

Sierra Grande Minerals Inc.

(Formerly Sierra Growth Corp.)

Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended September 30, 2021, and 2020

(Unaudited - Expressed in Canadian Dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim consolidated financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of the condensed interim financial statements and are in accordance with IAS 34 – *Interim Financial Reporting*.

The Company's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements in accordance with standards established by the Canadian Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

SIERRA GRANDE MINERALS INC. (FORMERLY SIERRA GROWTH CORP.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited-Expressed in Canadian dollars)

	Notes	September 30, 2021	December 31, 2020
		\$	\$
ASSETS			
Current Assets			
Cash		219,205	223,337
Prepaid		47,130	-
Receivables		15,227	6,662
		281,562	229,999
Deposit	4	-	12,700
Exploration and evaluation assets	4	347,319	-
TOTAL ASSETS		628,881	242,699
LIABILITIES			
Current Liabilities			
Trade payables and accrued liabilities	5, 7	154,566	150,426
TOTAL LIABILITIES		154,566	150,426
SHAREHOLDERS' EQUITY			
Share capital	6	12,158,372	11,414,732
Reserves	6	4,634,651	4,371,153
Deficit		(16,318,708)	(15,693,612)
TOTAL EQUITY		474,315	92,273
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		628,881	242,699

Nature and continuance of operations 1

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 GRANDE MINERALS INC. (FORMERLY SIERRA GROWTH CORP.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND
COMPREHENSIVE LOSS

(Unaudited - Expressed in Canadian dollars)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Operating expenses				
Amortization	-	270	-	810
Exploration, general	-	-	29,649	-
Filing and transfer fees	2,473	5,135	49,557	16,395
Management and consulting (Note 7)	53,756	69,460	179,506	171,460
Office, occupancy, and general	723	10,493	26,338	37,812
Promotion and communication with shareholders	19,523	-	44,452	-
Professional fees	2,000	16,972	32,096	30,875
Share-based compensation	8,498	-	263,498	44,000
Loss before the followings:	(86,973)	(102,330)	(625,096)	(301,352)
Impairment of exploration and evaluation assets	-	1,722,878)	-	(1,722,878)
Net and comprehensive loss	(86,973)	(1,825,208)	(625,096)	(2,024,230)
Basic and diluted loss per share	(0.00)	(0.04)	(0.01)	(0.05)
Weighted average number of common shares outstanding – basic and diluted	53,626,095	41,107,095	51,424,952	41,107,095

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

SIERRA GRANDE MINERALS INC. (FORMERLY SIERRA GROWTH CORP.)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Unaudited - Expressed in Canadian dollars, except share number)

	<u>Share Capital</u>			<u>Reserves</u>			<u>Total</u>
	<u>Number</u>	<u>Amount</u>		<u>Option</u>	<u>Warrant</u>	<u>Deficit</u>	
		\$		\$	\$	\$	\$
Balance at December 31, 2019	41,107,095	11,414,732	-	2,872,403	1,454,750	(13,785,541)	1,956,344
Share-based compensation	-	-		44,000	-	-	44,000
Net loss for the period	-	-		-	-	(2,024,230)	(2,024,230)
Balance at September 30, 2020	41,107,095	11,414,732	-	2,916,403	1,454,750	(15,809,771)	(23,886)
Balance at December 31, 2020	41,107,095	11,414,732	-	2,916,403	1,454,750	(15,693,612)	92,273
Shares issuance for cash	12,519,000	743,640		-	-	-	743,640
Share-based compensation	-	-		263,498	-	-	255,000
Net loss for the period	-	-		-	-	(625,096)	(625,096)
Balance at September 30, 2021	53,626,095	12,158,372	-	3,179,901	1,454,750	(16,318,708)	465,817

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

SIERRA GRANDE MINERALS INC. (FORMERLY SIERRA GROWTH CORP.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian dollars)

Nine months ended September 30,	2021	2020
	\$	\$
Operating activities		
Net loss for the period	(625,096)	(2,024,230)
Adjustments for non-cash items		
Amortization expense	-	810
Impairment of exploration and evaluation assets	-	1,722,878
Share-based compensation	263,498	44,000
Changes in non-cash working capital items		
Prepaid	(47,130)	-
Receivables	(8,565)	(7,950)
Trade payables and accrued liabilities	4,140	43,517
Net cash flows used in operating activities	(413,153)	(220,975)
Investing activities		
Exploration and evaluation assets	(334,619)	-
Prepayment related to letter of intent- resource properties	-	(14,214)
Net cash flows used in investing activities	(334,619)	(14,214)
Financing activities		
Proceeds from issuance of common shares	743,640	-
Net cash flows from financing activities	743,640	-
Change in cash during the period	(4,132)	(235,189)
Cash, beginning of period	223,337	347,768
Cash, end of period	219,205	112,579

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

SIERRA GRANDE MINERALS INC. (FORMERLY SIERRA GROWTH CORP.)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021, AND 2020
(Unaudited - Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Sierra Grande Minerals Inc. (formerly Sierra Growth 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. The Company changed its name to Sierra Grande Minerals Inc. on June 22, 2021.

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”. Commencing June 18, 2021, the Company’s shares began to trade on the OTCQB Venture Market (“OTCQB”) in the United States under the symbol “SIERF”.

The head office, principal address and records office of the Company are 9648-128th Street, Suite 210, Surrey, BC V3T 2X9.

These condensed consolidated interim 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 September 30, 2021. 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.

In March of 2020, the World Health Organization declared an outbreak of COVID-19 Global pandemic. The COVID-19 has impacted vast array of businesses through the restrictions put in place by most governments internationally, including the Canadian and United States federal government as well as provincial/state and municipal governments, regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown to what extent the impact of the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place world-wide to fight the virus. While the extent of the impact is unknown, the COVID-19 outbreak may hinder the Company’s ability to raise financing for exploration or operating costs due to uncertain capital markets, supply chain disruptions, increased government regulations and other unanticipated factors, all of which may also negatively impact the Company’s business and financial condition.

SIERRA GRANDE MINERALS INC. (FORMERLY SIERRA GROWTH CORP.)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021, AND 2020
(Unaudited - Expressed in Canadian dollars)

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34 *Interim Financial Reporting* and should be read in conjunction with the annual financial statements for the year ended December 31, 2020, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on November 29, 2021

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:

	Country of Incorporation	Percentage Owned	
		September 30, 2021	December 31, 2020
Grenville Silveria Ltd. (i)	Canada	N/A	100%
Grenville Espanola Holdings Ltd. (i)	Canada	N/A	100%
Minera Grenville S.A.C.	Peru	100%	100%
Minera Espanola S.A.C.(i)	Peru	N/A	100%
Upper Canyon Minerals Peru S.A.C. (ii)	Peru	N/A	100%

(i) During the nine months ended September 30, 2021, the Company dissolved two dormant Canadian subsidiaries (Grenville Silveria Ltd. and Grenville Espanola Holdings Ltd.), and a Peru dormant subsidiary (Minera Espanola S.A.C.). The Company also disposed the dormant Peru subsidiary (Minera Espanola S.A.C.) with proceeds of nominal value.

Inter-company balances and transactions are eliminated on consolidation.

SIERRA GRANDE MINERALS INC. (FORMERLY SIERRA GROWTH CORP.)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021, AND 2020
(Unaudited - Expressed in Canadian dollars)

2. BASIS OF PRESENTATION (Continued)

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES

Adoption of New Accounting Policies

The Company has not adopted new accounting policies since its recent year ended December 31, 2020.

SIERRA GRANDE MINERALS INC. (FORMERLY SIERRA GROWTH CORP.)
 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021, AND 2020
(Unaudited - Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS

	Primus	Espanola	Silveria	Total
	\$	\$	\$	\$
Balance, December 31, 2019	-	1,722,878	-	1,722,878
Maintenance of mineral properties	-	1,012	48,900	49,912
Disposition	-	-	(48,900)	(48,900)
Impairment charges	-	(1,723,890)	-	(1,723,890)
Balance, December 31, 2020	-	-	-	-
Acquisition	157,584	-	-	157,584
Deferred exploration cost:				
Maintenance of permits	30,572	-	-	30,572
Geophysical analysis	146,104	-	-	146,104
Travel and lodging	5,148	-	-	5,148
Supplies	7,911	-	-	7,911
Balance, September 30, 2021	347,319	-	-	347,319

Espanola Property

The Company previously owned 100% of the Espanola property which consisted of 17 claims in the San Mateo Mining District in the province of Canete, Peru. The Company was required to pay permit renewal fees for the Espanola Property during the year-ended December 31, 2020. Management has concluded they would like to focus in the acquisition and development of resources properties located in North America. As a result, the Company did not renew the permits of this property and recorded an impairment charge of \$1,723,890 as at December 31, 2020.

Silveria Property

During the year ended December 31, 2020 the Company sold its Silveria mining concessions located in Peru, which was fully impaired in 2017, to CIEMSA, a private Peruvian company. The aggregate sale price of USD \$1,000,000 is payable over a 3 year period commencing August 21, 2020 as follow:

- USD \$200,000 (CDN \$254,640) upon signing of agreement (received)
- USD \$100,000 (CDN \$127,320) after 12 months
- USD \$450,000 (CDN \$572,940) after 24 months
- USD \$250,000 (CDN \$318,300) after 36 months.

In addition to the cash payments, the Company retains a 1% Net Smelter Royalty (“NSR”) for 3 years commencing upon the date of mineral extraction/production.

Given the uncertainty of the collection of the proceeds of disposition, the Company will recognize the proceeds on the statement of loss and comprehensive loss as received. During the nine months ended September 30, 2021, the Company has not received further payments from this disposition and the Company has engaged an agent in Peru for the collection of the outstanding proceeds.

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4. EXPLORATION AND EVALUATION ASSETS (continued)

Primus Property

During the first quarter of 2021, the Company entered into definitive agreements with Primus Resources (“Primus”), a Nevada-based privately held company, whereby Sierra has secured the rights to earn an 100% interest in 3 epithermal gold-silver projects (Giltra/Sat; B&C Springs/Mildred; Betty East) in the State of Nevada, U.S.A., one of which also has porphyry and/or skarn copper-silver-molybdenum potential (collectively the “Projects”).

Over a 6 year period from the closing date, the Giltra/Sat project requires USD \$675,000 in cash payments (including USD \$40,000 at closing), USD \$800,000 in work commitments, and the issuance of 400,000 common shares of the Company.

Over a 6 year period from the closing date, the B&C Springs/Mildred project requires USD \$500,000 in cash payments (including USD \$15,000 at closing), USD \$500,000 in work commitments, and the issuance of 400,000 common shares of the Company.

Over a 6 year period from the closing date, the Betty East project requires USD \$500,000 in cash payments (including USD \$20,000 at closing), USD \$750,000 in work commitments, and the issuance of 400,000 common shares of the Company.

During the nine months ended September 30, 2021, the Company incurred \$157,584 for the acquisition of the Primus Property:

- Applied the \$12,700 (USD\$10,000) deposit previously paid as part of the acquisition cost,
- paid \$94,500 (USD\$75,000) to the Primus Optioners due at the closing of the definitive agreements, and
- incurred \$50,384 in staking additional claims around the Primus Property.

The Company also conducted geo-chemistry programs and incurred expenditures totalling \$159,163.

5. TRADE PAYABLES AND ACCRUED LIABILITIES

	September, 2021	December 31, 2020
	\$	\$
Accounts payable	61,013	80,813
Accrued liabilities	93,553	69,613
	154,566	150,426

SIERRA GRANDE MINERALS INC. (FORMERLY SIERRA GROWTH CORP.)
 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021, AND 2020
(Unaudited - Expressed in Canadian dollars)

5. SHARE CAPITAL

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

In February, 2021, the Company completed a private placement and issued 12,519,000 units and received net proceeds of \$743,640 (gross proceeds of \$751,140 net of issuance cost of \$7,500). Each unit consists of one common share and one warrant, exercisable at \$0.08 for two years after closing, subject to an accelerated 30-day expiry date in the event the Company's shares trade at or above \$0.25 for 10 consecutive days.

Stock Option

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.

On April 13, 2021, the Company granted 1,570,000 stock options to directors, officers, employees and consultants. The options are exercisable at \$0.25 per share and expire two years from the date of grant. 1,370,000 options granted were fully vested on April 13, 2021. 200,000 options granted to an investor relation consultant are vested in one year over four quarterly instalments.

Stock options outstanding and exercisable as at September 30, 2021 are summarized as follows:

Exercise price	Number of option outstanding	Expiry date	Number of option exercisable
\$0.25	1,570,000	13-Apr-23	1,420,000

During the nine months ended September 30, 2021, the Company incurred \$263,498 in share-based compensation (2020 - \$44,000). The fair value of options has been estimated by using the Black-Scholes option pricing model with the application of the following assumptions:

	2021	2020
Risk-free interest rate	0.24%	0.27%
Expected life of options	2 years	2 years
Annualized volatility	145%	160%
Dividend rate	0.00%	0.00%

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.

SIERRA GRANDE MINERALS INC. (FORMERLY SIERRA GROWTH CORP.)
 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021, AND 2020
(Unaudited - Expressed in Canadian dollars)

6. SHARE CAPITAL (Continued)

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.

Warrants

Warrant transactions are summarized as follows:

	Number of warrants	Weighted average exercise price
Outstanding at December 31, 2020	-	-
Issuance	12,519,000	\$ 0.08
Outstanding at September 30, 2021	12,519,000	\$ 0.08

As at September 30, 2021, the outstanding warrants have an remaining life of 1.33 years.

7. 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 nine months ended September 30, 2021, the Company was charged the following consulting fees by the Company's officers/ directors, and/or entities controlled by them:

	Nature	2021	2020
		\$	\$
Chief Executive Office	consulting	90,000	90,000
Chief Financial Officer	consulting	18,000	18,000
Directors	consulting	71,506	73,460
Directors and officers	share-based compensation	157,000	41,800
		336,506	223,260

As at September 30, 2021, there was an amount owing of \$41,800 (2020 - \$38,608) due to related parties that was included in the Company's trade payables and accrued liabilities.

8. FINANCIAL RISK

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 Company has not changed its policies in handling financial risks since its recent year ended December 31, 2021.

SIERRA GRANDE MINERALS INC. (FORMERLY SIERRA GROWTH CORP.)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021, AND 2020
(Unaudited - Expressed in Canadian dollars)

8. FINANCIAL RISK (CONTINUED)

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.