SONOMA CAPITAL INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED JULY 31, 2013

November 28, 2013

The following discussion and analysis of the operating results and financial position is supplementary to, and should be read in conjunction with the audited consolidated financial statements for the years ended July 31, 2013 and 2012 of Sonoma Capital Inc. ("Sonoma" or the "Company"). All figures are in Canadian dollars unless stated otherwise. This discussion contains forward-looking statements that are not historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to Sonoma's future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward-looking statements. The Company has adopted National Instrument 51-102F1 as the guideline in presenting the MD&A.

Forward-Looking Information

The discussion and analysis and other sections of this report contain forward-looking statements. These forward-looking statements, by their nature, necessarily involve risks and uncertainties that could cause results to differ materially from those contemplated by these forward-looking statements. Management considers the assumptions on which these forward-looking statements are based to be reasonable at the time the statements were prepared, but cautions the reader that they could cause actual results to differ materially from those anticipated.

Company Overview

Sonoma Capital Inc.

Sonoma was incorporated under the Canada Business Corporations Act on July 19, 2004 and is a reporting issuer that is currently not listed or quoted on a marketplace. The Company has nominal assets other than cash and proposes to identify and evaluate potential acquisitions or businesses with a view to completing a transaction.

On October 3, 2011, the Company incorporated a new 100 % wholly owned subsidiary called Sonoma Energy, Inc., in Nevada, USA.

The Company's consolidated financial statements include the accounts of the Company and its wholly owned subsidiary Sonoma Energy, Inc.

On January 31, 2007, the Company filed a final prospectus relating to the issue and sale of a minimum of 1,750,000 common shares and a maximum of 3,000,000 common shares at the price of $0.20 per common share for total net proceeds of a minimum of $350,000, excluding the underwriter's fees and other issuance fees of $120,000, and a maximum of $600,000, excluding the underwriter's fees and other issuance fees of $140,000. The Company was unable to complete this initial public offering. As at July 31, 2007, the final prospectus is no longer offered to the public.

Due to costs associated with the failed initial public offering, the Company did not have sufficient cash to meet its continuous disclosure obligations, as required by securities regulations. This resulted in a cease trading order being issued against the Company by the securities regulatory authorities. On August 26, 2010 such cease trade order was lifted. Management believes that the Company can meet its continuous disclosure obligations in the future.

The Company is focused on seeking financing and acquisition opportunities.

The Company proposes to identify and evaluate potential business opportunities, and once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder and regulatory approval. There is no assurance that the Company will identify an appropriate business for acquisition or investment and even if so identified and warranted, the Company may not be able to finance such acquisition or investment. Additional funds may be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such funding on acceptable terms.

Management anticipates that ongoing costs relating to the identification, evaluation, due diligence, negotiation and completion of an acquisition or adoption and execution of a new business plan will be incurred in future periods. The timing and magnitude of these costs is not predictable. These costs may be significant and could possibly result in higher general and administrative expenses.

The Company has begun to deploy its resources and has made loans to Caldera Geothermal Inc. ("Caldera"), an alternative energy business. The only other assets are cash which is $nil as of the year end date. The Company has no full time employees and the time committed to the Company by officers, directors and other consultants may be limited.

Recent Developments

New Strategic Direction Discussions

The Company is a reporting issuer but is not listed on any stock exchange. The board of directors has determined that it is in the best interests of the Company to set a strategic direction and begin a listing process. The directors and management have begun discussions and are reviewing various go forward opportunities. In anticipation of acquiring a business or possibly making a limited investment, the Company had agreed to provide loans to an alternative energy business known as Caldera.

Private Placements

On August 24, 2011, the board of directors approved a private placement of up to 6,000,000 common shares at $0.05 per share for gross proceeds of $300,000. Foundation Markets Inc., an associated entity of Foundation Opportunities Inc., ("FOI") was engaged to facilitate the private placement. During the nine month period ended April 30, 2012, the Company issued 5,600,000 common shares at $0.05 per share for gross proceeds of $280,000. In addition, the Company issued; a) 100,000 common shares to Walter Lee, a director and shareholder in repayment of a $5,000 promissory note, and b) 100,000 common shares to FOI for consulting services rendered valued at $5,000.

Caldera Geothermal Inc. Promissory Notes

As of July 31, 2013, the Company has provided loans to Caldera Geothermal Inc. ("Caldera") aggregating $205,000. The notes receivable bear interest at 8% per annum, are unsecured, due on demand and have no specific repayment date. Management has made the determination that the Company will not demand repayment within next twelve months. A total of $nil (July 31, 2012 - $nil) of interest receivable is included in HST receivable and other receivables.

Caldera is a related party by virtue of certain common shareholders.

As at July 31, 2013, the Company determined that the loan to Caldera will likely not be recovered and as such, has recorded a write down of the loan and interest receivable to $nil.

Selected Annual Information

Summarized selected financial information with respect to Sonoma for the years ended July 31 2013, 2012, and 2011 is as follows:

	Year ended July 31, 2012	Year ended July 31, 2012	Year ended July 31, 2011
Total expenses	**$ 73,675**	$ 147,021	$ 49,133
Other expenses (income):			
Loss on write down of note receivable	**-**	217,107	-
Loss on settlement of debt	**-**	-	70,000
Recovery of expenses	**-**	(4,990)	(7,841)
Interest income	**-**	(12,107)	-
Net (loss) and comprehensive (loss)	**(73,675)**	(347,031)	(111,292)
(Loss) per share	**(0.008)**	(0.038)	(0.110)
Total assets	**-**	34	4,232
Total liabilities	**176,667**	103,026	40,483
Shareholders' deficiency	**(176,667)**	(102,992)	(36,251)
Cash dividends declared	**-**	-	-

Results of Operations

Three month period ended July 31, 2013 compared to 2012

Sonoma recorded a loss of $18,461 during the three month period ended July 31, 2013 compared to $224,744 during the three month period ended July 31, 2012. The decrease in loss is mainly attributable to the write down of the loan to Caldera of $217,107 during fiscal 2012.

Professional fees during the three month period ended July 31, 2013 were $1,510 compared to a recovery of $(5,215) for the comparative period in the prior year and represent legal and accounting fees. The legal and accounting fees were associated with advice on regulatory compliance and to maintain the Company's accounting records. The increase is due to account reclassifications during the prior year.

Consulting fees totaled $16,950 during the three month period ended July 31, 2013, compared to $18,040 for the comparative period in the prior year. Consulting fees included the provision of financial accounting services and strategic advisory services. The Company has engaged FOI for strategic advisory services at a fee of $5,000 plus HST per month and Cavalry Corporate Solutions Ltd. for financial accounting and corporate secretarial services at a fee of $5,000 plus HST per month. The amounts were consistent between the two comparable periods.

Loss per share during the three month period ended July 31, 2013 was $(0.002) compared to $(0.023) during the comparative period in the prior year.

Year ended July 31, 2013 compared to 2012

Sonoma recorded a loss of $73,675 during the year ended July 31, 2013 compared to $347,031 during the year ended July 31, 2012. The decrease in loss is mainly attributable to the writedown of the loan to Caldera of $217,107 during fiscal 2012 and a decrease in consulting and professional fees between the comparable years as the company became dormant in late fiscal 2012 and during the current period.

Professional fees during the year ended July 31, 2013 were $5,754 compared to $17,168 for the comparative year and represent legal and accounting fees. The legal and accounting fees were associated with advice on regulatory compliance and to maintain the Company's accounting records. The decrease is due to the Company having no cash and being dormant during the year.

Consulting fees totaled $67,848 during the year ended July 31, 2013 compared to $127,427 for the comparative year. Consulting fees included the provision of financial accounting services and strategic advisory services. The Company has engaged FOI for strategic advisory services at a fee of $5,000 plus HST per month and Cavalry Corporate Solutions Ltd. for financial accounting and corporate secretarial services at a fee of $5,000 plus HST per month. The decrease is due to the fact that the agreement with FOI has been terminated and the Company is no longer using their services.

Loss per share during the year ended July 31, 2013 was $(0.008) compared to $(0.038) during the comparative year.

Summary of Quarterly Results

The following table presents selected financial data of the Company for its last eight quarters as reported in the particular period:

Quarter	Net (Loss)	Loss per share
Q4 2013	(18,461)	(0.002)
Q3 2013	(20,804)	(0.002)
Q2 2013	(18,362)	(0.002)
Q1 2013	(16,048)	(0.002)
Q4 2012	$(224,744)	$(0.023)
Q3 2012	$(50,350)	$(0.005)
Q2 2012	(37,042)	(0.003)
Q1 2012	(34,894)	(0.005)

Liquidity

The Company's working capital position has decreased since last fiscal year end from a negative working capital position of $(102,992) at July 31, 2012 to $(176,667) at July 31, 2013. The Company's continued existence as a going concern, as planned, depends on its ability to successfully obtain additional financing. While the Company has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future. At July 31, 2013, current assets were $nil (July 31, 2012 - $34) and consisted of $nil (July 31, 2012 - $34) of cash.

The notes receivable are to a related party known as Caldera and represent the initial steps made by management to deploy capital into new areas. Caldera is an alternative energy business holding geothermal energy rights to a series of locations in Nevada, USA. Caldera is a related party by virtue of certain common shareholders.

As at July 31, 2013, the Company determined that the loan to Caldera will likely not be recovered and as such, has recorded a write down of the loan and interest receivable to $nil.

Total liabilities were $103,026 at July 31, 2012 and have increased to $176,667 at July 31, 2013. Primarily all amounts in accounts payables and accrued liabilities relate to professional fees for financial accounting, consulting, advisory and legal services.

Shareholders' equity decreased from a deficiency of $102,992 on July 31, 2012 to a deficiency of $176,667 at July 31, 2013. The change is a result of the Company's loss of $73,675 incurred during the year ended July 31, 2013.

Capital Resources

The Company financed operations and made investments during the year ended July 31, 2012 through the issuance of new equity. As of July 31, 2013, the Company had $nil (July 31, 2012 - $34) of cash. Management acknowledges that additional loans to Caldera and other investments will likely deplete the Company's cash balances requiring incremental financing from external sources.

Until such time as the Company identifies a business enterprise for the acquisition, it is contemplated that the working capital requirements of the Company will relate generally to investments made and expenses associated with the Company's continuous disclosure obligations under applicable securities legislation, other expenses associated with the listing of the shares, if and when the shares are listed, and costs incurred in identifying, evaluating and executing a potential acquisition or in adopting and executing on a new business plan. The only material ongoing contractual obligations of the Company relate to the payment of audit, legal, consulting and accounting fees.

The Company's continued existence as a going concern, as planned, depends on its ability to successfully obtain additional financing. While the Company has been successful in securing financing in the year, there can be no assurance that it will be able to do so in the future. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due. These statements have been prepared on a going-concern basis which assumes that the Company will be able to realize it assets and discharge it liabilities in the normal course of operations for the foreseeable future.

The Company plans to pursue additional financing in the immediate future.

Off-Balance Sheet Arrangements

As of July 31, 2013, the Company had no off balance sheet arrangements.

Related-Party Transactions

On August 2, 2011, the Company settled a promissory note due to a director and shareholder of the Company in the amount of $5,000 through the issuance of 100,000 shares of common stock (note 4).

During the year ended July 31, 2013, Cavalry provided $67,800 (2012 - $68,515) of financial accounting and consulting services. Also, during the year ended July 31, 2013, FOI invoiced the Company $nil (2012 - $50,850) for strategic consulting services, of which $5,000 was paid through the issuance of 100,000 shares of the Company's common stock.

Included in accounts payable and accrued liabilities as at July 31, 2013 is $137,972 (July 31, 2012 - $62,975) in amounts due to related parties.

Share Capital

As at July 31, 2013, Sonoma had authorized unlimited common shares without par value and had issued 9,600,000 common shares. The Company has no options or warrants outstanding.

Critical Accounting Estimates

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The critical accounting policies followed by the Company are as follows:

Financial instruments

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables or at fair value through profit and loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. Cash is classified as fair value through profit or loss.

Financial assets classified as held-to-maturity and loans and receivables are measured at amortized cost using the effective interest rate method. Notes receivable and other receivables are classified as loans and loans receivables.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss)., except for equity instruments without a quoted market price in an active market and whose fair value cannot be reliably measured, which measured at cost.

Transaction costs associated with fair value through profit or loss are expenses as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the assets.

All financial liabilities are initially recorded at fair value and designated upon inception as fair value through the profit or loss or other financial liabilities.

Financial liabilities classified as other financial liabilities are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities.

Financial liabilities classified as fair value through profit or loss are measured at fair value with unrealized gains and losses recognized through profit or loss. At July 31, 2013 the Company has not classified any financial liabilities as fair value through the profit and loss.

Share based payments

The Company uses the fair value method of accounting for options granted under share purchase option plans. Options granted to directors, officers and employees are measured at fair value at grant date, which is charged to operations over the applicable vesting period, with an offsetting credit to share option reserves. Options granted to non-employees are measured at fair value of goods and services received, which is charged to operations at the date the options are fully vested, with an offsetting credit to share option reserves. The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. Consideration received upon exercise of share purchase options, along with the related amount previously recorded in the share option reserve, is credited to share capital. Cash received on the exercise of share options is recorded in share capital and the related compensation previously included in share option reserves is transferred to share capital to recognize the total consideration for the shares issued.

Loss per share

Basic loss per share is calculated using the weighted-average number of shares outstanding during the year. Contingently issuable shares are not considered outstanding common shares and consequently not included in loss per share calculation. The Company uses the treasury stock method to compute the dilutive effect of options and similar instruments. Under this method, the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options and similar instruments. It assumes that proceeds would be used to purchase common shares at the average market price during the year. Diluted loss per share calculation assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share.

Accounting estimates and judgments

The preparation of these condensed unaudited interim consolidated financial statements requires management to make estimates and judgments and form assumptions that affect the reported amounts and other disclosures in these condensed unaudited interim consolidated financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Significant estimates used in the preparation of these condensed unaudited interim consolidated financial statements include, among others, the recoverability of other receivable and notes receivable and the fair value of financial assets and liabilities. Actual results may differ from those estimates.

The Company is exposed to a variety of financial risks by virtue of its activities: market risk (including interest rate risk and foreign currency risk), credit risk and liquidity risk. It is management's opinion that the Company is not exposed to significant interest, or currency risks arising from these financial instruments.

a) Fair Value

The carrying values of the Company's cash, other receivables, loans receivable, and accounts payable and accrued liabilities approximate fair values due to the relatively short term maturities of these instruments.

b) Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company is not exposed to any significant credit risk.

The Company manages the credit exposure related to cash of $nil as at July 31, 2013 (July 31, 2012 - $34) by holding funds in bank accounts with Schedule 1 banks in Canada.

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company currently settles its financial obligation out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company is susceptible to liquidity risk due to the negative working capital.

Audit Committee Disclosure

The charter of the Company's audit committee and the other information required to be disclosed by Form 52-110F2 is attached to this MD & A as Schedule "A".

Corporate Governance Disclosure

In 2005, the Canadian Securities Administrators created National Policy 58-201 *Corporate Governance Guidelines* (the "**Policy**") and National Instrument 58-101 *Disclosure of Corporate Governance Practices*, Form 58-101F1 and Form 58-101F2 (collectively, the "**Instrument**"). The Policy addresses matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Attached to this MD & A as Schedule "B" is the Corporation's corporate governance disclosure prescribed by Form 58-101F2 *Corporate Governance Disclosure (Venture Issuers)* with respect to matters set out under the Policy.

Outlook

Activities of management include completing the necessary filings and performing due diligence on proposed acquisitions and/or investments.

SCHEDULE "A"

FORM 52-110F1
Audit Committee Information
(Venture Issuers)

1. **The Audit Committee's Charter**

The Audit Committee of Sonoma Capital Inc. (the "Company" or "Sonoma") is responsible for the Company's financial reporting process and the quality of its financial reporting. The Audit Committee is charged with the mandate of providing independent review and oversight of the Company's financial reporting process, the system of internal control and management of financial risks, and the audit process, including the selection, oversight and compensation of the Company's external auditors. In performing its duties, the Audit Committee maintains effective working relationships with the Board, management, and the external auditors and monitors the independence of those auditors.

The full text of the charter of the Company's Audit Committee is attached hereto as Appendix "I".

2. **Composition of the Audit Committee**

The board members of the Company's audit committee are:

Name	Corporate Position	Independent	Financially Literate
Claude Forget	Director	Yes	Yes
Brian Presement	Director	Yes	Yes
Paul Sarjeant	Director	Yes	Yes

3. **Relevant Education and Experience**

Name of Member	Relevant Experience and Qualifications
Brian Presement	Mr. Presement holds an Honours Bachelor of Arts Degree from York University with a double major in Mass Communications and Political Science. Mr. Presement has been President / CEO of Unite Communications Corporation since its inception in 2001.
Claude Forget	Mr Forget graduated in law and was admitted to the Quebec Bar; he graduated from the London School of Economics with a Master Degree and did graduate

	studies in economics and operations research at Johns Hopkins University. Apart from a public career, he was senior partner at SECOR/KPMG, members of various boards in particular Phoenix International Life Science serving on various board committees including the Audit Committee, (for a time as chairman) and eventually as Chairman of the Board, as well as Copernic Inc. He was special adviser to the chairmen of Teleglobe and The Laurentian Group.
Paul Sarjeant	Mr. Sarjeant graduated from Queens University with Honours – Bachelor of Science. Mr. Sarjeant is also a Professional Geologist and Certified Financial Planner.

4. **Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor with was not adopted the Board.

5. **Reliance on Certain Exemptions**

N/A

6. **Pre-Approval Policies and Procedures**

In the event that the Company wishes to retain the services of the Company's external auditors for any non-audit services, prior approval of the Audit Committee must be obtained.

7. **Audit Fees**

The following table provides details in respect of audit, audit related, tax and other fees billed to the Company by the external auditors for professional services.

	Year ended July 31, 2013	**Year ended July 31, 2012**	**Year ended July 31, 2011**
Audit Fees (1)	$5,500	$5,500	$6,500
Audit Related Fees	Nil	Nil	Nil
Tax Fees	Nil	Nil	Nil
All Other Fees	Nil	Nil	Nil

APPENDIX "I"

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD

The purpose of the Audit Committee of the Board (the "**Board**") of Sonoma Capital Inc. (the "**Corporation**") is to assist the Board in fulfilling its responsibility for overseeing the quality and integrity of the accounting, auditing, and reporting practices of the Company, and such other duties as directed by the Board. The Audit Committee's role includes a particular focus on the qualitative aspects of financial reporting to shareholders, on the Company's processes to manage business and financial risk, and on compliance with significant applicable legal, ethical and regulatory requirements.

MEMBERSHIP

The membership of the Audit Committee shall consist of at least two directors who are generally knowledgeable in financial and auditing matters, including at least one member with accounting or related financial management expertise. A majority of the members of the Audit Committee must be financially literate, that is having the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

The Chair of the Audit Committee shall be appointed by the full Board.

COMMUNICATIONS AND REPORTING

The Audit Committee is expected to maintain free and open communication with the external auditors, the internal accounting staff, and the Company's management. This communication shall include private executive sessions, at least annually, with each of these parties. The Audit Committee chairperson shall report on Audit Committee activities to the full Board.

AUTHORITY

In discharging its oversight role, the Audit Committee is empowered to investigate any matter brought to its attention, with full power to retain outside counsel or other advisors and experts for this purpose. The Audit Committee shall be empowered to set and pay the compensation for any such advisors employed by the Audit Committee. The Audit Committee shall have the authority to communicate directly with the external auditors of the Company.

RESPONSIBILITIES

Oversight

The Audit Committee is directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management of the Company and the external auditor regarding financial reporting.

Recommend Auditor

The Audit Committee must recommend to the Board the external auditor to be nominated (subject to shareholder approval) for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company and the compensation of the external auditor.

Pre-Approve Non-Audit Services

The Audit Committee must pre-approve all non-audit services to be provided to the Company by the Company's external auditor.

Review Financial Disclosure

The Audit Committee must review the Company's financial statements, management's discussion and analysis (MD&A) and annual and interim financial press releases, if any, before the Company publicly discloses this information.

The Audit Committee must be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, and must periodically assess the adequacy of those procedures.

Reliance on Management and Auditors

The Audit Committee relies on the expertise and knowledge of management, the internal auditors, and the external auditor in carrying out its oversight responsibilities. Management of the Company is responsible for determining that the Company's financial statements are complete, accurate, and in accordance with generally accepted accounting principles. The external auditor is responsible for auditing the Company's financial statements. The Audit Committee should assure itself that the Company's internal policies, procedures and controls are adequate and are being implemented and followed.

Relationship with Auditors

The Audit Committee is also responsible for ensuring that the Company's external auditors submit on a periodic basis to the Committee a formal written statement delineating all relationships between the external auditors and the Company and actively engaging in a dialogue with the external auditors with respect to any disclosure relationships or services that may impact the objectivity and independence of the external auditors and for taking appropriate action to ensure the independence of the external auditors within the meaning of applicable Canadian law.

Guidelines for Audit Committee

With respect to the exercise of its duties and responsibilities, the Audit Committee should, among other things:

1. report regularly to the Board on its activities, as appropriate;

2. exercise reasonable diligence in gathering and considering all material information;

3. remain flexible, so that it may be in a position to best react or respond to changing circumstances or conditions;

4. understand and weigh alternative courses of conduct that may be available;

5. focus on weighing the benefit versus harm to the Company and its shareholders when considering alternative recommendations or courses of action;

6. if the Audit Committee deems it appropriate, secure independent expert advice and understand the expert's findings and the basis for such findings, including retaining independent counsel, accountants or others to assist the Audit Committee in fulfilling its duties and responsibilities; and

7. provide management and the Company's independent auditors with appropriate opportunities to meet privately with the Audit Committee.

MEETINGS

The Audit Committee shall meet with such frequency and at such intervals as it shall determine is necessary to carry out its duties and responsibilities. As part of its purpose to foster open communications, the Audit Committee shall meet at least annually with management and the Company's external auditors to discuss any matters that the Audit Committee or each of these groups or persons believe should be discussed privately. In addition, the Audit Committee should meet or confer with the external auditors and management to review the Company's interim consolidated financial statements and related filings prior to their filing with any regulatory body. The Chairman should work with the Chief Financial Officer and management to establish the agendas for Audit Committee meetings. The Audit Committee, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary. The Audit Committee shall maintain minutes of its meetings and records relating to those meetings and the Audit Committee's activities and provide copies of such minutes to the Board to be included in the minute books of the Company.

SCHEDULE "B"

FORM 58-101F2
Corporate Governance Disclosure
(Venture Issuers)

8. **Board of Directors**

The board of Sonoma Capital Inc ("Sonoma" or the "Company) is comprised of five directors all of which are considered independent.

The independent directors of Sonoma are:

- Claude Forget
- Brian Presement
- Yannis Banks
- Paul Sarjeant
- Yvan Routhier

A member of the Board of Directors is considered independent if the member has no direct or indirect material relationship with the issuer. A material relationship means a relationship which could, in the view of the reporting issuer's Board of Directors, reasonably interfere with the exercise of a member's independent judgment.

9. **Directorships**

Board Member	Other Directorships
Claude E. Forget	- Montreal Medical International
Yannis Banks	- Quia Resources Inc. - Lakeside Minerals Inc
Yvan Routhier	- Capricorn Business Acquisitions Inc.
Brian Presement	- Aurelio Resource Corporation - Sagittarius Capital Corp
Paul Sarjeant	- Golden Harp Resources Inc - Firesteel Resources - Northern Iron Corp - Grandview Gold Inc - G4G Resources Inc

10. **Orientation and Continuing Education**

The board of directors is comprised of individuals with either prior experience as a director or publicly listed issuer or a private entity or with significant business experience as a senior business manager. The Company has no specific continuing education policy with its directors.

11. **Ethical Business Conduct**

All directors, officers and employees of the Company must comply with the law and regulations and must act honestly and in good faith with a view to the best interests of the Company in exercising their powers and discharging their duties.

Any director or officer of the Company shall disclose in writing or request to have it entered into the minutes of Board of Directors' meeting or any of the committees of the directors the nature and extent of any interest in a material contract or a material transaction, whether made or proposed, as soon as the director or officer becomes aware of such a contract or transaction. In such a case, the director shall abstain from voting on any resolution to approve such a contract or transaction.

12. **Nomination of Directors**

The board is entrusted with reviewing on a periodic basis the composition of the board and, when appropriate, with maintaining a list of potential candidates for board membership and interviewing potential candidates for board membership.

13. **Compensation**

At this time the Company does not compensate directors and the CEO.

14. **Other Board Committees**

Other than the audit committee, the Company does not have any other standing committees.

15. **Assessments**

The Company does not currently trade on an exchange and the directors are satisfied that, given the current evolution of the Company, they are performing their duties as directors effectively.