

# **Sierra Grande Minerals Inc.**

## **Condensed Consolidated Interim Financial Statements**

**Six Months Ended June 30, 2023, and 2022**

**(Expressed in Canadian Dollars)**

NOTICE OF NO AUDITOR REVIEW OF CONDENSED 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 condensed consolidated interim financial statements; they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated 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 condensed consolidated interim financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of the condensed consolidated interim financial statements by an entity's auditor.**

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

As at		June 30, 2023	December 31, 2022
	Notes	\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash		1,242,719	1,230,702
Sales tax receivable		11,158	20,762
Note receivable	7,9	-	50,000
		1,253,877	1,301,464
Exploration and evaluation assets	4	1,114,186	925,630
<b>TOTAL ASSETS</b>		<b>2,368,063</b>	<b>2,227,094</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables and accrued liabilities	5,7	155,207	123,357
<b>TOTAL LIABILITIES</b>		<b>155,207</b>	<b>123,357</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	6,7	14,497,939	14,196,272
Reserves	6	4,617,643	4,617,643
Deficit		(16,902,726)	(16,710,178)
<b>TOTAL EQUITY</b>		<b>2,212,856</b>	<b>2,103,737</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>2,368,063</b>	<b>2,227,094</b>

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

Nature and continuance of operations	1
Contingency	10
Subsequent events	11

Approved on Behalf of the Board

*"Sonny Janda"*  
Sonny Janda, Director

*"Shaun Dykes"*  
Shaun Dykes, Director

**SIERRA GRANDE MINERALS INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

*(Unaudited - Expressed in Canadian dollars)*

	Notes	Three months ended June 30,		Six months ended June 30,	
		2023	2022	2023	2022
		\$	\$	\$	\$
<b>Operating expenses</b>					
Advertising and promotion		923	2,069	923	6,976
Filing and transfer fees		25,007	28,177	31,641	31,686
Foreign exchange gain		739	(20,191)	693	(20,191)
Management and consulting	7	54,291	79,511	175,740	139,745
Office and miscellaneous	7	16,790	11,936	23,709	20,976
Professional fees		14,209	36,267	15,367	44,267
Share-based compensation		-	2,585	-	2,585
		111,959	140,354	248,073	226,044
<b>Other income</b>					
Interest Income	2	2,000	-	3,875	-
Loss on debt settlement	7	-	-	(1,223)	-
Other income	4,7, 9	-	-	52,873	-
<b>Net loss and comprehensive loss</b>		<b>\$(109,959)</b>	<b>\$(140,354)</b>	<b>\$(192,548)</b>	<b>\$(226,044)</b>
<b>Basic and diluted loss per share</b>		<b>\$(0.00)</b>	<b>\$(0.01)</b>	<b>\$(0.01)</b>	<b>\$(0.01)</b>
<b>Weighted average number of shares outstanding- basic and diluted</b>					
		29,311,215	20,130,908	27,700,104	15,454,044

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

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

	<b>Share Capital</b>					
	<b>Number</b>	<b>Amount</b>	<b>Option</b>	<b>Warrant</b>	<b>Deficit</b>	<b>Total</b>
		\$	\$	\$	\$	\$
Balance at December 31, 2021	10,725,216	12,158,372	3,160,308	1,454,750	(16,303,617)	469,813
Shares issued for cash	13,585,999	2,037,900	-	-	-	2,037,900
Share-based compensation	-	-	2,585	-	-	2,585
Net loss for the period	-	-	-	-	(226,044)	(226,044)
<b>Balance June 30, 2022</b>	<b>24,311,215</b>	<b>14m196m272</b>	<b>3,162,893</b>	<b>1,454,750</b>	<b>(16,529,661)</b>	<b>2,284,254</b>
<b>Balance at December 31, 2022</b>	<b>24,311,215</b>	<b>14,196,272</b>	<b>3,162,893</b>	<b>1,454,750</b>	<b>(16,710,178)</b>	<b>2,103,737</b>
Share issued for cash	4,916,667	295,000	-	-	-	295,000
Shares issued for debt	83,333	6,667	-	-	-	6,667
Net loss for the period	-	-	-	-	(192,548)	(192,548)
<b>Balance at June 30, 2023</b>	<b>29,311,215</b>	<b>14,497,939</b>	<b>3,162,893</b>	<b>1,454,750</b>	<b>(16,902,726)</b>	<b>2,212,856</b>

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

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

<b>Six Months Ended June 30,</b>	<b>2023</b>	<b>2022</b>
	\$	\$
<b>Operating activities</b>		
Net loss for the period	(192,548)	(226,044)
Adjustments for non-cash items		
Loss on payable settlement	1,223	-
Share-based compensation	-	2,585
Changes in non-cash working capital items		
Receivables	9,604	11,169
Trade payables and accrued liabilities	37,294	70,599
Net cash flows used in operating activities	(144,427)	(141,691)
<b>Investing activities</b>		
Exploration and evaluation assets	(188,556)	(289,246)
Note receivable	50,000	-
Net cash flows used in investing activities	(138,556)	(289,246)
<b>Financing activities</b>		
Proceeds from issuance of common shares	295,000	2,037,900
Receipt of share subscriptions	-	-
Net cash flows from financing activities	295,000	2,037,900
Change in cash during the period	12,017	1,606,963
Cash, beginning of year	1,230,702	74,831
Cash, end of period	1,242,719	1,681,794

**Non-Cash Transactions**

During the six months ended June 30, 2023 the Company issued 83,333 shares (2021 – Nil) to settle debt totalling 5,444 (USD4,000) (2021 - \$Nil).

As at June 30, 2023, \$74,407 (USD55,000) (2022 - \$Nil) of exploration and evaluation assets is included in accounts payable

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

**SIERRA GRANDE MINERALS INC.**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
SIX MONTHS ENDED JUNE 30, 2023, AND 2022**

*(Unaudited - Expressed in Canadian dollars)*

---

**1. NATURE AND CONTINUANCE OF OPERATIONS**

Sierra Grande Minerals Inc. (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 is listed on the Canadian Securities Exchange (“CSE”) under the symbol “SGRO” 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”.

On March 4, 2022, the Company consolidated its common shares on a 5-1 basis. The presentation of number of outstanding shares, loss per share, exercise price of options and warrants have been adjusted retrospectively in these financial statements and accompanying notes.

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

These financial statements have been prepared on the assumptions 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 assets and discharge liabilities in the ordinary course of operations as at June 30, 2023. 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 financial statements do not reflect the adjustments to the carrying value of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumptions inappropriate. These adjustments could be material.

**SIERRA GRANDE MINERALS INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**SIX MONTHS ENDED JUNE 30, 2023, AND 2022**  
*(Unaudited - Expressed in Canadian dollars)*

---

## **2. BASIS OF PRESENTATION**

### **Statement of Compliance**

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting, using accounting policies consistent with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board. IFRS includes International Accounting Standards (“IAS”) and interpretations issued by the IFRS Interpretations Committee (“IFRIC”). As such, these condensed consolidated interim financial statements do not contain all the disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company’s consolidated audited annual financial statements for the year ended December 31, 2022.

These financial statements were approved and authorized for issuance by the Company’s Board of Directors on July 28, 2023.

### **Basis of Preparation**

These financial statements have been prepared on historical cost basis except for financial instruments classified as and measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The financial statements are presented in Canadian dollars, which is also the Company’s and all its subsidiaries’ functional currency, unless otherwise indicated. The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies.

### **Basis of Consolidation**

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

	Country of Incorporation	Percentage Owned	
		June 30, 2023	December 31, 2022
Minera Grenville S.A.C.	Peru	100%	100%
Sierra Capital Inc. <sup>(i)</sup>	Nevada, USA	100%	100%
1202745 BC Ltd.	BC, Canada	100%	100%

<sup>(i)</sup>Sierra Capital, Inc. is a dormant subsidiary to hold the title of the Company’s mineral interests located in the USA.

Inter-company balances and transactions are eliminated on consolidation.

Subsidiaries are those entities which the Company controls by having the power to govern the financial and operating policies. Subsidiaries are fully consolidated from the date on which control is obtained by SGRO and are deconsolidated from the date that control ceases.



**SIERRA GRANDE MINERALS INC.**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
SIX MONTHS ENDED JUNE 30, 2023, AND 2022**

*(Unaudited - Expressed in Canadian dollars)*

---

**2. BASIS OF PRESENTATION (Continued)**

**Functional Currency**

These financial statements are presented in Canadian dollars, which is also the Company's and all its subsidiaries' functional currency, unless otherwise indicated. The functional currency of each entity is measured using the currency of the primary economic environment in which the entity operates.

**Significant Judgements and Estimates**

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

- classification/allocation of expenditures as exploration and evaluation expenditures of operation expenses;
- exploration and evaluation asset impairment assessment; and
- recognition and measurement of deferred tax assets and liabilities.

The most significant judgments in applying the Company's condensed consolidated interim financial statements include the following:

- 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; and
- determination of functional currency of the Company and its subsidiaries.

**SIERRA GRANDE MINERALS INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**SIX MONTHS ENDED JUNE 30, 2023, AND 2022**  
*(Unaudited - Expressed in Canadian dollars)*

---

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied in the preparation of these financial statements are consistent with those applied and disclosed in notes 2 and 3 to the Company's audited annual consolidated financial statements for the year ended December 31, 2022.

**Adoption of new accounting policies and new accounting pronouncements**

The Company has not adopted new accounting policies since its recent year ended December 31, 2022.

Certain other accounting pronouncements were issued but the Company anticipates that the application of these standards, amendments and interpretations in future periods will have no material impact on the results and financial position of the Company except for additional disclosures. The Company is assessing the impact of the new or revised IFRS standards on its financial position and financial performance.

**SIERRA GRANDE MINERALS INC.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
SIX MONTHS ENDED JUNE 30, 2023, AND 2022***(Unaudited - Expressed in Canadian dollars)***4. EXPLORATION AND EVALUATION ASSETS**

Continuity of the Company's exploration and evaluation assets are as follow:

	<b>Glitra/Sat</b>	<b>B&amp;C Springs</b>	<b>Betty East</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance, December 31, 2021	242,805	97,291	80,836	420,932
Acquisition – option payments	51,580	25,790	32,238	109,608
Acquisition - new claims staking	-	130,571	8,545	139,116
Deferred exploration cost:				
Permit renewal and maintenance	28,638	51,459	7,100	87,197
Geophysical analysis	5,011	12,169	1,273	18,453
Surveying	43,844	106,480	-	150,324
Balance, December 31, 2022	371,878	423,760	129,992	925,630
Acquisition – option payments	78,871	29,763	40,180	148,814
Deferred exploration cost:				
Geophysical analysis	11,399	11,318	5,131	27,878
Surveying	-	3,803	-	3,803
Field Expenses	2,635	2,728	2,728	8,091
Balance June 30, 2023	\$464,783	\$471,372	\$178,031	\$1,114,186

During the year ended December 31, 2021, the Company entered into definitive mining lease-purchase agreements with Primus Resources ( the “Primus Agreements”), a Nevada-based privately held company, whereby the Company has secured the rights to earn an 100% interest in 3 epithermal gold, silver, copper and molybdenum properties (Glitra/Sat; B&C Springs/Mildred; Betty East) in the State of Nevada, U.S.A (collectively the “Properties”).

**Glitra/Sat Property**

The terms of the lease payments and work commitments are as follows:

<b>Term</b>	<b>Cash Payments USD\$</b>	<b>Work Commitments USD\$</b>	<b>Share Payments</b>
At closing (paid)	\$40,000	-	-
March 1, 2022 (paid)	\$40,000	-	-
March 1, 2023	\$50,000	\$75,000	100,000 shares
March 1, 2024	The greater of \$50,000 and 29 ounces of gold	\$150,000	100,000 shares
March 1, 2025	The greater of \$50,000 and 29 ounces of gold	\$225,000	100,000 shares
March 1, 2026	The greater of \$50,000 and 29 ounces of gold	\$350,000	100,000 shares

The Company has an option to buy the 100% interest in the Giltra/Sat project with all the annual lease payments including cash and share payments plus the greater of USD\$395,000 and 232 ounces of gold.

**SIERRA GRANDE MINERALS INC.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
SIX MONTHS ENDED JUNE 30, 2023, AND 2022***(Unaudited - Expressed in Canadian dollars)***4. EXPLORATION AND EVALUATION ASSETS (Continued)****B&C Springs/Mildred Property**

The terms of the lease payments and work commitments are as follows:

<b>Term</b>	<b>Cash Payments USD\$</b>	<b>Work Commitments USD\$</b>	<b>Share Payments</b>
At closing (paid)	\$15,000	-	-
March 1, 2022 (paid)	\$20,000	-	-
March 1, 2023	\$30,000	\$75,000	100,000 shares
March 1, 2024	The greater of \$40,000 and 24 ounces of gold	\$150,000	100,000 shares
March 1, 2025	The greater of \$50,000 and 29 ounces of gold	\$225,000	100,000 shares
March 1, 2026	The greater of \$50,000 and 29 ounces of gold	\$350,000	100,000 shares

The Company has an option to buy the 100% interest in the B&C Springs/Mildred project with all the annual lease payments including cash and share payments plus the greater of USD\$295,000 and 174 ounces of gold.

**Betty East Property**

The terms of the lease payments and work commitments are follows:

<b>Term</b>	<b>Cash Payments USD\$</b>	<b>Work Commitments USD\$</b>	<b>Share Payments</b>
At closing (paid)	\$20,000	-	-
March 1, 2022 (paid)	\$25,000	-	-
March 1, 2023	\$30,000	\$75,000	100,000 shares
March 1, 2024	The greater of \$50,000 and 29 ounces of gold	\$150,000	100,000 shares
March 1, 2025	The greater of \$50,000 and 29 ounces of gold	\$225,000	100,000 shares
March 1, 2026	The greater of \$50,000 and 29 ounces of gold	\$350,000	100,000 shares

The Company has an option to buy the 100% interest in the Betty East project with all the annual lease payments including cash and share payments plus the greater of USD\$275,000 and 162 ounces of gold.

As of June 30, 2023, the Company is in the renegotiated the terms of the agreement and has paid half of the March 1, 2023 option payment as at June 30, 2023 and has paid the remainder subsequent to year end. Additionally, the Company will settle the 100,000 share payments by paying \$0.10 per share for total additional payment of CAD10,000 per project.

**SIERRA GRANDE MINERALS INC.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
SIX MONTHS ENDED JUNE 30, 2023, AND 2022***(Unaudited - Expressed in Canadian dollars)***4. EXPLORATION AND EVALUATION ASSETS (Continued)****Silveria Property**

During the year ended December 31, 2020, the Company entered into an agreement with Consorcio De Ingenieros Ejecutores Mineros S.A., a private Peruvian company (“CIEMSA”) and sold its Silveria mining concessions located in Peru to CIEMSA.

On February 20, 2023, the Company entered into an amended agreement with CIEMSA. The original and amended terms of the option agreement are outlined as follows:

**Option Agreement (Silveria)**

<b>August 21, 2020 Original Agreement</b>		<b>February 20, 2023 Modified Agreement</b>	
Net Smelter Royalty - 1%		Net Smelter Royalty 1%	
<b>Amount</b>	<b>Date</b>	<b>Amount</b>	<b>Date</b>
<b>USD\$</b>		<b>USD\$</b>	
200,000	Upon Registration (Paid)	200,000	Credit from original agreement
100,000	12 months thereon	82,527	Upon Execution (paid)
450,000	24 months thereon	82,527	December 29, 2023
250,000	36 months thereon	165,000	June 28, 2024
		165,108	December 30, 2024
		250,000	Court Confirmation (Peru)
<b>1,000,000</b>		<b>945,162</b>	

During the six months ended June 30, 2023, the Company received USD35,000 and recorded the amount as Other Income.

**5. TRADE PAYABLES AND ACCRUED LIABILITIES**

	<b>June 30, 2023</b>	<b>December 31, 2022</b>
	<b>\$</b>	<b>\$</b>
Accounts payable	155,207	97,357
Accrued liabilities	-	26,000
	<b>\$155,207</b>	<b>123,357</b>

**6. SHARE CAPITAL**

On March 4, 2022, the Company consolidated its common shares on a 5-1 basis. The presentation of number of outstanding shares, loss per share, exercise price of options and warrants have been adjusted retrospectively in these financial statements and accompanying notes.

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

**SIERRA GRANDE MINERALS INC.**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
SIX MONTHS ENDED JUNE 30, 2023, AND 2022**

*(Unaudited - Expressed in Canadian dollars)*

---

**6. SHARE CAPITAL (Continued)**

On February 27, 2023, The Company completed a non-brokered private placement with issuance of 4,916,667 units for gross proceeds of \$295,000 and settled \$5,444 (USD4,000) in debt through the issuance of 83,333 units with a deemed fair market value of \$6,667. Each unit consists of one common share in the equity of the company and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the company at a price of eight cents per common share, expiring on Feb. 27, 2025. As no premium was paid for the units the warrants were valued at \$Nil based on the residual valuation method.

In April 2022, the Company completed a non-brokered private placement with issuance of 13,535,999 units for gross proceeds of \$2,030,400. Each unit consists of one common share and one common share purchase warrant. Each warrant can be exercised into one common share at a price of \$0.20 per share for a period of three years following the closing. The exercise price of the warrants is subject to a \$0.05 increase in the second and third years of the warrant term. The warrants are further subject to an acceleration clause, whereby after the first year of the warrant term, if the Company's common shares trade or close at \$0.60 per share or higher, the Company has the right to accelerate the warrants for exercise within 30 days of an exercise notice. These units are subject to a one-year hold period.

In April 2022, the Company issued 50,000 units to a director of the Company for services rendered totaling \$7,500. Each unit consists of one common share and one common share purchase warrant. Each warrant can be exercised into one common share at a price of \$0.20 per share for a period of three years following the closing. The exercise price of the warrants is subject to a \$0.05 increase in the second and third years of the warrant term. The warrants are further subject to an acceleration clause, whereby after the first year of the warrant term, if the Company's common shares trade or close at \$0.60 per share or higher, the Company has the right to accelerate the warrants for exercise within 30 days of an exercise notice. These units are subject to a one-year hold period.

**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.

There were no options granted, exercised, and expired during the six months ended June 30, 2023.

During the six months ended June 30, 2023, all outstanding options had expired.

**SIERRA GRANDE MINERALS INC.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
SIX MONTHS ENDED JUNE 30, 2023, AND 2022***(Unaudited - Expressed in Canadian dollars)***6. SHARE CAPITAL (Continued)****Stock Options (continued)**

	<b>Number of warrants</b>	<b>Weighted average exercise price</b>
Outstanding at December 31, 2021 and 2022	314,000	\$ 1.25
Expired	(314,000)	1.25
Outstanding at June 30, 2023	-	\$-

**Warrants**

Warrant transactions are summarized as follows:

	<b>Number of warrants</b>	<b>Weighted average exercise price</b>
Outstanding at December 31, 2021	2,503,800	\$ 2.00
Issuance	13,585,999	0.20
Outstanding at December 31, 2022	16,089,799	\$ 0.48
Issuance	5,000,000	2.00
Expired	(2,503,800)	0.08
Outstanding at June 30, 2023	18,585,999	\$ 0.17

Below is a summary of warrants outstanding as of June 30, 2023:

<b>Warrants Outstanding</b>	<b>Exercise Price</b>	<b>Expiry Date</b>	<b>Remaining Life (years)</b>
3,632,665	0.20	April 21, 2025	1.81
9,953,334	0.20	April 27, 2025	1.83
5,000,000	0.08	February 27, 2025	1.67
18,585,999	\$0.17		1.78

**SIERRA GRANDE MINERALS INC.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
SIX MONTHS ENDED JUNE 30, 2023, AND 2022***(Unaudited - Expressed in Canadian dollars)*

---

**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.

The Company was charged the following fees by the Company's officers/ directors, and/or entities controlled by them:

	<b>Nature</b>	<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
Chief Executive Officer	Consulting	50,000	30,000
Chief Financial Officer	Consulting	11,250	-
Former Chief Financial Officer	Consulting	12,900	13,200
Company related to the CEO	Management services	-	45,000
Company related to Officers and Directors	Management services and office rent	92,388	33,600
Directors	Consulting	27,027	32,745
		<b>\$193,565</b>	<b>\$154,545</b>

During the six months ended June 30, 2023, the Company issued 83,333 common shares (2022 – Nil) to a director to settle outstanding debt of \$5,444 (USD4,000) with a fair value of \$6,667 (2022 - \$Nil) and recorded a loss on settlement of \$1,223.

As at June 30, 2023, there was an amount owing of \$5,470 (December 31, 2022 - \$58,254) due to related parties that was included in the Company's trade payables and accrued liabilities.

As of June 30, 2023, the note receivable from related parties is \$Nil (December 31, 2022 - \$50,000) (Note 10). During the six months ended June 30, 2023, the Company received repayment of the loans in full plus accrued interest of \$3,875 (2022 - \$Nil) and a loan fee of \$5,000 (2022 - \$Nil) recorded in Other Income.



**SIERRA GRANDE MINERALS INC.**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
SIX MONTHS ENDED JUNE 30, 2023, AND 2022**

*(Unaudited - Expressed in Canadian dollars)*

---

**8. 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:

**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 have an impact of \$65,000 (December 31, 2022 – \$66,000) to 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 GRANDE MINERALS INC.**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
SIX MONTHS ENDED JUNE 30, 2023, AND 2022**

*(Unaudited - Expressed in Canadian dollars)*

---

**8. 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 period.

**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 trade payables approximates its fair value due to their short-term nature.

**SIERRA GRANDE MINERALS INC.**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
SIX MONTHS ENDED JUNE 30, 2023, AND 2022**

*(Unaudited - Expressed in Canadian dollars)*

---

**9. NOTE RECEIVABLE**

On December 29, 2022, the Company entered into a loan agreement with PushFor Tech Inc. ("Borrower") whereby the Company agreed to lend \$50,000 for a term of three months. The loan carried an annual interest rate of 15% and had a loan origination fee equal to 10% of the principal amount. As at December 31, 2022, the Company has recognized \$nil in interest income. During the six months ended June 30, 2023, the loan was fully repaid. The Company received the principal and interest of \$51,875 and the loan origination fee of \$5,000.

On May 15, 2023, the Company entered into a loan agreement with Grand Peak Capital Corp. whereby the Company agreed to lend \$60,000 which was due on demand. The loan carried an annual interest rate of 15%. During the six months ended June 30, 2023, the loan was fully repaid. The Company received the principal and interest of \$62,000.

**10. CONTINGENCY**

As at June 30, 2023, "CIEMSA", the buyer of the mining concession previously owned the Company's subsidiary Minera Grenville S.A.C. was named as a defendant of four administrative claims for \$33,000 (Peru SOLES 103,956). The Company has presented the required defense to dismiss these claims. The outcome of this claim cannot be reasonably determined at this time and the Company has not accrued any expenditure or liability as of the date of this report. However, the Company expects to obtain a favorable ruling due to one of these 4 administrative claims being ruled favorable at first stage to CIEMSA, but this ruling was appealed by INGEMMET. The Company is still waiting for the remaining rulings on the other three claims.

**11. SUBSEQUENT EVENTS**

Subsequent to year end the Company paid the remainder of the March 1, 2023, option payment for the Primus properties. Additionally, the parties amended the option agreement such that the Company will pay the Optionor cash in lieu of the share issuance. The parties agreed to cover the 300,000 shares at \$0.10 per share for total consideration of CAD30,000.