

**FORM 51-102F3
MATERIAL CHANGE REPORT**

ITEM 1. NAME AND ADDRESS OF ISSUER

Sierra Madre Gold & Silver Inc. ("**Sierra Madre**" or the "**Company**")
1455 Bellevue Ave.
West Vancouver, BC V7T 1C3

ITEM 2. DATE OF MATERIAL CHANGE

January 14, 2026

ITEM 3. NEWS RELEASE

The news release was disseminated by the Company on January 14, 2026 through the facilities of Newsfile Corp. and subsequently filed on SEDAR+ under the Company's profile.

ITEM 4. SUMMARY OF MATERIAL CHANGE

On January 14, 2026, the Company closed the first tranche (the "**First Tranche**") of its previously announced brokered private placement offering pursuant to an agency agreement dated January 14, 2026 (the "**Agency Agreement**") entered into by the Company, Beacon Securities Limited ("**Beacon**") as lead agent and sole bookrunner, Canaccord Genuity Corp., BMO Capital Markets, VSA Capital Limited and (together with Beacon, the "**Agents**") in connection with the Offering. In connection with the First Tranche, the Company has issued 30,521,724 subscription receipts (the "**Subscription Receipts**") at a price of \$1.30 per Subscription Receipt (the "**Issue Price**") for gross proceeds of \$39,678,241.20 (the "**Offering**").

ITEM 5.1 FULL DESCRIPTION OF MATERIAL CHANGE

The Company closed the First Tranche of its previously announced brokered private placement offering pursuant to the Agency Agreement entered into by the Company and the Agents in connection with the Offering. In connection with the First Tranche, the Company has issued 30,521,724 Subscription Receipts at a price of \$1.30 per Subscription Receipt for gross proceeds of \$39,678,241.20.

The Offering is being conducted in conjunction with the Company's proposed acquisition (the "**Transaction**") of the Del Toro Silver Mine in the Chalchihuites District in Mexico ("**Del Toro**") from First Majestic Silver Corp..

Each Subscription Receipt shall be deemed to be exercised, without payment of any additional consideration and without further action on the part of the holder thereof, for one common share of the Company (an "**Underlying Share**") upon satisfaction of certain escrow release conditions, including the receipt of all required corporate,

shareholder and regulatory approvals in connection with the Transaction (collectively, the “**Escrow Release Conditions**”).

Pursuant to the closing of the First Tranche, \$38,568,280.26 (the “**Escrowed Proceeds**”), being the gross proceeds of the Subscription Receipts issued under the First Tranche less 50% of the Agents’ Fees (as defined below) and certain expenses of the Agents, was placed into escrow and will be released to the Company subject to and the completion or satisfaction of Escrow Release Conditions as set out in the Agency Agreement. Provided that the Escrow Release Conditions are satisfied prior to 5:00 p.m. (Toronto time) on May 14, 2026 (the “**Release Deadline**”), the remaining 50% of the Agents’ Fees, or \$1,023,513.03 (and any interest earned thereon) will be released to the Agents from the Escrowed Proceeds, and the balance of the Escrowed Proceeds (together with interest earned thereon) will be released to the Company. However, in the event that the Escrow Release Conditions are not satisfied by the Release Deadline, or if prior to such time, the Company advises the Agents or announces to the public that it does not intend to satisfy the Escrow Release Conditions, the Escrowed Proceeds together with the pro rata portion of any interest earned thereon (net of any applicable withholding tax) will be returned to the holders of the Subscription Receipts and the Subscription Receipts will be cancelled.

The Company intends to close a second tranche of the Offering, including the full exercise of the Agents’ option. The Company intends to use the net proceeds of the Offering to fund the completion of the Transaction, for exploration and development of Del Toro following completion of the Transaction and for general working capital purposes.

In connection with the closing of the First Tranche, the Company paid the Agents a cash commission and corporate finance fee of \$2,032,276.06 (the “**Agents’ Fee**”), of which 50% was placed into escrow, and issued to the Agents 1,562,366 compensation options (each, a “**Compensation Option**”). Each Compensation Option entitles the Agents to purchase one common share at the Issue Price during a term of 24 months from the closing of the First Tranche.

The securities issued in connection with the Offering are subject to a four-month hold period from the date of closing of the First Tranche, in addition to any other restrictions under applicable law. The Offering remains subject to certain conditions, including the receipt of final approval of the TSX Venture Exchange.

Certain directors and officers of the Company (“**Interested Parties**”) subscribed for a total of 219,250 Subscription Receipts in the First Tranche, for aggregate gross proceeds of \$285,025.00. The placement to the Interested Parties constitutes a “related party transaction” within the meaning of Multilateral Instrument 61-101 - Protection of Minority Securityholders in Special Transactions (“**MI 61-101**”). The Company has relied on the exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in Sections 5.5(a) and 5.7(1)(a), respectively, as the fair market value of the Subscription Receipts issued to

the Interested Parties in connection with the Offering does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Offering as the details of the participation of Interested Parties had not been confirmed at that time.

The securities issued in connection with the First Tranche, and any securities issuable upon conversion of the securities, under the Offering have not been and will not be registered under the U.S. Securities Act, or any U.S. state securities laws, and may not be offered or sold in the "United States" (as such term is defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable U.S. state securities laws or an exemption from such registration is available.

ITEM 5.2 DISCLOSURE FOR RESTRUCTURING TRANSACTIONS

Not applicable.

ITEM 6. RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102

Not applicable.

ITEM 7. OMITTED INFORMATION

Not applicable.

ITEM 8. EXECUTIVE OFFICER

Contact: Alexander Langer
Telephone: 604-765-1604

ITEM 9. DATE OF REPORT

January 21, 2026

Cautionary Note Regarding Forward-Looking Information

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this material change report.

This material change report contains "forward-looking information" within the meaning of applicable Canadian securities legislation. "Forward-looking information" includes, but is not limited to, statements with respect to the activities, events or developments that the Company expects or anticipates will or may occur in the future, including statements with respect to the timing and completion of a second tranche of the Offering, the use of proceeds of the Offering and the receipt of regulatory approvals for the Offering. Generally, but not always, forward-looking information and statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negative connotation thereof or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative connotation thereof.

Such forward-looking information and statements are based on numerous assumptions, including among others, that the Company will complete the second tranche of the Offering as anticipated, that the Company will use the proceeds of the Offering as announced or at all, and that the Company will receive regulatory approvals for the Offering. Although the assumptions made by the Company in providing forward-looking information or making forward-looking statements are considered reasonable by management at the time, there can be no assurance that such assumptions will prove to be accurate.

There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's plans or expectations include risks that: the Company may be unable to complete the second tranche of the Offering as anticipated, or at all; the Company may not use the proceeds of the Offering as anticipated, or at all; the Company may not receive all necessary approvals for the Offering; and risks relating to the actual results of current exploration activities, fluctuating gold prices, possibility of equipment breakdowns and delays, exploration cost overruns, availability of capital and financing, general economic, market or business conditions, regulatory changes, timeliness of government or regulatory approvals and other risks detailed herein and from time to time in the filings made by the Company with securities regulators.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information or implied by forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking statements or information.

The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise except as otherwise required by applicable securities legislation.