploring for gold in central British Columbia. Mr. Klassen is an (Honours) B.A. graduate from the University of Western Ontario and is a recipient of the Commemorative Medal for the 125th Anniversary of the Confederation of Canada in recognition of his significant contribution to his community and country.

Mr. Robin Forshaw joins the Company with years of experience in the mineral exploration business. Mr. Forshaw has served as Director for over 15 public companies since 1985, and his experience will be invaluable to the Company's future plans.

Mr. Frank J. Callaghan has resigned from the Board of Directors of the Company due to the demands of his other activities. The Board of Directors thank him for his past contributions to the Company and wish him well in his future endeavors.

In addition, the Company is granting 2.1 million options to Directors, Officers, and Consultants of the Company, exercisable at \$0.10 for a period of two years, subject to regulatory approval.

Definitive Agreement

On May 22, 2007 the Company signed a definitive agreement to sell 100% of its interest in the Santa Gertrudis Gold Project to Deal Capital Ltd. ("the Purchaser"), a Toronto Venture Exchange listed Capital Pool Company ('DCP.P').

The Purchaser has paid a non-refundable deposit of \$25,000 to the Company for the acquisition, and will pay US\$650,000 and issue 1,500,000 common shares to the Company upon closing, subject to an escrow agreement. Three more payments of US\$500,000 will be paid to the Company in cash or common shares (at the option of the Purchaser) on the first, second and third anniversaries. If the closing of the transaction goes beyond April 30, 2007, the Purchaser will pay the

Sonora Gold Corp.

Notes to the Interim Consolidated Financial Statements

For the Periods Ended March 31, 2007 and 2006

14. Subsequent Events - *Continued*

Company US\$10,000 to extend the closing date to May 31, 2007. The transaction is subject to regulatory approval.

15. Comparative Figures

Certain figures from the previous year have been reclassified to conform to the current year's presentation. Such reclassification is for presentation purposes only and has no effect on previously reported results.