

SIERRA MADRE GOLD AND SILVER LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

Expressed in Canadian Dollars

Unaudited

SIERRA MADRE GOLD AND SILVER LTD.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the Company's interim financial statements, they must be accompanied by a notice indicating that the 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 Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

"Alexander Langer"

President and Chief Executive Officer

"Kerry Spong"

Chief Financial Officer

November 24, 2021

SIERRA MADRE GOLD AND SILVER LTD.
CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS

Expressed in Canadian Dollars

Unaudited

ASSETS	September 30, 2021	December 31, 2020
Current		
Cash and cash equivalents	\$ 11,284,714	\$ 15,280,736
Receivables	41,728	28,702
Prepaid expenses	524,017	286,441
	<u>11,850,459</u>	<u>15,595,879</u>
Equipment	6,220	-
Mineral property (Note 5)	202,785	202,785
	<u>\$ 12,059,464</u>	<u>\$ 15,798,664</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 53,311	\$ 464,883
Due to related party (Note 6)	-	59,191
	<u>53,311</u>	<u>524,074</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 4)	16,319,356	2,564,585
Contributed Surplus (Note 4)	2,743,197	508,990
Subscriptions received in advance , net of issuance costs (Note 4)	-	13,751,256
Deficit	<u>(7,056,400)</u>	<u>(1,550,241)</u>
	<u>12,006,153</u>	<u>15,274,590</u>
	<u>\$ 12,059,464</u>	<u>\$ 15,798,664</u>

ON BEHALF OF THE BOARD:

"Alexander Langer", Director

"Sean McGrath", Director

- the accompanying notes are an integral part of these financial statements -

**SIERRA MADRE GOLD AND SILVER LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

Expressed in Canadian Dollars

Unaudited

	Share Capital (Note 4)	Contributed Surplus (Note 4)	Subscriptions Received In Advance (Note 4)	Deficit	Total
Balance – December 31, 2019	\$ 400,000	\$ -	\$ 113,000	\$ (346,771)	\$ 166,229
Private placement – shares	2,124,167	-	(113,000)	-	2,011,167
Share issuance costs	(27,383)	-	-	-	(27,383)
Comprehensive loss for the period	-	-	-	(628,727)	(628,727)
Balance – September 30, 2020	2,496,784	-	-	(975,498)	1,521,286
Private placement – subscription receipts	-	-	15,321,750	-	15,321,750
Subscription receipts issuance costs	-	-	(1,061,504)	-	(1,061,504)
Finders' warrants issued – subscription receipts	-	508,990	(508,990)	-	-
Deemed shares issued in RTO transaction (Note 3)	67,801	-	-	-	67,801
Comprehensive loss for the period	-	-	-	(574,743)	(574,743)
Balance – December 31, 2020	2,564,585	508,990	13,751,256	(1,550,241)	15,274,590
Subscription receipts converted to shares	13,751,256	-	(13,751,256)	-	-
Exercise of warrants	2,310	-	-	-	2,310
Fair value of warrants exercised	1,205	(1,205)	-	-	-
Share-based compensation	-	2,235,412	-	-	2,235,412
Comprehensive loss for the period	-	-	-	(5,506,159)	(5,506,159)
Balance – September 30, 2021	\$ 16,319,356	\$ 2,743,197	\$ -	\$ (7,056,400)	\$ 12,006,153

- the accompanying notes are an integral part of these financial statements -

**SIERRA MADRE GOLD AND SILVER LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS
OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30**

Expressed in Canadian Dollars

Unaudited

	Three Months 30 September 2021	Three Months 30 September 2020	Nine Months 30 September 2021	Nine Months 30 September 2020
Expenses				
Accounting and audit	\$ 30,000	\$ 46,750	\$ 134,542	\$ 61,750
Consulting	-	-	-	75,000
Depreciation	861	-	1,435	-
Director fees	27,000	-	54,000	-
Exploration and evaluation (Note 5)	600,234	86,303	1,685,361	253,619
Foreign exchange loss (gain)	10,247	(207)	37,597	(1,231)
Interest income	(888)	(1,092)	(3,268)	(1,092)
Investor relations and promotions	250,839	18,497	760,312	21,655
Legal	11,512	6,446	131,734	18,882
Management fees	96,000	96,000	288,000	171,000
Office services and supplies	21,012	5,811	40,417	7,531
Share-based compensation (Note 4)	746,043	-	2,235,412	-
Shareholder communications	6,213	-	8,613	-
Stock exchange and filing	4,483	-	51,078	-
Transfer agent	7,359	-	45,439	-
Travel and accommodation	32,515	5,578	35,487	21,613
Loss and comprehensive loss for the period	\$ 1,843,430	\$ 264,086	\$ 5,506,159	\$ 628,727
Loss per share - basic and diluted	\$ 0.03	\$ 0.01	\$ 0.10	\$ 0.03
Weighted-average shares outstanding – basic and diluted	63,943,008	31,938,887	54,286,952	23,204,482

- the accompanying notes are an integral part of these financial statements -

SIERRA MADRE GOLD AND SILVER LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30

Expressed in Canadian Dollars
Unaudited

CASH RESOURCES PROVIDED BY (USED IN)	2021	2020
Operating activities		
Loss for the period	\$ (5,506,159)	\$ (628,727)
Items not involving cash		
Share-based compensation	2,235,412	-
Depreciation	1,435	-
Changes in non-cash working capital		
Receivables	(13,026)	(24,395)
Prepaid expenses	(237,576)	(440,945)
Accounts payable and accrued liabilities	(101,507)	39,692
	<u>(3,621,421)</u>	<u>(1,054,375)</u>
Investing activities		
Payment of accrued transaction costs – RTO transaction	(15,357)	(14,773)
Purchase of equipment	(7,655)	-
	<u>(23,012)</u>	<u>(14,773)</u>
Financing activities		
Payment of accrued subscription receipts issuance costs	(294,708)	-
Shares issued for cash	2,310	2,011,167
Share issuance costs	-	(27,383)
Subscription receipts – received in advance	-	7,478,750
Deferred transaction costs	-	(20,011)
Repayment of due to related party	(59,191)	(925)
	<u>(351,589)</u>	<u>9,441,598</u>
Change in cash and cash equivalents for the period	(3,996,022)	8,372,450
Cash and cash equivalents - beginning of period	<u>15,280,736</u>	<u>42,515</u>
Cash and cash equivalents - end of period	\$ 11,284,714	\$ 8,414,965

Supplemental schedule of non-cash financing transactions

Shares issued on conversion of subscription receipts, net of issuance costs	\$ 13,751,256	\$ -
Shares issued for subscriptions received in advance	\$ -	\$ 113,000
Fair value of warrants exercised	\$ 1,205	\$ -

- the accompanying notes are an integral part of these financial statements -

SIERRA MADRE GOLD AND SILVER LTD.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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1. NATURE OF OPERATIONS

Sierra Madre Gold and Silver Ltd. (the “Company”) was incorporated on October 10, 2017 in British Columbia and has its registered office located at 10th Floor – 595 Howe Street, Vancouver, British Columbia, Canada. The Company was incorporated as L1 Capital Corp. and changed its name to Sierra Madre Gold and Silver Ltd. on December 15, 2020. The Company received a conditional listing approval from the TSX Venture Exchange on March 25, 2021 and its shares commenced trading under the ticker symbol “SM” on April 19, 2021.

On November 30, 2020, the Company completed a merger (reverse take-over) with a private BC company, Sierra Madre Holdings Ltd. (“Sierra Madre Holdings”), whereby the Company, the legal acquirer, acquired all of the issued and outstanding shares of Sierra Madre Holdings, the legal subsidiary, through a share exchange agreement. The transaction (*Note 3*) resulted in Sierra Madre Holdings becoming the accounting parent. These consolidated financial statements represent the continuation of the financial statements of Sierra Madre Holdings except as to share capital structure, which has been retroactively restated to reflect the legal capital of the Company (*Note 4*).

The Company holds an interest in the Tepic and La Tigra mineral properties in Mexico, which are considered to be in the exploration stage. Based on the information available to date, the Company has not yet determined whether its mineral properties contain ore reserves. The Company has no source of operating revenue and is dependent upon the issuance of shares to fund its operations and exploration activities. The Company’s continuing operation is dependent upon establishing reserves and resources, maintaining its rights, access, and title to the properties, obtaining the financing necessary to maintain operations and successfully complete its exploration and development, and attaining future profitable production.

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations for at least the next twelve months. As at September 30, 2021, the Company had a deficit of \$7,056,400 and working capital of \$11,797,148, which management considers to be sufficient to fund its planned operating and exploration activities for the ensuing twelve months.

The outbreak of the COVID-19 global pandemic has adversely affected workforces, economies, and financial markets globally. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board and applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. These statements do not include all of the information and disclosures required by IFRS for annual financial statements. In the opinion of management, all adjustments and information considered necessary for fair presentation have been included in these financial statements.

SIERRA MADRE GOLD AND SILVER LTD.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION - *continued*

Statement of compliance - *continued*

These condensed interim consolidated financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements including the notes thereto for the year ended December 31, 2020. All financial information presented herein is unaudited. The Company's board of directors approved these financial statements for issue on November 24, 2021.

Basis of measurement

These condensed interim consolidated financial statements have been prepared under the historical cost convention using the accrual basis of accounting, except for cash flow information.

Principles of consolidation

As a result of the reverse take-over transaction completed on November 30, 2020 (*Note 3*), these consolidated financial statements include the accounts of the Company (the accounting subsidiary) from December 1, 2020, and the continuing operations of Sierra Madre Holdings (the accounting parent), which include the accounts of its wholly-owned subsidiaries Pita Exploration Limited (a British Columbia company) and Pita Exploration, S. de R.L. de C.V. (a Mexican company).

These consolidated financial statements also include the accounts of Minera Sierra Madre Oro Y Plata S. de R.L. de C.V., a wholly-owned Mexican subsidiary incorporated by the Company on May 5, 2021.

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant inter-company transactions, balances, and unrealized foreign exchange translation gains or losses have been eliminated.

Foreign currency translation

The presentation currency of the Company and the functional currency of the Company and its subsidiaries is the Canadian dollar. Transactions denominated in foreign currencies are translated at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the reporting date. Translation gains and losses are reflected in profit or loss for the period.

3. REVERSE TAKE-OVER TRANSACTION

On November 30, 2020, the Company completed a three-cornered amalgamation with Sierra Madre Holdings. Under the terms of the amalgamation agreement, the Company acquired all of the issued and outstanding common shares of Sierra Madre Holdings by issuing 31,938,887 of its common shares, on a one-for-one basis, through a share exchange agreement. The result of this transaction is that the shareholders of Sierra Madre Holdings effectively gained control of the Company, thereby constituting a reverse acquisition whereby the Company (the legal parent) has been treated as the accounting subsidiary and Sierra Madre Holdings (the legal subsidiary) has been treated as the accounting parent.

SIERRA MADRE GOLD AND SILVER LTD.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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3. REVERSE TAKE-OVER TRANSACTION - *continued*

The Company does not meet the definition of a business under IFRS 3, *Business Combinations*, and therefore the transaction was treated as an asset acquisition and not as a business combination and was accounted for as a capital transaction under IFRS 2 – *Share-Based Payments*. The transaction is considered a purchase of the Company's net assets and has been accounted for as an issuance of shares by Sierra Madre Holdings to acquire the net assets of the Company. Upon closing of the transaction, Sierra Madre Holdings was deemed to issue 1,356,001 shares (being the shares retained by the Company's shareholders) with a fair value of \$67,801.

Upon completion of the amalgamation, each shareholder of Sierra held a proportional interest in 4% of the capital stock of the combined company and each shareholder of Sierra Madre Holdings held a proportional interest in 96% of the capital stock of the combined company.

4. SHARE CAPITAL AND CONTRIBUTED SURPLUS

The Company's authorized share capital consists of an unlimited number of voting common shares without par value.

Share consolidation

Effective September 18, 2020, the Company consolidated its outstanding common shares on the basis of one post-consolidation share for every 1.5 pre-consolidation shares. All information and per-share amounts in respect of issued and outstanding shares, stock options, share purchase warrants, and loss per share have been retrospectively adjusted to reflect the consolidation.

Presentation

In accordance with the reverse take-over transaction completed on November 30, 2020 (*Note 3*), the Company issued 31,938,887 of its common shares, on a one-for-one basis, through a share exchange agreement. The share capital presented in these consolidated financial statements represents that of Sierra Madre Holdings, the accounting parent, except as to the legal capital structure, which has been retrospectively restated to reflect the legal capital structure of the Company, the legal parent, using the exchange ratio of one-to-one as provided by the amalgamation agreement to reflect the number of shares issued by the Company in the reverse take-over transaction. Loss-per-share amounts have also been retrospectively restated to reflect the reverse take-over transaction.

Details of the issued and outstanding shares and contributed surplus are as follows:

	Number of Shares	Share Capital	Contributed Surplus
Balance – December 31, 2019	17,777,780	\$ 400,000	\$ -
Private placement – shares	14,161,107	2,124,167	-
Share issuance costs	-	(27,383)	-
Finders' warrants – subscription receipts	-	-	508,990
Deemed shares issued in RTO transaction (<i>Note 3</i>)	1,356,001	67,801	-
Balance – December 31, 2020	33,294,888	2,564,585	508,990
Subscription receipts converted to shares	30,643,500	15,321,750	-
Share issuance costs	-	(1,570,494)	-
Exercise of warrants	4,620	2,310	-
Fair value of warrants exercised	-	1,205	(1,205)
Share-based compensation	-	-	2,235,412
Balance – September 30, 2021	63,943,008	\$ 16,319,356	\$ 2,743,197

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4. SHARE CAPITAL AND CONTRIBUTED SURPLUS - continued

Share issuances

In June 2020, the Company completed a non-brokered private placement by issuing 14,161,107 common shares at a price of \$0.15 per share for proceeds of \$2,124,167. Share subscriptions of \$113,000 were received prior to December 31, 2019. The Company paid \$27,383 in legal and filing fees in respect of the placement.

In October 2020, the Company completed a private placement of 30,643,500 subscription receipts at a price of \$0.50 per subscription receipt for gross proceeds of \$15,321,750. The subscription receipts automatically converted into shares of the Company on March 28, 2021, three days after the Company obtained a conditional listing approval from the TSX Venture Exchange. The Company incurred finders' fees of \$1,023,820, legal and filing fees of \$37,684, and issued 1,951,565 share purchase warrants to qualified finders. The fair value of the finders' warrants was estimated at \$508,990 using the Black-Scholes Option-Pricing Model. These costs, totalling \$1,570,494, were recorded as share issuance costs upon conversion of the subscription receipts.

During the period, 4,620 warrants were exercised for proceeds of \$2,310. The fair value of the warrants exercised, estimated at \$1,205 at the time of issue, has been transferred from contributed surplus to share capital.

Shares held in escrow

A total of 19,939,114 shares held by directors, officers and seed shareholders of the Company were held in escrow until October 19, 2021, being six months after the date that the Company obtained a listing of its shares on the TSX Venture Exchange, and were released as to 10% on that date with tranches of 15% being released each six months thereafter. An additional 13,355,774 shares issued in the June 2020 private placement were held in escrow until July 19, 2021, being three months after the date that the Company obtained its listing and were released as to 8.33% on that date with tranches of 8.33% being released each month thereafter. As at September 30, 2021, there were 29,955,945 shares remaining in escrow.

Stock options and warrants

Stock option and share purchase warrant transactions are summarized as follows:

	Warrants		Options	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, December 31, 2019	-	\$ -	-	\$ -
Issued	<u>1,951,565</u>	\$ 0.50	-	\$ -
Outstanding, December 31, 2020	1,951,565	\$ 0.50	-	\$ -
Exercised	(4,620)	\$ 0.50	-	\$ -
Granted	<u>-</u>	\$ -	<u>4,985,000</u>	\$ 0.74
Outstanding, September 30, 2021	<u>1,946,945</u>	\$ 0.50	<u>4,985,000</u>	\$ 0.74
Exercisable, September 30, 2021	<u>1,946,945</u>	\$ 0.50	<u>1,646,250</u>	\$ 0.74

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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4. SHARE CAPITAL AND CONTRIBUTED SURPLUS - *continued*

Stock options and warrants - *continued*

At September 30, 2021, the Company had outstanding stock options and warrants enabling holders to acquire common shares as follows:

	Number of Shares	Exercise Price	Expiry Date
Options	385,000	\$ 0.74	April 23, 2023
	4,600,000	\$ 0.74	April 23, 2026
	4,985,000		

	Number of Shares	Exercise Price	Expiry Date
Warrants	840,490	\$ 0.50	October 7, 2022
	1,106,455	\$ 0.50	October 15, 2022
	1,946,945		

At September 30, 2021, the weighted-average remaining life for the outstanding stock options was 4.34 years and 1.03 years for the outstanding warrants.

Share-based compensation

In April 2021, the Company granted 4,600,000 five-year stock options and 200,000 two-year stock options to directors, officers, and consultants; these options vest as to one-third on the grant date, one-third after six months, and the remaining one-third after twelve months. The Company also granted 185,000 two-year stock options to investor relations consultants; these options vest as to 25% three months after the grant date and 25% each three months thereafter. Share-based compensation is recorded over the vesting period.

The following table presents information relating to incentive stock options granted and vested during the periods ended September 30:

	2021	2020
Options granted	4,985,000	-
Options vested	1,646,250	-
Average exercise price	\$ 0.74	\$ -
Estimated fair value per option	\$ 0.59	\$ -
Estimated fair value of options granted	\$ 2,935,990	\$ -
Compensation recognized	\$ 2,235,412	\$ -

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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4. SHARE CAPITAL AND CONTRIBUTED SURPLUS - *continued*

Share-based compensation - *continued*

The fair value of the share-based compensation to be recognized in the accounts over the vesting periods has been estimated using the Black-Scholes Option-Pricing Model with the following weighted-average assumptions:

	2021	2020
Risk-free interest rate	0.88%	-
Expected dividend yield	0.00%	-
Expected stock price volatility	100%	-
Expected forfeiture rate	0.00%	-
Expected option life in years	4.77	-

5. MINERAL PROPERTIES AND EXPLORATION AND EVALUATION

Tepic Property, Mexico

In December 2017, the Company entered into an agreement providing it with the option to purchase a 100% interest in the Tepic project located in Nayarit, Mexico. To maintain the option, the Company paid the owner an initial payment of US\$50,000 and must keep the concessions in good standing during the term of the agreement and pay the owner an additional US\$400,000 in semi-annual payments of US\$50,000 over four years. To date, all payments required under the agreement have been made to the option holder and the agreement is in good standing.

Upon completing total payments of US\$450,000, the Company can exercise its option and complete the purchase of the property by either making a final payment to the owner of US\$1,500,000 or granting a 3% net smelter returns royalty ("NSR"), which would be extinguished upon payment of a total of US\$4,000,000 in royalty payments. Should the Company elect to grant the NSR, it would subsequently have the right to purchase the NSR from the owner at a price of US\$1,000,000 for each 1% (one-third) of the NSR purchased, to a maximum of US\$3,000,000 for the entire NSR.

The carrying value of the Tepic project consists of the fair value of the asset acquired through the acquisition of Pita Exploration Limited and its wholly-owned subsidiary Pita Exploration, S. de R.L. de C.V., which holds an interest in the property. The carrying value of \$202,785 represents the cost of acquiring the asset and does not necessarily represent the current or future value.

La Tigra Property, Mexico

In June 2021, the Company entered into a purchase agreement, which includes an option to convert to a joint venture, in respect of the La Tigra project located in Nayarit, Mexico. The agreement provides the Company with the right to purchase a 100% interest in the project subject to the owner's option to elect to form a joint venture with the Company within three years. The purchase agreement calls for payments totaling US\$1,500,000 over a period of three years and requires the Company to complete an NI 43-101 compliant technical report containing a resource estimation before the end of the three-year period.

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5. MINERAL PROPERTIES AND EXPLORATION AND EVALUATION - *continued*

La Tigra Property, Mexico - *continued*

Upon the Company providing notice of its intention to exercise its option to acquire the property, the owner can elect to form a joint venture and retain a 51% interest in the project. If the owner does not elect to form a joint venture, the Company will acquire a 100% interest in the project subject to a 2.5% NSR. The Company can reduce the NSR to 1% upon payment to the owner of US\$1,500,000 at any time.

During the period, the Company paid the initial payment of US\$75,000 as well as a finder's fee of US\$68,750 on the transaction.

Expenditures

The Company expenses exploration and evaluation expenditures in the period incurred. Expenditures for the periods ended September 30 and cumulative expenditures as at September 30, 2021 are as follows:

Mexico	Expenditures 2021	Expenditures 2020	Cumulative 2021
Tepic			
Acquisition and options payments	\$ 72,755	\$ 84,395	\$ 465,393
Administration	23,189	2,398	30,388
Assays	148,838	1,822	150,660
Consulting	6,569	-	6,569
Drilling	231,188	-	231,188
Environmental and permits	12,322	5,539	17,861
Field materials	70,157	781	83,750
Geology	399,674	51,998	536,059
Land holding costs	58,750	87,636	214,369
Legal	13,321	6,845	49,543
Local labour	15,572	-	15,572
Mapping and survey	9,910	-	57,850
Road work	6,125	7,245	13,370
Surface rights and social license	18,599	-	18,599
Transportation and rentals	13,941	-	15,604
Travel and accommodation	95,673	4,960	108,892
	<u>1,196,583</u>	<u>253,619</u>	<u>2,015,667</u>
La Tigra			
Acquisition and options payments	197,504	-	197,504
Administration	12,072	-	12,072
Assays	25,589	-	25,589
Consulting	20,357	-	20,357
Environmental and permits	11,401	-	11,401
Field materials	4,431	-	4,431
Geology	159,196	-	159,196
Land holding costs	3,954	-	3,954
Legal	8,699	-	8,699
Local labour	19,804	-	19,804
Mapping and survey	1,497	-	1,497
Transportation and rentals	4,083	-	4,083
Travel and accommodation	20,191	-	20,191
	<u>488,778</u>	<u>-</u>	<u>488,778</u>
	<u>\$ 1,685,361</u>	<u>\$ 253,619</u>	<u>\$ 2,504,445</u>

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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6. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

The Company had transactions with related persons or corporations, which were undertaken in the normal course of operations. Key management includes directors and officers. The compensation paid or payable to key management for the periods ended September 30 is as follows:

	2021	2020
Accounting	\$ 90,000	\$ 60,000
Administration (exploration and evaluation)	12,595	-
Consulting	-	75,000
Director fees	54,000	-
Geological (exploration and evaluation)	67,500	10,500
Investor relations and promotions	-	7,500
Management fees	288,000	171,000
	<u>\$ 512,095</u>	<u>\$ 324,000</u>

In addition, the Company recorded share-based compensation of \$1,653,145 (2020 - \$nil), which relates to incentive stock options granted to directors and officers. Share-based compensation is a non-cash item calculated using the Black-Scholes Option-Pricing Model with the assumptions detailed in Note 4.

Due to related party of \$59,191 consisted of advances made to, and expenses paid on behalf of, the Company by a director of the Company. This balance was unsecured, non-interest bearing, due on demand, and repaid during the period.

7. SEGMENTED INFORMATION

The Company currently operates in only one operating segment, that being the mineral exploration industry, with operations in Canada and Mexico. The Company's equipment is located in Canada and the mineral properties in which it is maintaining an interest are located in Mexico.