**FORM 51-102F3**

# MATERIAL CHANGE REPORT

**Item 1** **Name and Address of Company**

Sierra Madre Developments Inc.
Suite 3206, 610 Granville Street
Vancouver, B.C. V6C 3J3

**Item 2** **Date of Material Change**

March 21, 2013

**Item 3** **News Release**

The news release dated March 21, 2013 was issued in Vancouver, BC, and disseminated through Stockwatch.

**Item 4** **Summary of Material Change**

By news release dated March 21, 2013, Sierra Madre Developments Inc. (the "Issuer") announced the closing of the non-brokered private placement financing (the "Offering") led by Burgeonvest-Bick Securities Ltd. ("Burgeonvest") previously announced by news release on October 16, 2012 as amended November 7, 2012 and December 4, 2012.

Pursuant to the Offering, the Issuer raised $850,000 through the sale of 17,000,000 units (the "Units") at a price of C$0.05 per Unit. Each Unit consists of one common share in the capital of the Issuer ("Shares") and one transferable common share purchase warrant ("Warrant"). Each Warrant entitles the holder to acquire one additional Share at a price of C$0.05 per Share. For the first tranche closing of 15,300,000 Units set out in the TSX Venture Exchange Bulletin issued January 11, 2013 the Warrants are exercisable for a period of 12 months expiring December 28, 2013 and December 31, 2013 and for the second tranche closing of 1,700,000 Units set out in the TSX Venture Exchange Bulletin dated March 21, 2013 the Warrants are exercisable for a period of 12 months expiring March 18, 2014. In addition to the unit offering the Issuer raised $250,000 through the sale of 5,000,000 million Flow-Through shares at a price of $0.05 per share. The securities underlying the Units and the Flow-Through shares issued in connection with the first tranche closing of the private placement are subject to a hold period expiring April 29, 2013 and May 1, 2013. The securities underlying the Units issued in connection with the second tranche closing are subject to a hold period expiring July 19, 2013.

The Issuer has paid Burgeonvest-Bick and other members of the selling syndicate aggregate cash commissions equal to 10.0% of the gross proceeds raised in connection with the Offering and has issued finder's compensation options to purchase that number of units ("Compensation Units") equal to 10.0% of the aggregate Units and Flow Through shares sold pursuant to the Offering, at an exercise price of C$0.05 per Compensation Unit for a period of 12 months expiring December 28, 2013 for the first tranche closing and March 18, 2014 for the second tranche closing. Each Compensation Unit will consist of one Share and one full Warrant.

The net proceeds from the sale of the Units will be used by the Issuer to fund the next phase of drill testing at the Issuer's Penoles Project located in Durango State Mexico, and to fund general corporate and working capital requirements. The gross proceeds from the sale of the Flow-Through units will be used to fund exploration expenditures at the Issuer's Harrison Gold Project in British Columbia which qualify as 100% Canadian Exploration Expense.

**Item 5** **Full Description of Material Change**

**5.1 Full Description of Material Change**

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**About the Penoles Project:**

The Penoles Project is one of the last historic silver mining districts in the Durango Silver Belt to be explored by modern methods. Published historical accounts indicate that Compania Minera Industrias Penoles operated several underground mines at Penoles from 1887 to 1908 however production records are limited and potential extensions of the mines have never been systematically explored.

The Penoles Property covers roughly half of the historic Penoles Mining District and includes the two largest historic mines (Jesus Maria and San Rafael), a partially defined oxide gold prospect (referred to as El Capitan) and numerous early stage targets that have significant exploration potential. The only other landholder in the Penoles District is Minera La Parrena, a wholly owned subsidiary of the original mining Issuer, Minera Industrias Penoles.

Trenching and sampling in 2011 showed that some of the silver bearing zones mined at the turn of the century are up to 20 meters in thickness. Systematic drill testing will commence immediately to assess potential extensions of the mineralized zones below the historic mine workings and results will be announced as they become available.

Pursuant to its option agreement with Riverside Resources Inc. (TSX – V: RRI) Sierra Madre can earn up to a 65% in the Penoles Property by incurring exploration expenditures and making staged cash and share payments. The due dates for expenditures and payments were recently extended as set out in the TSX Venture Exchange Bulletin issued March 14, 2013.

The scientific and technical data contained in this news release pertaining to the Peñoles Project was prepared under the supervision of Carl von Einsiedel, PGeo., a qualified person to Sierra Madre, who is responsible for ensuring that the geologic information provided in this news release is accurate and acts as a "qualified person" under National Instrument 43-101 Standards of Disclosure for Mineral Projects.

**Disclosure for Restructuring Transactions**

N/A.

**Item 6** **Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Confidentiality is not requested.

**Item 7** **Omitted Information**

No information has been omitted in respect of the material change.

**Item 8** **Executive Officer**

Carl von Einsiedel, CEO & Director
Tel (604) 685 - 3357

**Item 9** **Date of Report**

March 22, 2013