

**SIERRA GROWTH CORP.
(Formerly Grenville Gold Corp.)**

Consolidated Financial Statements

For the Years Ended December 31, 2019 and 2018

(Expressed in Canadian Dollars)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Sierra Growth Corp. (formerly Grenville Gold Corp.)

Opinion

We have audited the consolidated financial statements of Sierra Growth Corp. (formerly Grenville Gold Corp.) (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2019 and December 31, 2018, and the consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and December 31, 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

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

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is David Goertz.



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, BC

April 29, 2020



An independent firm
associated with Moore
Global Network Limited

SIERRA GROWTH CORP. (FORMERLY GRENVILLE GOLD CORP.)**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION***(Expressed in Canadian dollars)*

December 31,	Notes	2019	2018
		\$	\$
ASSETS			
Current Assets			
Cash		347,768	1,078,371
Receivables		4,495	4,747
		352,263	1,083,118
Equipment		1,081	2,162
Exploration and evaluation assets	4	1,722,878	1,496,430
TOTAL ASSETS		2,076,222	2,581,710
LIABILITIES			
Current Liabilities			
Trade payables and accrued liabilities	5	119,878	151,283
Advance payable	6	-	100,000
TOTAL LIABILITIES		119,878	251,283
SHAREHOLDERS' EQUITY			
Share capital	7,8	11,414,732	11,319,732
Reserves	8	4,327,153	4,327,153
Deficit		(13,785,541)	(13,316,458)
TOTAL EQUITY		1,956,344	2,330,427
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,076,222	2,581,710

Nature and continuance of operations	1
Subsequent event	12

On Behalf of the Board

"Sonny Janda"
Sonny Janda, Director

"Shaun Dykes"
Shaun Dykes, Director

The accompanying notes are an integral part of these consolidated financial statements.

SIERRA GROWTH CORP. (FORMERLY GRENVILLE GOLD CORP.)**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS***(Expressed in Canadian dollars)*

Years ended December 31,	Notes	2019	2018
		\$	\$
Operating expenses			
Amortization		1,081	1,081
Filing and transfer fees		20,191	26,106
Foreign exchange expenses		7,372	23,062
Management and consulting	9	293,700	131,476
Office and general		24,454	16,282
Professional fees		97,285	73,479
Project investigation costs		-	11,156
Rent		25,000	7,500
		469,083	290,142
Accretion expenses		-	9,096
Impairment of exploration and evaluation assets		-	135,236
Loss on settlement of convertible debentures		-	17,071
Other income		-	(9,524)
Net loss and comprehensive loss		469,083	442,021
Basic and diluted loss per share		(0.01)	(0.01)
Weighted average number of common shares outstanding			
- basic and diluted		40,768,122	30,349,873

The accompanying notes are an integral part of these consolidated financial statements.

SIERRA GROWTH CORP. (FORMERLY GRENVILLE GOLD CORP.)
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars, except share number)

	Share Capital		Reserves				
	Number	Amount	Option	Equity portion of convertible debentures	Warrant	Deficit	Total
		\$	\$	\$	\$	\$	\$
Balance at December 31, 2017	29,020,984	10,191,065	2,872,403	-	1,454,750	(12,874,437)	1,643,781
Shares issued for cash	10,025,000	1,002,500	-	-	-	-	1,002,500
Equity portion of convertible debentures	-	-	-	30,435	-	-	30,435
Settlement of convertible debentures with cash	-	-	-	(6,087)	-	-	(6,087)
Shares issued on conversion of convertible debentures	1,111,111	126,167	-	(24,348)	-	-	101,819
Net loss for the year	-	-	-	-	-	(442,021)	(442,021)
Balance at December 31, 2018	40,157,095	11,319,732	2,872,403	-	1,454,750	(13,316,458)	2,330,427
Shares issued for warrant exercise	950,000	95,000	-	-	-	-	95,000
Net loss for the year	-	-	-	-	-	(469,083)	(469,083)
Balance at December 31, 2019	41,107,095	11,414,732	2,872,403	-	1,454,750	(13,785,541)	1,956,344

The accompanying notes are an integral part of these consolidated financial statements

SIERRA GROWTH CORP. (FORMERLY GRENVILLE GOLD CORP.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

Years ended December 31,	2019	2018
	\$	\$
Operating activities		
Net loss for the year	(469,083)	(442,021)
Adjustments for non-cash items		
Amortization	1,081	1,081
Accretion expenses	-	9,096
Loss on early settlement of convertible debentures	-	17,071
Impairment of exploration and evaluation assets	-	135,236
Changes in non-cash working capital items		
Receivables	252	(2,753)
Trade payables and accrued liabilities	(31,405)	9,693
Net cash flows used in operating activities	(499,155)	(272,597)
Investing activities		
Acquisition of equipment	-	(3,243)
Exploration and evaluation assets	(226,448)	(132,201)
Net cash flows used in investing activities	(226,448)	(135,444)
Financing activities		
Proceeds from issuance of convertible debentures	-	500,000
Repayment of convertible debentures	-	(400,000)
Repayment of loan	-	(157,644)
Proceeds from issuance of common shares	95,000	1,002,500
Increase (decrease) of advance payable	(100,000)	100,000
Net cash flows from (used in) financing activities	(5,000)	1,044,856
Change in cash	(730,603)	636,815
Cash, beginning of year	1,078,371	441,556
Cash, end of year	347,768	1,078,371

The accompanying notes are an integral part of these consolidated financial statements.

SIERRA GROWTH CORP.
(FORMERLY GRENVILLE GOLD CORP.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Sierra Growth Corp. (formerly Grenville Gold Corp.) (the “Company”) was incorporated under the laws of the province of Ontario on November 17, 1994. On June 19, 2009, the Company completed a continuance of business from Ontario to British Columbia. On February 15, 2019, the Company changed its name from Grenville Gold Corp. to Sierra Growth Corp. The Company is listed on the Canadian Securities Exchange (“CSE”) under the symbol “GVG” as well as on the Berlin and Frankfurt stock exchanges in Germany under the symbol “F91Q”, and a pink sheet listing (“OTCPP”) in the United States under the symbol “GVLGF”.

The head office, principal address and records office of the Company are 4770 – 72nd Street, Delta, British Columbia, Canada, V4K 3N3.

These consolidated financial statements have been prepared on the assumption that the Company and its subsidiaries will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations as at December 31, 2019. The Company had not advanced its mining properties to commercial production and has incurred operating losses since inception of its business. The Company’s continuation as a going concern is dependent upon the successful results from its exploration, its ability to attain profitable operations and generate funds from equity, and debt financing to meet its obligations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with private placements and debt financing from related parties. Should the Company be unable to continue as going concern, the net realizable value of its assets may be materially less than the amounts on its consolidated statement of financial position.

These consolidated financial statements were approved and authorized for issue by the Board of Directors on April 29, 2020.

SIERRA GROWTH CORP.
(FORMERLY GRENVILLE GOLD CORP.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”)

Basis of Measurement

The consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted.

Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its controlled entities. Details of controlled entities are as follows:

	Country of Incorporation	Percentage Owned	
		December 31, 2019	December 31, 2018
Grenville Silveria Ltd.	Canada	100%	100%
Grenville Espanola Holdings Ltd.	Canada	100%	100%
Minera Grenville S.A.C. (formerly Inversiones Mineras Alexander S.A.C.)	Peru	100%	100%
Minera Espanola S.A.C.	Peru	100%	100%
Upper Canyon Minerals Peru S.A.C.	Peru	100%	100%

Inter-company balances and transactions are eliminated on consolidation.

Significant Estimates and Assumptions

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that the reported amounts of assets, liabilities and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are adjusted for prospectively in the period in which the estimates are raised.

SIERRA GROWTH CORP.
(FORMERLY GRENVILLE GOLD CORP.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION (Continued)

Significant Estimates and Assumptions (Continued)

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments, the classification/allocation of expenditures as exploration and evaluation expenditures of operation expenses, the valuation of exploration and evaluation assets and the recoverability and measurement of deferred tax assets.

Significant Judgments

The preparation of these financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's consolidated financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the classification of financial instruments; and
- the determination of the functional currency of the Company and its subsidiaries.

Functional Currency

The functional currency of each entity is measured using the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiaries is Canadian dollar. These financial statements are presented in the Canadian dollar.

Foreign Currency Translation

Foreign currency translations are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate of the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values are determined.

Exchange differences arising on the translation of the monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

SIERRA GROWTH CORP.
(FORMERLY GRENVILLE GOLD CORP.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Exploration and Evaluation Assets

Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred. Exploration and evaluation expenditures including the costs of acquiring licenses and costs associated with exploration and evaluation activities are capitalized by property. Option payments are considered acquisition costs provided that the Company has the intention of exercising the underlying option. Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are reviewed for impairment if facts or circumstances indicate that impairment exists considering the following:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

After technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests that asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset.

Impairment of Non-Financial Assets

The carrying amount of the Company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

SIERRA GROWTH CORP.
(FORMERLY GRENVILLE GOLD CORP.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of Non-Financial Assets (Continued)

The recoverable amount of an asset is the greater of its asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to its present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an individual asset that does not generate cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates and used to determine the recoverable amount; however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized for the asset in previous years.

Assets that have an indefinite life are not subject to amortization and are tested annually for impairment.

Restoration and Environmental Obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred.

Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company currently has no measurable restoration and environmental obligations.

SIERRA GROWTH CORP.
(FORMERLY GRENVILLE GOLD CORP.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-Based Payments

The Company operates a stock option plan. Share-based payments to employees are measured at the fair value of the stock options granted and recognized over the vesting periods. Share-based payments to non-employees are measured at fair value of goods or services received or the fair value of the equity instruments issued, if it is determined using the Black-Scholes option pricing model, taking into account the terms and conditions upon which stock options are granted. At each reporting date, the amount recognized as expense is adjusted to reflect the actual number of stock options that are expected to vest.

Loss per Share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding during the reporting period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all options and warrants outstanding that may add to the total number of common shares. As at December 31, 2019, the Company's diluted loss per share was the same as the basic loss per share as the Company did not have any outstanding options and warrants.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The following table shows the classification under IFRS 9:

Financial assets/liabilities	Classification
Cash	FVTPL
Trade payable	Amortized cost
Advance payable	Amortized cost

SIERRA GROWTH CORP.
(FORMERLY GRENVILLE GOLD CORP.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments (Continued)

Financial Assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income (“FVOCI”); or (iii) fair value through profit or loss (“FVTPL”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed.

All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income.

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Cash is measured at FVTPL.

Impairment of Financial Assets

IFRS 9 uses the expected credit loss (“ECL”) model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company’s receivables.

An ‘expected credit loss’ impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

SIERRA GROWTH CORP.
(FORMERLY GRENVILLE GOLD CORP.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments (Continued)

Financial Assets (Continued)

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial Liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Accounts payable, due to shareholder, and convertible debentures are classified under other financial liabilities and carried on the statement of financial position at amortized cost.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

Income Taxes

Current Income Tax

Current income tax assets and liabilities for the period are measured at the amount expected to be recovered from and paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

SIERRA GROWTH CORP.
(FORMERLY GRENVILLE GOLD CORP.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

Current Income Tax (continued)

Current income tax relating to items recognized directly in other comprehensive loss or equity is recognized in other comprehensive loss or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is recorded by providing for temporary differences at each reporting date between the tax bases of assets and liabilities and their carrying amounts. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes related to the same taxable entity and the same taxation authority.

Adoption of New Accounting Standards

IFRS 16 establishes a comprehensive framework for recognition, measurement and classification of leases and requires lessees to recognize assets and liabilities for most leases. This new standard replaces IAS 17 “Leases” and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15.

SIERRA GROWTH CORP.
(FORMERLY GRENVILLE GOLD CORP.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adoption of New Accounting Standards (Continued)

The Company adopted IFRS 16 on January 1, 2019. The adoption of the standard has an \$nil impact on the Company's financial statements, as the Company has no lease agreements.

4. EXPLORATION AND EVALUATION ASSETS

	Espanola	Silver Mountain	Total
	\$	\$	\$
Balance, December 31, 2017	1,364,229	135,236	1,499,465
Acquisition	132,201	-	132,201
Impairment charge	-	(135,236)	(135,236)
Balance, December 31, 2018	1,496,430	-	1,496,430
Maintenance of mineral properties	226,448	-	226,448
Balance, December 31, 2019	1,722,878	-	1,722,878

Espanola Property

The Company owns 100% of the Espanola property which consists of 17 claims in the San Mateo Mining District in the province of Canete, Peru. During the year ended December 31, 2019, the Company capitalized its annual renewal and maintenance fees of \$226,448 (2018 - \$132,201).

Silver Mountain Property

The Company owns 100% interests in the Josephina and Silver Mountain concessions which consist of 6 claims located in the Huarochiri province of Lima, Peru. In June 2018, the Company decided not to renew its interests in these properties and allowed the claims to lapse. Management recorded an impairment charge of \$135,236 for the year ended December 31, 2018.

5. TRADE PAYABLES AND ACCRUED LIABILITIES

	December 31, 2019	December 31, 2018
	\$	\$
Accounts payable	85,378	136,788
Accrued liabilities	34,500	14,495
	119,878	151,283

SIERRA GROWTH CORP.
(FORMERLY GRENVILLE GOLD CORP.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in Canadian dollars)

6. ADVANCE PAYABLE

In connection with the Company's issuance of 10,000,000 shares in a private placement during the year ended December 31, 2018, one of the subscribers paid \$100,000 in excess of the agreed issuance. The Company repaid the amount in full during the year ended December 31, 2019.

7. CONVERTIBLE DEBENTURES PAYABLE

During the year ended December 31, 2018, the Company issued convertible debentures to an unrelated party for a principal amount of \$500,000, which were convertible into common shares of the Company at \$0.09 per share at the discretion of the holder. The debentures were unsecured, matured one year from issuance and bore interest of 8% per annum.

At the initial recognition of the debentures, the Company estimated an effective interest rate based on a similar debt instrument without a conversion feature to be 15% and recorded the liability component at a value of \$469,565. The resulting discount of \$30,435 attributable to the conversion feature was recorded to the reserve. The Company recorded accretion expenses of \$9,096 during the year ended December 31, 2018.

In December 2018, the Company repaid the debentures totaling \$410,083 which included \$400,000 in principal and \$10,083 in accrued interests. The remaining balance of \$100,000 was converted into 1,111,111 common shares of the Company.

8. SHARE CAPITAL

Authorized share capital: An unlimited number of common shares without par value
An unlimited number of preferred shares without par value

2019

During the year ended December 31, 2019, 950,000 shares were issued pursuant to exercise of 950,000 warrants for proceeds of \$95,000.

SIERRA GROWTH CORP.
(FORMERLY GRENVILLE GOLD CORP.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in Canadian dollars)

8. SHARE CAPITAL (Continued)

2018

In November 2018, the Company closed a private placement financing consisting of 10,000,000 units for proceeds of \$1,000,000. Each unit consists of one common share and one share purchase warrant, which entitles the holder to purchase one additional common share of the Company at \$0.10 per share for a period of six months after issuance.

In December 2018, 25,000 shares were issued pursuant to exercise of 25,000 warrants for proceeds of \$2,500.

In December 2018, convertible debentures with a principal balance of \$100,000 were converted into 1,111,111 common shares of the Company at \$0.09 per share .

Stock Options

The Company has established a stock option plan whereby a maximum of 10% of the issued and outstanding common shares of the Company may be reserved for issuance pursuant to the exercise of options. The term of the stock options granted is fixed by the Board of Directors and is not to exceed five years. The exercise prices of the stock options granted may not be less than the minimum then specified by the rules of the CSE. Vesting periods are determined by the Board.

As at December 31, 2019 and 2018, there was no outstanding options.

Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding at December 31, 2017	-	\$ -
Issued	10,000,000	0.10
Exercised	(25,000)	0.10
Outstanding at December 31, 2018	9,975,000	0.10
Exercised	(950,000)	0.10
Expired	(9,025,000)	0.10
Outstanding at December 31, 2019	-	\$ -

SIERRA GROWTH CORP.
(FORMERLY GRENVILLE GOLD CORP.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in Canadian dollars)

8. SHARE CAPITAL (Continued)

Stock Option Reserve

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options are exercised, at which time the corresponding amount is transferred to share capital.

Warrant Reserve

The warrant reserve records the fair value of warrants issued until such time that they are exercised, at which time the corresponding amount is transferred to share capital.

Equity Portion of Convertible Debt Reserve

The equity portion of convertible debt reserve records the fair value of conversion option of convertible debentures.

9. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers.

During the year ended December 31, 2019, the Company paid consulting fees \$144,500 (2018 - \$30,000) and \$16,000 (2018 - \$Nil) to a company owned by the CEO and a company owned by the CFO respectively.

As at December 31, 2019, \$14,500 (2018 - \$31,598) is included in trade payables and accrued liabilities from amounts owing to related parties.

10. FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits and controlling and reporting structures.

The type of risk exposure and the way in which such exposure is managed is provided as follows:

SIERRA GROWTH CORP.
(FORMERLY GRENVILLE GOLD CORP.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in Canadian dollars)

10. FINANCIAL RISK AND CAPITAL MANAGEMENT (Continued)

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is its cash held in bank accounts. Cash is deposited in bank accounts held with major banks in Canada and Peru. As most of the Company's cash is held by two banks, there is a concentration of credit risk. However, this risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient holdings of cash and cash equivalents to meet its short-term exploration and evaluation requirements and anticipated operating cash flows.

Historically the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Foreign Exchange Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's Peruvian subsidiaries are exposed to currency risk as they incur expenditures that are denominated in US dollars and the Peruvian Soles, and their functional currency is the Canadian dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates. A 10% fluctuation in the US dollar and Peruvian Sole would not have a material impact on the results of the Company.

Interest Rate Risk

Interest rate risk refers to the risk that fair values of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company does not have material financial assets or liabilities that are exposed to fluctuation of interest rate. As a result, the exposure to interest rate risk is not significant.

SIERRA GROWTH CORP.
(FORMERLY GRENVILLE GOLD CORP.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in Canadian dollars)

10. FINANCIAL RISK AND CAPITAL MANAGEMENT (Continued)

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration and evaluation assets. In the management of capital, the Company includes components of shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest in are in the exploration stage; as such, the Company is dependent on external financing to fund activities. To carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. The Company is not subject to externally imposed capital requirements. There were no changes to the Company's approach to capital management during the year.

Financial Instruments

The fair value of the Company's assets and liabilities approximate the carrying amount.

The Company's financial instruments consist of cash, amounts receivable, accounts payable, and advance payable. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

The following summarizes fair value hierarchy under which the Company's financial instruments are valued:

Level 1 – fair values based on unadjusted quoted prices in active markets for identified assets of liabilities;

Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and

Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

Cash is measured at fair value using Level 1 input. The carrying balance of accounts payable and advance payable approximate its fair value due to their short-term nature.

SIERRA GROWTH CORP.
(FORMERLY GRENVILLE GOLD CORP.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in Canadian dollars)

11. INCOME TAXES

A reconciliation of income taxes for the years ended December 31, 2019 and 2018 at statutory rates is as follows:

	December 31, 2019	December 31, 2018
Net loss for the year	\$ (469,083)	\$ (442,021)
Enacted statutory tax rate	27 %	27 %
Expected income tax recovery	(127,000)	(119,000)
Permanent differences and other	71,000	55,000
Impact of change in future enacted rates	-	(107,000)
Effect of difference in statutory rate applicable to foreign subsidiaries	(1,000)	(4,000)
Effect of adjustment to prior year tax provision	(5,000)	442,000
Change in unrecognized deferred tax assets	62,000	(267,000)
	\$ -	\$ -

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	December 31, 2019	December 31, 2018
<i>Deferred Tax Assets</i>		
Non-capital losses	\$ 2,608,000	\$ 2,463,000
Share issue costs	-	5,000
Equipment	32,000	32,000
Exploration and evaluation assets	-	187,000
	2,640,000	2,687,000
<i>Deferred Tax Liabilities</i>		
Exploration and evaluation assets - Peru	(523,000)	(441,000)
	2,117,000	2,246,000
Unrecognized deferred tax assets	(2,117,000)	(2,246,000)
	\$ -	\$ -

SIERRA GROWTH CORP.
(FORMERLY GRENVILLE GOLD CORP.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in Canadian dollars)

11. INCOME TAXES (Continued)

As at December 31, 2019, the Company had non-capital losses of approximately \$6,700,000 which expire from 2026 to 2039 available to carry forward to offset future taxable income. The Company had losses in Peru of approximately \$2,734,000 to carry forward indefinitely but to offset only up to 50% of its future taxable income for each subsequent year.

12. SUBSEQUENT EVENT

The recent outbreak of the coronavirus, also known as “COVID-19,” has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Company’s business activities. The extent to which the coronavirus may impact the Company’s business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. The effect that these events will have on the price of Company’s shares, the ability for the Company to raise capital and operate the mining activities is highly uncertain and as such, the Company cannot determine their financial impact at this time.