SONORO GOLD (TSXV: SGO)

Diana Step-Outs Return 50.30m @ 0.82 g/t Au | First Holes Beneath El Batamote Hit 19.81m @ 1.13 g/t Au

All 26 holes intersected gold, with 22 mineralized from within 30m downhole. Both zones sit ~2km north of the PEA pit, outside the current MRE & mine plan

BASE CASE NAV/SH	UPSIDE CASE NAV/SH	P/NAV (BASE)	CASH POSITION
C$0.86	C$1.07	0.20x	C$1.8M
US$4,000/oz Au	US$4,500/oz Au	Peer avg. 0.30x	3L est., current

Update

Today, Sonoro Gold (SGO) reported results from 26 RC holes totalling 5,662m at the recently acquired Diana & El Batamote concessions. Both sit ~2km north of the proposed Cerro Caliche open pit in Sonora, Mexico. All 26 holes intersected gold, and in 22 of them mineralization started within the first 30m downhole. We view today's results positively. Diana continues to return long near-surface intervals, and the first holes beneath the historical El Batamote workings support the interpreted extension of Cerro Caliche's vein corridors across a post-mineral fault into the northern concessions.

Diana - The 21 holes followed up on earlier higher-grade results in RC hole 387 (28.95m @ 2.60 g/t Au) and RC hole 391 (32.0m @ 1.85 g/t Au). Step-outs reached up to ~245m E to SE of hole 387, and all 21 holes cleared the 0.13 g/t Au cut-off. RC hole 404 returned **50.30m @ 0.82 g/t Au from 1.52m**, including 1.52m @ 9.37 g/t Au. RC hole 422 returned **50.29m @ 0.51 g/t Au from 7.62m**, including 6.09m @ 2.04 g/t Au. RC hole 423 returned the longest interval, 85.35m @ 0.33 g/t Au from 16.76m. Mineralization started within the first 30m in 20 of the 21 holes, though intervals thinned below ~60m and toward the north. In our view, Diana North is a shallow, lower-grade target ~2km north of the proposed heap leach operation. We estimate the recent drilling at Diana could support ~10-20Mt @ 0.36 g/t Au of potential resource growth, though infill drilling is required to confirm continuity.

3L RESEARCH

Mark Souvenir
MD Institutional Sales
Mark@3L-capital.com
1 (647) 203 5226

Derek Johnson
Senior Mining Analyst
Derek@3L-capital.com
1 (306) 539 0606

Drake Hyden
Senior Mining Analyst
Drake@3L-capital.com
1 (705) 257 0518

York MacPherson
Senior Mining Analyst
York@3L-capital.com
1 (404) 518 7281

Micah Yuen
Senior Associate
Micah@3L-capital.com
1 (647) 534 1915

STOCK DATA

Share Price	C$0.18
52-Week Range	C$0.145 - C$0.335
Shares O/S (M)	440.3
FD Shares (M)	646.4
Market Cap (C$M)	77.1
Cash (C$M)	1.8
EV (C$M)	75.5
Avg. 90D Volume (k)	124.7

CAPITAL STRUCTURE

Options (M)	21.1 (C$0.15)
Warrants (M)	185.1 (C$0.29)
RSUs / DSUs (M)	-

ASSET OVERVIEW

Flagship Project	Cerro Caliche
Location	Sonora, Mexico
Commodity	Au, Ag
Stage	PEA (Feb 2026)
Resource (M&I)	618koz Au

MANAGEMENT

CEO	Kenneth MacLeod
Chair	John Darch
Vice Chair	Jorge Diaz
VP Exploration	Oscar González

UPCOMING CATALYSTS

- Remaining Phase I results (Ongoing)
- Phase II, 25,000m (2027)
- Updated MRE (2027)
- MIA approval (2027/2028)

Source: Company filings, FactSet, 3L Capital. Market data as of Nov 6, 2026. Cash per 3L estimate; shares O/S per latest corporate presentation; debt, options & warrants from Q2 2026 MD&A. See important disclosures at the end of this report.

El Batamote - The first five holes beneath the historical workings all hit gold-silver between ~45m & 95m downhole. RC hole 406 returned **19.81m @ 1.13 g/t Au & 15.1 g/t Ag**, including 4.57m @ 2.35 g/t Au. SGO interprets El Batamote as a downthrown block across a post-mineral fault, which it says suggests concealed extensions of the Cerro Caliche & Diana vein systems. In our view, El Batamote is an early-stage target, and more holes will be needed to define the target.

Neither zone is included in the current MRE or the PEA mine plan, SGO has only begun to explore the concessions it acquired in 2026. Step-out RC drilling continues W & NW of Diana toward El Batamote, and SW across the Bellotoso Plateau toward the proposed open pit. SGO also plans a drone-borne magnetic survey and a compilation of historical data across its acquisitions to guide target selection for Phase II drilling, planned through spring 2027. Results from Diana, El Batamote, La Colorada & El Quince will feed geological modelling and be evaluated for a future MRE update.

To date, SGO has completed 104 RC holes totalling 21,345m, or ~43% of its 50,000m drill program at Cerro Caliche, which began in May 2026 and covers both Phase I & Phase II drilling, with Phase II planned through spring 2027. SGO has also completed 13 core holes (1,037m) across Diana, El Rincón-Bellotoso & El Batamote, 11 of which were drilled for metallurgical testwork. The company remains focused on advancing permitting at Cerro Caliche.

Valuation

Our Cerro Caliche DCF, based on the Feb 2026 PEA mine plan (52.8Mt at 0.36 g/t Au, 12,000 to 16,000 tpd heap leach, 72% Au recovery, US$83M initial capex), yields a Base case NAV of C$614M, or C$0.86/sh, at US$4,000/oz. On this basis, SGO trades at 0.20x P/NAV. In our Upside case at US$4,500/oz, our NAV rises to C$760M, or C$1.07/sh, for a current multiple of 0.16x P/NAV. If SGO can reach 0.30x, the average P/NAV of the developers we track, it would represent 84% upside in our Upside case.

Table 1. Sonoro Gold - 3L NAV Summary

C$M unless noted	Methodology	Base Case	Upside Case
		US$4,000/oz Au	US$4,500/oz Au
Cerro Caliche DCF	PEA Mine Plan (53Mt) NPV5%	527	674
Resource Outside of PEA Inventory	Nominal	4	4
Cash to Construction Decision		30	30
Construction Equity Proceeds	40% Equity for Build	45	45
Financing Fees & Interest	10% IR + 1.75% Fee + 4% on Eqty. Rses.	(11)	(11)
Cash	Current	2	2
Debt	Current	(0)	(0)
Corporate G&A	10 Years	(28)	(28)
Options & Warrants Proceeds	80% Exercised	46	46
Total NAV		**614**	**760**
Share Outstanding (M)	Current	440	440
Options/Warrants (M)	80% Exercised	165	165
Equity Raise to Construction Decision (M)	Shares at C$0.50	60	60
Construction Equity Raise Issuance (M)	Shares at C$1.00	45	45
Fully Diluted Shares (M)	Fully financed & diluted	710	710
NAV per Share (C$)		**0.86**	**1.07**
Current Share Price (C$)		0.18	0.18
P/NAV (x)		**0.20x**	**0.16x**

Source: 3L Capital estimates, company filings, FactSet. US$1.00 = C$1.35. Cash per 3L estimate (see Financial Snapshot); shares per latest corporate presentation; debt, options & warrants per Q2 2026 MD&A.

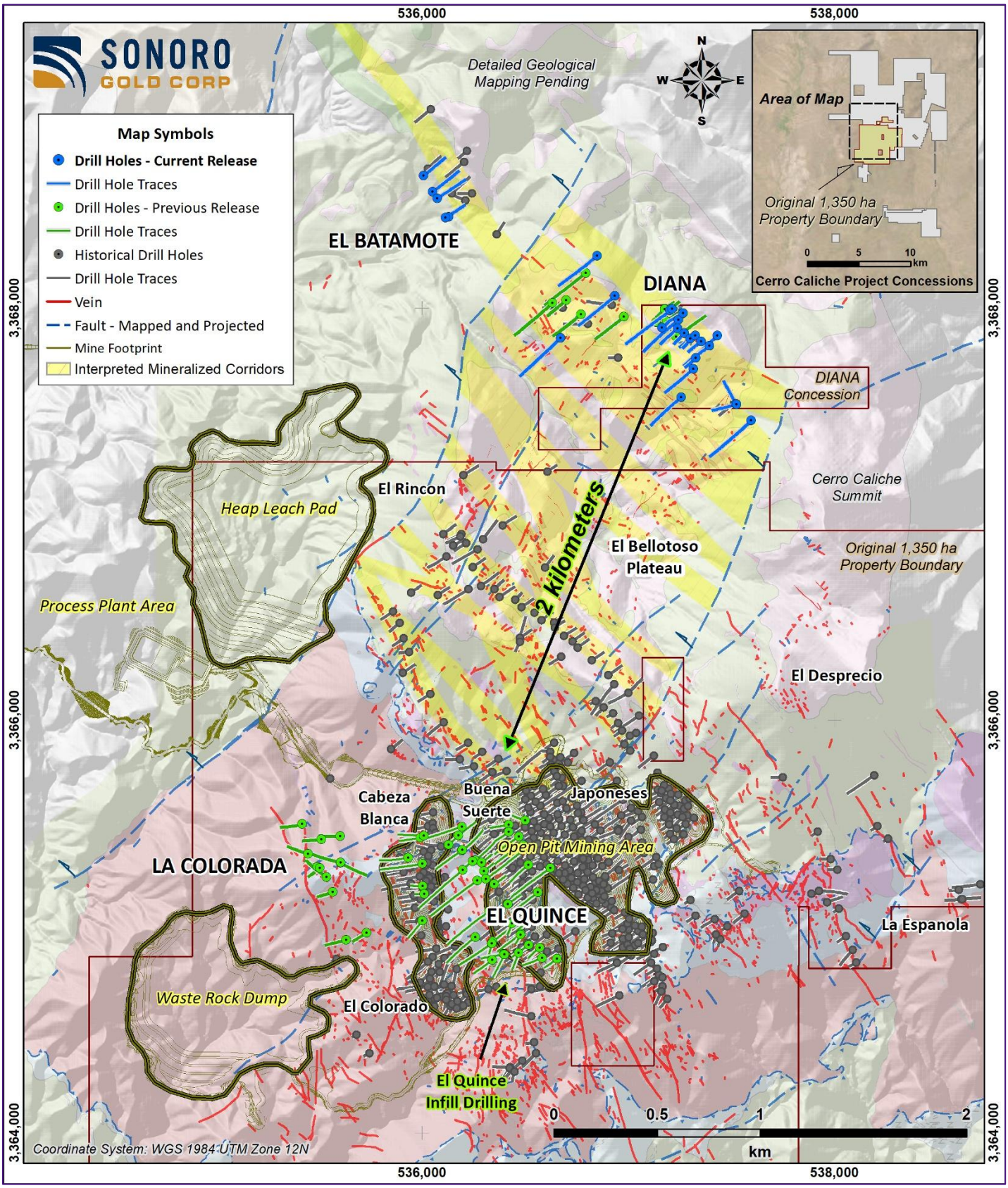
Upcoming Catalysts

- Remaining Phase I drill results, ~21,345m Completed (Ongoing)
- Phase II drilling, totaling 25,000m (2027)
- Updated mineral resource estimate incorporating the 50,000m program (2027)
- MIA approval from SEMARNAT (2027/2028)

Financial Snapshot

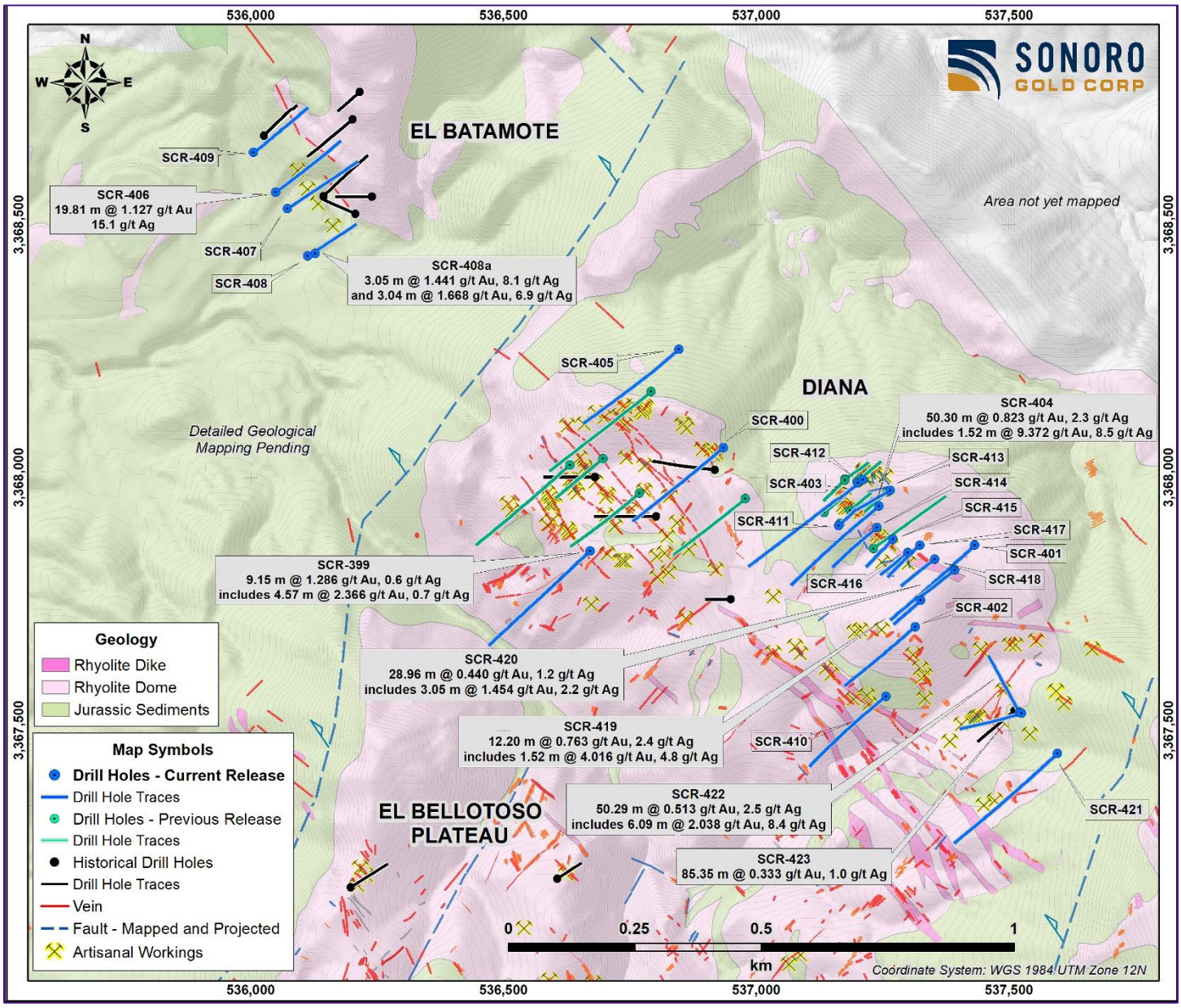
- **Estimated Cash Position (C$1.8M) -** Sonoro reported cash & cash equivalents of C$12.3M as of Jun 30, 2026. Since quarter-end, we assume Sonoro has made the US$6.25M Year-2 surface lease payment & initial installments on the 23-concession acquisition (US$5.17M payable over 18 months, plus ~US$990K of assumed fees), alongside drilling & G&A, partly offset by some warrants exercised. On that basis, we estimate current cash position at ~C$1.8M.
- **Current Debt Position (C$0.3M) -** Sonoro reported a total debt of C$0.3M as of Jun 30, 2026.
- **Recent Financings -**
  - June 2026: C$15.5M @ C$0.25 Unit (1 full 3-yr warrant @ C$0.34 expiring June 2029)
  - April 2026: C$12.2M @ C$0.24 Unit (1 full 3-yr warrant @ C$0.32 expiring April 2029)
  - December 2025: C$4.9M @ C$0.20 Unit (1 full 3-yr warrant @ C$0.28 expiring December 2028)
  - October 2025: C$4.1M @ C$0.20 Unit (1 full 3-yr warrant @ C$0.28 expiring October 2028)
  - September 2025: C$2.0M @ C$0.15 Unit (1 full 2-yr warrant @ C$0.22 expiring September 2027)
  - December 2024: C$500,000 @ C$0.09 Unit (1 full 2-yr warrant @ C$0.14 expiring December 2026)
  - September 2024: C$875,000 @ C$0.05 Unit (1 full 3-yr warrant @ C$0.07 expiring September 2027)
  - February to April 2024: C$1.17M @ C$0.05 Unit
    - April 2024: C$616K @ C$0.05 Unit (1 full 3-yr warrant @ C$0.07 expiring April 2027)
    - February 2024: C$551K @ C$0.05 Unit (1 full 3-yr warrant @ C$0.07 expiring February 2027)

Figure 1. Cerro Caliche Gold Project.



Source: Sonoro Gold.

Figure 2. Drill Hole locations.



Source: Sonoro Gold.

Company Data Sheet

General Data	
Ticker	TSXV: SGO
Share Price (C$)	C$0.18
Shares Outstanding (M)	440.3
Market Cap (C$M)	77.1
Cash (C$M)	1.8
Enterprise Value (C$M)	75.5
52-Week Range (C$)	C$0.145 - C$0.335
20-Day VWAP (C$)	C$0.165
Avg. 90D Volume ('000)	124.7

Resource & Reserve	Tonnes (Mt)	g/t Au	Koz Au
Reserves (P&P)			
N/A	-	-	-
Resources (incl. reserves)			
Measured	9.7	0.41	129
Indicated	42.1	0.36	489
M&I	51.8	0.37	618
Inferred	8.8	0.33	93
Total Resource	**60.6**	**0.37**	**711**

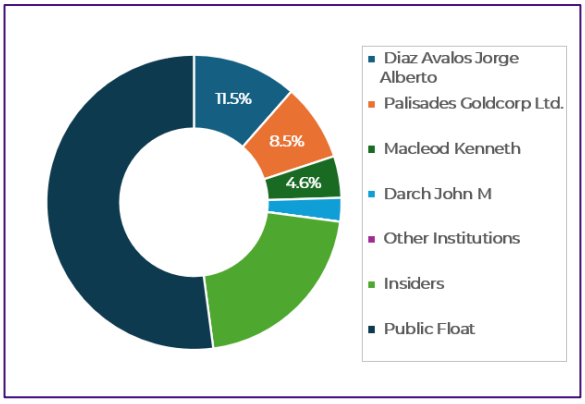
Financial Summary (YE Dec 31)	Unit	2022A	2023A	2024A	2025A	2026E
Income Statement						
Operating Expenses	C$M	6.9	3.3	0.6	4.5	15.2
Operating Income / (Loss)	C$M	(6.9)	(3.3)	(0.6)	(4.5)	(15.2)
Net Income / (Loss)	C$M	(6.9)	(3.8)	(1.3)	(5.4)	(15.8)
EPS	C$/sh	(0.05)	(0.02)	(0.01)	(0.02)	(0.04)
Cash Flow Statement						
Operating Cash Flow	C$M	(4.6)	(3.0)	(2.9)	(5.4)	(15.7)
Investing Cash Flow	C$M	(1.1)	(0.7)	(1.1)	(5.8)	(12.2)
Financing Cash Flow	C$M	4.0	3.6	4.2	15.6	24.4
Balance Sheet						
Cash & Short-term Investment	C$M	0.1	0.0	0.2	4.6	1.1
Total Debt	C$M	1.1	3.5	4.9	4.4	0.3
Share Outstanding						
Common Share Out. (End of Period)	M	143.5	166.1	212.5	311.9	451.6

Source: Feb 2026 MRE & PEA, company filings, FactSet, 3L Capital estimates. All figures in C$ unless noted. 2026E includes 3L estimates for Q3 & Q4 2026.

Company Overview

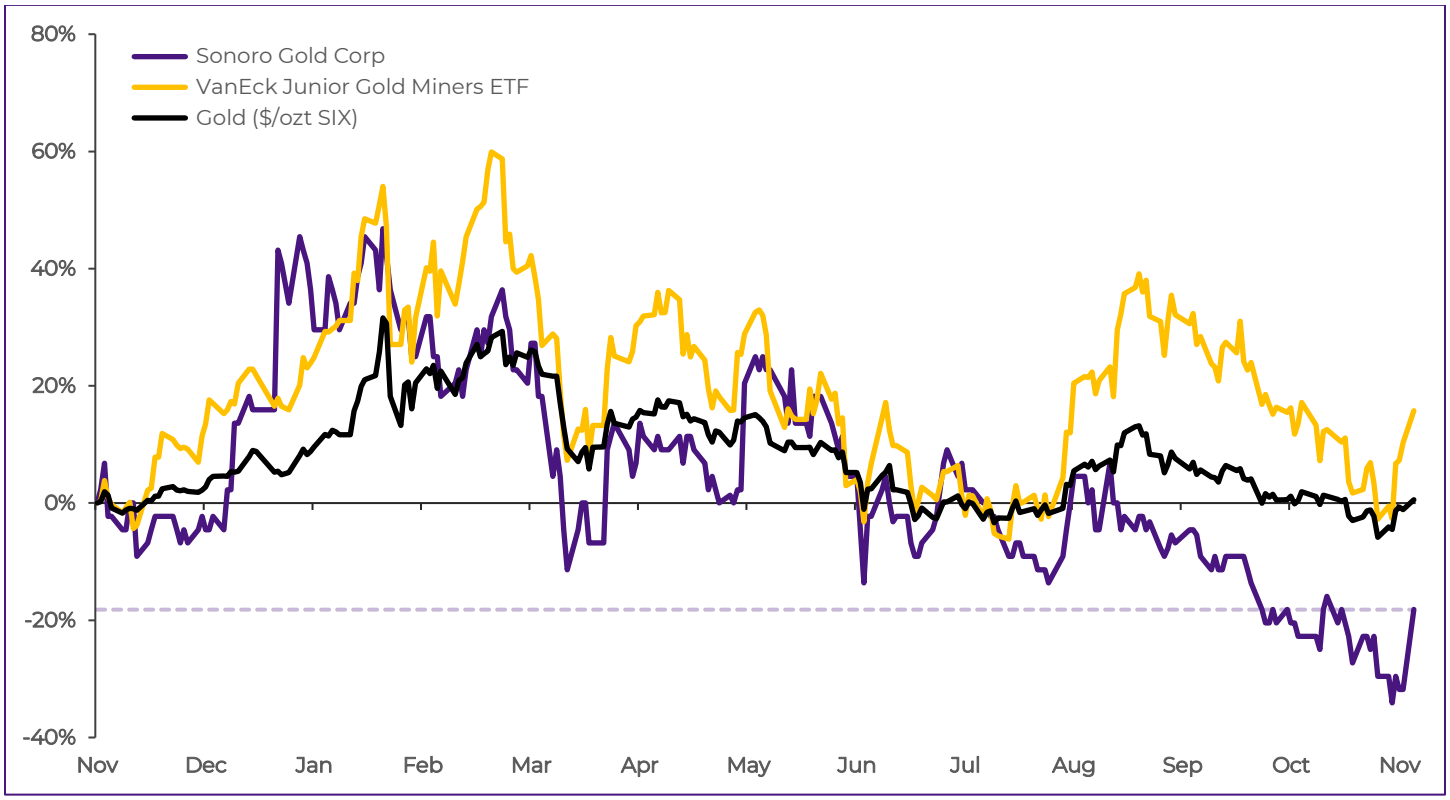
Sonoro Gold is a Canadian exploration & development company whose flagship asset is the Cerro Caliche gold project in Sonora, Mexico. The company describes Cerro Caliche as a broadly mineralized, low-sulphidation epithermal vein structure, with more than 25 NW-trending oxide structures of 200m+ strike length hosted in meta-sediments cut by felsic dikes & rhyolite. The Feb 2026 MRE outlines M&I resources of 51.75Mt @ 0.37 g/t Au for 618koz Au & 6.23Moz Ag, plus Inferred resources of 8.80Mt @ 0.33 g/t Au for 93koz Au. The accompanying PEA outlines a 10-year open-pit heap leach operation ramping from 12,000 to 16,000 tpd, with an after-tax NPV8% of US$224M & a 50% IRR at US$3,500/oz Au on US$83M of initial capex. Backed by two 2026 private placements totalling C$27.7M, SGO began a 50,000m drill program in May 2026 focused on infill & expansion drilling.

Figure 3. Share Ownership of Sonoro Gold



Source: FactSet & SEDI.

Figure 4. Sonoro Gold's One-Year Share Price Performance vs. the GDXJ/Gold Price and RSI.



Source: FactSet & 3L Capital.

Disclosures & Disclaimers

3L Capital has prepared this report for informational purposes only. It is intended to provide general information and should not be interpreted as a solicitation to engage in securities transactions, a recommendation to buy or sell securities, or investment advice. The opinions expressed in this report reflect the author's views as of the report's date. It is strongly advised that recipients conduct their independent investigations and seek professional advice before making any investment decisions. While the information contained in this report is derived from sources believed to be reliable, its accuracy cannot be assured.

It should be noted that 3L Capital, along with its affiliates and associates (collectively known as "3L Capital"), may have provided financial advisory and other services to the companies mentioned in this report in the past or may do so in the future. As a result of rendering such services, 3L Capital may receive financial and other incentives from these companies. 3L Capital employees and affiliates may hold positions in and may buy or sell securities of companies mentioned in this report.

For a detailed discussion of company-specific risks, please refer to the "Risk Factors" segment in the company's MD&A section.

3L Capital Research Team

Name	Title	Email	Phone
Mark Souvenir	MD Institutional Sales	Mark@3L-capital.com	1 (647) 203 5226
Derek Johnson	Senior Mining Analyst	Derek@3L-capital.com	1 (306) 539 0606
Drake Hyden	Senior Mining Analyst	Drake@3L-capital.com	1 (705) 257 0518
York MacPherson	Senior Mining Analyst	York@3L-capital.com	1 (404) 518 7281
Micah Yuen	Senior Associate	Micah@3L-capital.com	1 (647) 534 1915

3L CAPITAL
www.3L-Capital.com