



This Supplemental News Report is published as required, is part of the annual MERGENT INDUSTRIAL and INTERNATIONAL Manuals and will be included in the bound September 2017 Monthly News Reports and is published on our Website.

SONORO METALS CORP

Company Website: www.sonorometals.com

History: Incorporated in Ontario, Canada on Nov. 30, 1944. On July 8, 2014, Co. completed the acquisition of Minera Breco, S.A. de C.V. ("Breco"), a private Mexican company that holds the San Marcial project in Sonora, Mexico. Co. acquired all of the issued and outstanding shares of Breco by paying C\$40,000 cash and issuing 50,000 common shares with a market value of C\$16,000. On June 1, 2017, Co. closed the sale of Chipriona, Los Pinos and Santa Clara to Agnico Sonoro, S.A. de C.V. for C\$4,000,000.

Business Summary: Sonoro Metals is engaged in the acquisition, exploration and development of exploration and evaluation assets.

Property: Co. maintains its head office in Vancouver, British Columbia. Co.'s subsidiary, Minera Breco, S.A. de C.V. holds the San Marcial project, located in Sonora State, Mexico, which consists of three continuous mineral concessions and option rights to acquire an additional contiguous concession. Co. also has a 60% interest in Norther Empire's Hilltop Gold project located in Alaska, USA, comprising 31,720 acres (12,836 hectares).

Subsidiaries

Cap Capital Corp.
Minera Mar de Plata S.A. de C.V. (Mexico)
Minera Breco, S.A. de C.V. (Mexico)

Officers

Kenneth MacLeod, President; Chief Executive Officer
Scott Kelly, Chief Financial Officer
Dayna Leigh, Corporate Secretary

Directors

Gary W. Freeman, Director
Stephen P. (Steve) Kenwood, Director
Ronald K. (Ron) Husband, Director
Scott Kelly, Director
Kenneth MacLeod, Director

Auditors: Smythe Ratcliffe LLP

Solicitors: Norton Rose Fulbright Canada LLP

Registrar & Transfer Agent: Computershare Investor Services Inc., Vancouver, British Columbia, Canada

Annual Meeting: In June

Shareholder Relations: Bill Campbell Tel: 778-228-4446

No. of Stockholders: Aug. 7, 2017, 21

No. of Employees: Aug. 7, 2017, 7

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Web: www.sonorometals.com

Email: info@sonorometals.com

Consolidated Income Statement, Years Ended Dec. 31 (Can\$):

	2016	2015 (revised)	2014 (revised)	2014			
Consulting fees	(172,783)	(319,101)	(184,379)		Receivables	59,646	12,315
Exploration expenditures	(43,454)	(347,937)	(210,461)		Assets held for sale	1,566,838	...
Legal & audit	(114,124)	(41,143)	(71,337)		Prepaid expenses	6,331	16,960
Office & administration	(34,530)	(45,863)	(32,385)		Total current assets	1,837,209	56,822
Share-based payments	(8,522)	(80,390)	(64,920)		Exploration & evaluation assets	806,550	2,217,665
Transfer agent fees	(18,720)	(16,958)	(27,762)		Total assets	2,643,759	2,274,487
Travel & promotion	(24,585)	(54,752)	(8,252)		Liabilities:		
Total expenses	(416,718)	(906,144)	(599,496)		Trade payables	146,807	40,622
Interest income	36	3,420	4,323		Accrued liabilities	27,000	20,500
Interest expense	(12,711)	...	...		Deferred sale proceeds	650,000	...
Write-down of receivables	...	...	(24,319)		Due to related parties	10,500	11,550
Write-down of mineral properties	...	(52,829)	...		Total current liabilities	834,307	72,672
Foreign exchange gain (loss)	(13,992)	7,609	(559)		Common shares	5,284,028	5,206,278
Total other income (expense)	(26,667)	(41,800)	...		Share capital	5,284,028	5,206,278
Income (loss) & comprehensive income (loss) for the period	(443,385)	(947,944)	(620,051)		Share-based payment reserve	118,582	451,310
Weighted average shares outstanding - basic	24,026,011	23,099,572	11,704,079		Retained earnings (deficit)	(3,593,158)	(3,455,773)
Weighted average shares outstanding - diluted	24,026,011	23,099,572	11,704,079		Total shareholders' equity	1,809,452	2,201,815
Year end shares outstanding	24,377,586	23,952,586	22,202,586		Total liabilities & shareholders' equity	2,643,759	2,274,487
Net income (loss) per share - basic	Can\$(0.02)	Can\$(0.04)	Can\$(0.05)				
Net income (loss) per share - diluted	Can\$(0.02)	Can\$(0.04)	Can\$(0.05)				
Total number of employees	7	...	...		
Number of common stockholders	21	...	...		

¹ Reclassified to conform with 2016 presentation; ² Reclassified to conform with 2015 presentation; ³ Shared increased due to the effect of issuance of private placement and acquisition of mineral property; ⁴ As of August 7, 2017

Consolidated Balance Sheet, Years Ended Dec. 31 (Can\$):

	2016	2015 (revised)
Assets:		
Cash & cash equivalents	204,394	27,547

Auditor's Report:

The following is an excerpt from the Report of the Independent Auditors, Smythe LLP, as it appeared in Co.'s 2016 Annual Report:

"Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Sonoro Metals Corp. as at December 31, 2016 and 2015, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1 in the consolidated financial statements, which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern."

Capital Stock: 1. Sonoro Metals Corp common; no par.

OUTSTANDING—Dec. 31, 2016, 24,377,586 shs; no par.

WARRANTS—Warrants 12,981,667..

STOCK SPLITS—No par shares split 1-for-6 on Feb. 2, 2009; split 1-for-2 on July 14, 2014.

OPTIONS—Dec. 31, 2016, outstanding, 1,067,500.

PRIMARY EXCHANGE—Venture Exchange (TVX): SMO.

SECONDARY EXCHANGES—National Bulletin Board (NBB): SMOF.F.

PRIVATE PLACEMENTS—(1,450,000 units) at C\$0.10 per unit privately placed on June 29, 2015 for gross proceeds of C\$145,000. Each unit consisted of one share and one share purchase warrant.

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