

SIERRA MADRE DEVELOPMENTS INC.
(An Exploration Stage Company)

**Condensed Consolidated Interim Financial Statements
For The Six Months Ended September 30, 2020 and 2019**

In Canadian Dollars (unaudited)

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 interim financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying un-audited interim 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 standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

SIERRA MADRE DEVELOPMENTS INC.
(AN EXPLORATION STAGE COMPANY)
Condensed Interim Statements of Financial Position
(in Canadian Dollars)

	September 30, 2020 (unaudited)	March 31, 2020
ASSETS		
Current assets		
Cash	\$ 329,693	\$ 5,882
Amounts receivable	141,541	15,733
TOTAL ASSETS	\$ 471,234	\$ 21,615
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 4)	\$ 22,714	\$ 488,612
TOTAL LIABILITIES	22,714	488,612
SHAREHOLDERS' EQUITY		
Share capital (Note 3)	8,437,198	7,437,198
Reserve (Note 3)	1,203,271	1,203,271
Accumulated deficit	(9,191,949)	(9,107,466)
TOTAL SHAREHOLDERS' EQUITY (DEFICIT)	448,520	(466,997)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 471,234	\$ 21,615

Nature and continuance of operations (Note 1)

These condensed interim financial statements were authorized for issue by the Board of Directors on November 30, 2020. They are signed on behalf of the Board of Directors by:

"Hani Zabaneh"
Director

"Gavin Cooper"
Director

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

SIERRA MADRE DEVELOPMENTS INC.
(AN EXPLORATION STAGE COMPANY)
Condensed Interim Statements of Loss and Comprehensive Loss
(in Canadian Dollars - unaudited)

	<u>For the Three Months Ended</u>		<u>For the Six Months Ended</u>	
	<u>September 30,</u> <u>2020</u>	<u>September 30,</u> <u>2019</u>	<u>September 30,</u> <u>2020</u>	<u>September 30,</u> <u>2019</u>
EXPENSES				
Bank charges	\$ 141	\$ 43	\$ 159	\$ 61
Professional fees	64,963	44,841	73,013	58,240
Regulatory fees	8,289	11,765	11,311	14,515
NET AND COMPREHENSIVE LOSS FOR THE PERIOD	\$ 73,393	\$ 56,649	\$ 84,483	\$ 72,816
Basic and diluted loss per share for the period	\$ 0.00	\$ 0.01	\$ 0.01	\$ 0.02
Weighted average number of common shares outstanding	15,725,128	5,399,041	10,618,821	5,399,041

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SIERRA MADRE DEVELOPMENTS INC.
(AN EXPLORATION STAGE COMPANY)
Condensed Interim Statements of Changes in Shareholders' Equity
(in Canadian Dollars)

	Number of shares	Amount	Reserve	Accumulated deficit	Total
Balance at March 31, 2019	5,399,041	\$ 7,437,198	\$ 930,281	\$ (9,067,599)	\$ (700,120)
Net loss for the period	-	-	-	(72,815)	(72,815)
Balance at September 30, 2019	5,399,041	\$ 7,437,198	\$ 930,281	\$ (9,140,414)	\$ (772,925)
Balance at March 31, 2020	5,399,041	\$ 7,437,198	\$ 1,203,271	\$ (9,107,466)	\$ (466,997)
Common shares issued	16,666,667	1,000,000	-	-	1,000,000
Net loss for the period	-	-	-	(84,483)	(84,483)
Balance at September 30, 2020	22,065,708	\$ 8,437,198	\$ 1,203,271	\$ (9,191,949)	\$ 448,520

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SIERRA MADRE DEVELOPMENTS INC.
(AN EXPLORATION STAGE COMPANY)
Condensed Interim Statements of Cash Flows
(in Canadian Dollars - unaudited)

	For the Six Months Ended	
	September 30, 2020	September 30, 2019
Cash flows provided from (used in):		
OPERATING ACTIVITIES		
Net loss for the period	\$ (84,483)	\$ (72,815)
Net changes in non-cash working capital items:		
Restatement on balance sheet from disposal of subsidiary	-	564,734
Expenses paid for with shares	-	(269,904)
Amounts receivable	(125,808)	14,980
Accounts payable and accrued liabilities	(465,898)	(348,741)
Net cash flows used in operating activities	(676,189)	(111,746)
FINANCING ACTIVITIES		
Proceeds from issuance of shares	1,000,000	-
Net cash provided by financing activities	1,000,000	-
Net increase (decrease) in cash	323,811	(111,746)
Cash, beginning of period	5,882	162,128
Cash, end of period	\$ 329,693	\$ 50,382
Supplemental cash flow information:		
Taxes paid	\$ -	\$ -
Interest paid	-	-

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SIERRA MADRE DEVELOPMENTS INC.
(An Exploration Stage Company)
Notes to the Condensed Interim Financial Statements
For the six months ended September 30, 2020 and 2019
(in Canadian Dollars - unaudited)

1. NATURE AND CONTINUANCE OF OPERATIONS

Sierra Madre Developments Inc. (“the Company”) is a gold and silver focused Canadian exploration company. The Company has not yet located a suitable property. The Company’s head office is located at 918 – 1030 West Georgia Street, Vancouver, British Columbia, V6E 2YE and its registered and records office is at 400 – 725 Granville Street, Vancouver, British Columbia, V7Y 1G5.

The Company’s shares are listed on the NEX branch of the TSX Venture Exchange under the symbol SMG.H.

These condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. There is a material uncertainty related to conditions and events that may cast significant doubt on the Company’s ability to continue as a going concern, and it may be unable to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2020, the Company’s current assets exceeded its current liabilities by \$448,520 (March 31, 2020 – deficiency of \$466,997) and had an accumulated deficit of \$9,191,949 (March 31, 2020 - \$9,107,466). The Company currently has no active business and no source of revenue.

The Company’s ability to continue as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet current and future obligations. The business of mining and exploration involves a high degree of risk and there can be no assurance that management’s plans will be successful. These condensed interim financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

On March 11 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus (“COVID-19”) as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods, including the possible impact on future financing opportunities.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) have been omitted or condensed, and therefore these financial statements should be read in conjunction with the Company’s March 31, 2020 audited annual consolidated financial statements and notes thereto.

These financial statements are based on the IFRS issued and effective as of November 30, 2020, the date these financial statements were authorized for issuance by the Company’s Board of Directors, and follow the same accounting policies and methods of computation as the most recent annual financial statements, except for the impact of the changes in accounting policies disclosed below.

a) New accounting standard and amendments

The Company adopted the following new accounting standard and amendment:

Amendments to IFRS 3, Business Combinations (effective January 1, 2020) assist in determining whether a transaction should be accounted for as a business combination or an asset acquisition. It amends the definition of a business to include an input and a substantive process that together significantly contribute to the ability to create goods and services provided to customers, generating investment and other income, and it excludes returns in the form of lower costs and other economic benefits. The amendment had no impact on the Company.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Significant accounting judgments and key sources of estimation uncertainty

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

3. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At September 30, 2020, there were 22,065,708 issued and fully paid common shares (March 31, 2020 – 5,399,041). On August 4, 2020, the Company completed a share consolidation of 1 new share for every 2 outstanding shares. All share and per share amounts in these condensed interim financial statements have been retroactively restated to reflect this consolidation.

On August 4, 2020 the Company closed a private placement for gross proceeds of \$1,000,000 through the issuance of 16,666,667 shares at \$0.06 per share.

There were no common share transactions in the year ended March 31, 2020.

Stock options

The Company has adopted a 10% rolling Stock Option Plan (the "Plan"). Under the Plan, the Company may grant stock options to directors, officers, employees and consultants of the Company. The terms and conditions of the options are determined by the Board of Directors. As at September 30, 2020 and 2019, the Company had no stock options outstanding.

4. RELATED PARTIES

Key management is considered to include the Company's directors and officers. For the three and six months ended September 30, 2020 and 2019, the Company incurred the following transactions with related parties:

	For the three months ended		For the six months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	\$	\$	\$	\$
Accounting and compliance services	19,000	6,300	27,150	13,100
Consulting services	1,500	-	1,500	-
Total	20,500	6,300	28,650	13,100

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4. RELATED PARTIES (continued)

At September 30, 2020, the Company owed \$1,500 (March 31, 2020 - \$6,000) in respect of services provided to and payments made on behalf of the Company. These amounts are unsecured, non-interest-bearing and have no specific terms of repayment. These transactions occurred in the normal course of business and were measured at the exchange amount, which was the amount of consideration agreed upon between the related parties.

5. FINANCIAL INSTRUMENTS

a) Categories of financial instruments and fair value measurements

The Company's financial assets and liabilities are classified as follows:

	September 30, 2020	March 31, 2020
Financial assets:		
<i>Fair value through profit and loss</i>		
Cash	\$ 329,693	\$ 5,882
Financial liabilities:		
<i>Other financial liabilities</i>		
Accounts payable and accrued liabilities	\$ 22,714	\$ 488,612

The amount of accounts payable and accrued liabilities includes amounts due to related parties.

The fair values of the Company's cash and accounts payable and accrued liabilities approximate their carrying amounts due to the short-term nature of these instruments.

b) Management of financial risks

The Company's risk exposures arising from financial instruments and the impact on the Company's financial statements are summarized below:

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. As at September 30, 2020, the Company was exposed to credit risk on its cash. The Company's cash is held with a high credit quality financial institution in Canada and as at September 30, 2020, management considers its exposure to credit risk to be low.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by maintaining adequate cash and managing its capital and expenditures.

At September 30, 2020, the Company had cash and cash equivalents of \$329,693 (March 31, 2020 - \$5,882) and accounts payable and accrued liabilities of \$22,714 (March 31, 2020 - \$488,612) with contractual maturities of less than one year. The Company had sufficient cash to meet its current liabilities as at September 30, 2020. The Company assessed its liquidity risk as low as at September 30, 2020.

Market risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Company is not exposed to significant currency, interest or other price risk.

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6. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of shareholders' equity (deficit), which at September 30, 2020 was \$448,520. 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 mineral properties. 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 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.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

7. SUBSEQUENT EVENT

None.