

CENTENARIO GOLD CORP.
(formerly AADIRECTION CAPITAL CORP.)
(the “Company”)

MANAGEMENT DISCUSSION AND ANALYSIS
For the three and nine months ended September 30, 2023

The following management discussion and analysis (“MD&A”) has been prepared by management of the Company as of November 28, 2023 and should be read in conjunction with the unaudited interim consolidated financial statements and related notes of the Company for the three and nine months ended September 30, 2023, and the audited annual financial statements and related notes of the Company for the year ended December 31, 2022. Except where otherwise indicated, the financial information contained in this MD&A was prepared in accordance with International Financial Reporting Standards (“IFRS”). All figures contained in this MD&A are presented in Canadian dollars.

BUSINESS OVERVIEW

The Company was incorporated under the Business Corporations Act of British Columbia on December 1, 2020 and was a capital pool company as defined by TSX Venture Exchange (“TSXV”) Policy 2.4 (the “Policy”). The Company completed an initial public offering (“IPO”) on August 17, 2021 and was listed on the TSXV under the symbol AAD.P.

In December 2020, the Company issued 2,000,000 Common Shares at a price of \$0.05 per share for gross proceeds of \$100,000. In August 2021, the Company completed its IPO issuing a total of 4,000,000 common shares at a price of \$0.10 per share for gross proceeds of \$400,000.

QUALIFYING TRANSACTION

In March 2023, 1403285 B.C. Ltd., a wholly owned subsidiary of the Company was incorporated; the Company, 1403285 B.C. Ltd. and Centenario Gold Corp. (“Old Centenario”) signed a Definitive Agreement whereby the Company will acquire Old Centenario by way of a three-cornered amalgamation. Pursuant to the Definitive Agreement, the Company will acquire 100% of the outstanding common shares of Old Centenario by way of a one for one (1:1) share exchange issuing the Company’s common shares in such number of common shares as are outstanding in the capital of Old Centenario to the shareholders of Old Centenario on the closing date of the Qualifying Transaction. The acquisition will be accounted for as a reverse takeover (the “RTO”), with Old Centenario being treated as the acquiror for accounting purposes, and the Company, the legal parent, being treated as the accounting acquiree in the consolidated financial statements.

Old Centenario is a junior mineral exploration company formed to focus on exploring and generating high quality mineral prospects in Mexico. During 2020, the exploration team of Old Centenario visited and evaluated more than 12 mineral prospects before finding the Eden gold- silver property located near the old mining town of Cosala, Sinaloa, in Durango state of Mexico. On March 24th, 2021, after completing the preliminary evaluation work and due diligence review, Durango Gold Corp S.A de C.V., the 100%-owned Mexican subsidiary of Old Centenario, signed a 4-year option agreement to acquire 100% of the mineral rights to the Eden Au-Ag property, in exchange for annual cash payments, exploration expenditure requirements and a 1% NSR.

In May 2023, the Company received TSXV conditional acceptance with respect to the Qualifying Transaction and filed the Filing Statement together with the applicable expert consents. TSXV final

acceptance of the Qualifying Transaction is conditional upon satisfaction of certain conditions including Old Centenario raising a minimum \$1,750,000 by way of subscription receipts at \$0.15 per subscription receipt, each subscription receipt convertible into a unit, each unit consisting of a common share and one-half of a common share purchase warrant, each whole warrant exercisable at \$0.30 to acquire an additional common share. All such units are exchangeable on a 1:1 basis for Company securities on closing of the Qualifying Transaction.

On October 26, 2023, the Qualifying Transaction of the Company was completed. Pursuant to an amalgamation agreement, the Company acquired all of the issued and outstanding shares of Old Centenario in consideration for the issuance of 35,499,156 of the Company's common shares ("Common Shares") on a 1:1 basis, with 1403285 BC Ltd. and Old Centenario amalgamating (the "Amalgamation") and continuing as a wholly owned subsidiary (the "Continuing Subsidiary") of the Company. The Company also issued 7,120,826 warrants to the former securityholders of Old Centenario and a further 784,986 finders' warrants were issued in connection with the concurrent financing as detailed below.

In connection with the Qualifying Transaction, the Company's name was changed from "AADirection Capital Corp." to "Centenario Gold Corp." and the trading symbol on the TSXV changed to CTG.

As part of the Qualifying Transaction, Old Centenario issued 11,703,672 subscription receipts (the "Subscription Receipts") at a price of \$0.15 per Subscription Receipt for aggregate gross proceeds of \$1,755,550.80 (the "Offering"). Each Subscription Receipt automatically converted, without payment of additional consideration or further action by the holder thereof, into one Old Centenario unit (each, a "Unit") just prior to the Amalgamation. Each Unit was comprised of one common share (each, a "Common Share") in the capital of the Company and one half of one common share purchase warrant (each whole warrant, a "Warrant"), exercisable at \$0.30 per Warrant share for a period of two (2) years from issuance which securities were immediately exchanged 1:1 for securities of the Resulting Issuer.

In addition, upon conversion of the Subscription Receipts, Old Centenario paid to certain finders (the "Finders") cash commissions of \$117,748, being 8% of the aggregate gross proceeds raised by such Finders and 784,986 Finder's Warrants (the "Finder's Warrants"), being 8% of the aggregate number of Subscription Receipts issued under the Offering to subscribers introduced by the Finders. Each Finder's Warrant was immediately exchanged 1:1 for finder's warrants of the Company and are exercisable at \$0.15 per warrant share for a period of two (2) years following the date of issuance and exchange.

Following the closing of the Qualifying Transaction, there are 41,499,156 Common Shares of the Company issued and outstanding on an undiluted basis. 11,735,832 Common Share (representing approximately 28.28% of the issued and outstanding Common Shares on an undiluted basis and 89,166 Warrants of the Company have been deposited into escrow with Odyssey Trust Company pursuant to a Tier 2 value security escrow agreement, and an additional 2,000,000 Common Shares remain subject to a capital pool company escrow agreement, subject to initial releases from escrow on October 27, 2023.

In connection with the Qualifying Transaction, certain members of the board of directors have resigned from the Company. The board of directors and management is now comprised of:

Douglas Fulcher (President, Corporate Secretary and Director)
Alain Charest (Chief Executive Officer, VP Exploration and Director)
Kevin Milledge (Director)
Pablo Mendez (Director)
Xiao Qin (Mary) Ma (Director)
Jonathan Younie (Chief Financial Officer)

The Company granted 3,100,000 stock options with an exercise price of \$0.15 expiring on October 31, 2028 to the new officers, directors, employees and consultants who joined the Company on closing of the Qualifying Transaction.

MINERAL PROPERTY

Eden Property, Durango/Sinaloa, Mexico

On March 24, 2021, and subsequently amended on January 26, 2023, the Company entered into an option agreement (the “Eden Agreement”) with Dr. Eduardo Alfonso Navarro Contreras, Ing. Antonio Bonaficio Flores Martinez and Ing. Ignacio Martinez Dominguez (the “Optionors”) pursuant to which the Company has the sole and exclusive option to acquire 100% of the rights and interests in the Eden Property on the border of Durango and Sinaloa states, Mexico subject to a 1.0% net smelter return (“NSR”). The Eden Property consists of two (2) contiguous and titled mineral concessions named El Eden and El Eden 1 covering approximately 2,489 hectares.

The Company’s option to acquire the rights and interests in the Eden Property is exercisable by making aggregate cash payments of US \$700,000 over five years and by incurring minimum exploration expenditures totaling US \$3,000,000 over four years.

The cash payments and minimum exploration expenditures (the “expenditures”) schedule is as follows:

- i. US \$50,000 upon signing the Eden Agreement (paid);
- ii. US \$50,000 on or before March 24, 2022 (paid);
- iii. US \$75,000 on or before March 24, 2023 (paid);
- iv. US \$100,000 and US \$1,000,000 cumulative expenditures on or before March 24, 2024; and
- v. US \$425,000 and US \$3,000,000 cumulative expenditures on or before March 24, 2025.

If the Company defines a proven and probable resource in excess of 500,000 oz of gold equivalent on the property on or before March 24, 2027, the Company will make a one-time payment of US \$1,000,000 to the Optionors.

The Company also has the right at any time to purchase the 1.0% NSR from the Optionors for US \$1,000,000.

The Eden Property is located in southeastern Sinaloa and western Durango States, Mexico, in the southwestern foothills of the Sierra Madre Occidental. The southern part of the Property can be accessed from Cosala, following a moderately-good dirt road east for 37 kilometres. Offering all the essential services and amenities for supporting an exploration program, Cosala is a small town of about 17,000 inhabitants, located approximately 160 kilometres north of Mazatlan and 160 kilometres southeast of Culiacan, the capital of Sinaloa State.

The road from Cosala to the Eden Property (1.5 hour drive) passes through the small towns of Palo Verde and Tasajeras where the Centenario’s exploration basecamp is located. From Tasajeras, it’s 14 km further to the E-NE to connect with a recently rehabilitated north trending road that goes for 2.5 km and connects with the Buenavista prospect. The mineral concessions are located 10 km north of the historical ‘Guadalupe de Los Reyes’ Mining District. The Eden Property sits between Americas Gold & Silver’s ‘Nuestra Señora/San Rafael’ active mine to the northwest and Prime Mining Corp’s ‘Los Reyes’ project to

the south. Most of the land on the Eden Property belongs to the 'Ejido' of Tamazula, state of Durango, where the surface rights are held by a local agrarian association, or 'Nucleo Agrario', named 'San Antonio del Cerro'.

In January 2022, the Company and representatives of the community of 'San Antonio del Cerro' signed a formal exploration and right-of-way agreement allowing the Company to move freely anywhere across the property and to do any kind of mineral exploration and project development work, including drilling. The Company and the community of 'San Antonio del Cerro' recently signed a letter of consent allowing the Company to undergo and complete the initial drilling program.

The Eden project is located along the lower western flank of the Sierra Madre Occidental (SMO), a prominent NW-trending volcanic belt that extends from one end of Mexico to the other on the Pacific side of the country.

The Late Cretaceous - Lower Tertiary volcanic package that formed the SMO is composed of a sequence of andesitic rocks, mainly tuffs, flows and agglomerates, also referred to as the Lower Volcanic Sequence (LVS), overlain unconformably by a thick sequence of rhyolitic and dacitic rocks composed mainly of tuffs, ash-tuffs and ignimbrites, referred to as the Upper Volcanic Sequence (UVS). The general regional structural features include a series of prominent NW-SE trending faults and lithological contacts.

The dominant volcanic rock type seen at Eden consists of andesitic tuffs, the host- rocks for the vein-breccia structures. Older carbonaceous sediments and limestones outcrop in a small portion of the Property to the northwest. In the centre of the Property there is a granodiorite intrusive body that outcrops over an area of 600m by 900m.

The Au and Ag mineralization found at Eden, like at Prime Mining's Guadalupe de Los Reyes project to the south, occurs in a series of quartz rich vein-breccia-stockwork structures, 10m to 20m wide which consist of high-grade, narrow veins, and intercalated zones of highly oxidized, lower grade breccias and quartz stockworks.

Host rocks at Eden, like at Guadalupe de Los Reyes, are coffee-coloured andesite tuffs, ash-tuffs and agglomerates of the Lower Volcanic Sequence. Both Eden and Guadalupe de Los Reyes are spatially related to nearby intrusive bodies. The mineralized vein-breccias-stockworks systems extend for more than 2 kms and, at Eden, dip moderately to the east.

Both at Eden and Guadalupe de Los Reyes, pre-mineral dacitic dikes are occasionally seen along the footwall of the mineralized structures. It is believed that an earlier volcanic event of rhyolite doming, rhyolite-dacite dikes and sills, created the plumbing system which served as the main conduit for the migrating mineralized fluids.

Sugary and bladed lattice boiling textures were observed in some of the vein showings. The common occurrence of 'green quartz', a gold indicator in the SMO, and visible gold (VG) in most, if not all, of the oxidized veins in old mine workings that have been examined and sampled, suggest that these structures may contain high-grade zones. From west to east, the mineralized veins at the Eden Property include the 'El Eden-Guadalupana', 'Buenavista', 'La Paloma' and 'La Provedora' N-NE trending veins, and to the east, a W-NW-trending, low angle, north-dipping high grade polymetallic vein called 'La Republicana'.

In early May 2021, the Company initiated the 1st Phase exploration program on the Eden Property, a program that included regional reconnaissance, rock sampling, and semi-detailed mapping across the main prospect showings.

Since then, very little follow-up exploration work has been done on the 'El Eden-Guadalupana', 'La Paloma' and 'La Provedora' prospects due to overburden cover and the difficulty in accessing the old mining workings. Most of the exploration work completed to date was done on and around the 'Buenavista' prospect which has more rock outcroppings and less overburden cover.

A total of 220 rock samples were collected on the Eden Property during the initial part of the First Phase exploration program which was completed in December of 2021. Most of these samples were collected along a 300m-long portion of the 'Buenavista' mineralized corridor where 35 samples (or 22%) returned gold grades greater than 1.0 g/t. In 2022, an additional 105 rock samples were collected on the northern extension of the 'Buenavista' mineralized corridor and across other prospects such as la Paloma and La Provedora.

Au and Ag assay results from a set of select rock samples taken at the 'Buenavista' Prospect

Sample No.	Prospect	Collected on	Width (m)	Au (g/t)	Ag (g/t)
ED-06	Buenavista	surface	2.40	2.21	36.00
ED-08	Buenavista	surface	1.30	6.64	159.40
ED-09	Buenavista	surface	1.30	2.65	63.00
ED-10	Buenavista	surface	1.30	6.78	110.77
ED-19	Buenavista	underground	1.20	25.03	664.93
ED-20	Buenavista	underground	1.70	29.87	396.16
ED-22	Buenavista	underground	1.30	8.34	166.81
ED-40	Buenavista	surface	0.65	4.45	97.28
ED-41	Buenavista	underground	0.70	4.53	245.98
ED-44	Buenavista	underground	0.60	8.91	211.40
ED-47	Buenavista	underground	0.65	2.87	77.00
ED-50	Buenavista	underground	0.60	239.94	1389.91
ED-52	Buenavista	underground	0.50	13.72	240.11
ED-54	Buenavista	underground	0.40	2.40	58.00
ED-56	Buenavista	underground	0.80	3.91	45.00
ED-57	Buenavista	underground	0.50	5.32	168.97
ED-66	Buenavista	underground	0.60	9.85	220.21
ED-67	Buenavista	surface	0.30	24.61	548.96
ED-72	Buenavista	surface	1.20	4.74	92.00
ED-86	Buenavista	underground	1.20	6.22	218.32
ED-90	Buenavista	surface	0.80	3.24	149.27

Based on the analytical results received by the Company, the Au and Ag contents of the 'Buenavista' core zone vary from 1 g/t to 239 g/t Au and from 20 g/t to 1390 g/t Ag. Specks of visible gold are often present along oxidized fractures within the vein.

The initial work program was followed with a semi-detailed regional mapping and sampling program along both the S-SE and N-NE extensions of Buenavista's old mine workings area. Results confirm that the 'Buenavista' mineralized structural corridor extends for more than 1.2 km to the N-NE and 1.6 km to the S-SE of the old mining workings.

From late 2021 to early 2022, a program of soil sampling and IP geophysics was completed over the 'Buenavista' prospect's, N-S trending, 2.8 km long structural corridor, and over the core of the 'La Provedora' prospect, 2 km E-SE of 'Buenavista'. Soil assay results received to date cover a 1 km long portion of the corridor going north of the old mine workings area. Anomalous Au, Ag and Ba values were consistent along trend.

Results from the geophysical IP/Resistivity survey, especially the resistivity contrast that coincides with the corridor, indicate that the mineralized structural system at 'Buenavista' is continuous for 2.8 km along trend. Based on the geophysical cross-sections obtained over the Buenavista old mine workings area, where the mineralized structure is better exposed, it clearly shows that the mineralized system is wide, (>20 m thick) and that it dips moderately to the East.

The geophysical results obtained at 'La Provedora' prospect confirm the presence and continuity of the mineralized structural system for 400 meters along trend.

Subject to financing, a core drilling program is planned for mid-late 2023 which will consist of 10-12 drill holes, totalling 1,500 metres, located 40m to 50m SE of, and parallel to, the Buenavista Mineralized Structure, the drill holes will be spaced 40m to 45m apart and will test a 350m long section of the Buenavista corridor. A total of 15 drill holes were included in the Drilling Permit Report. The drill permit was received in August 2023.

In mid-November, this first phase drill program was initiated which will be testing the strike and down-dip extensions of Eden's Buenavista vein-breccia mineralized corridor E-NE and S-SW of the old mining workings area. This maiden drill program will consist of 10 to 12 HQ core holes totaling approximately 1,500 metres. This portion of the Buenavista vein-breccia structure was sampled at surface and underground during the last sampling program and returned a number of high-grade gold and silver intervals with assays as high as 239.9 g/t Au and 1390 g/t Ag. Most of the underground channel rock samples taken in level 1 (collected every 10 meters along the entire ~100-metre-long adit) and levels 2 and 3 have returned high grade Au and Ag results.

Drill pads are located along a N-NE trending line on the east, southeast side of the Buenavista underground mine workings. The holes are designed to test the down dip extension of the vein-breccia structures along a 400-meter-long portion of the Buenavista corridor. Drill pads and access to the drill pads are all completed. The Mexican mining authorities have approved the drilling permit and local community permits and agreements are in good standing.

This initial phase of drilling is anticipated to last approximately 30 days with crews staying in the small town of Tasajeras, located approximately 30 km from the project area. All logging and sampling will be

done at the Company's base camp in Tasajeras. Samples will be sent to the ALS-Chemex Lab in Hermosillo, Sonora, Mexico.

SUMMARY OF QUARTERLY RESULTS (UNAUDITED)

In Canadian dollars (\$)	Sept. 30 2023	Jun. 30 2023	Mar. 31 2023	Dec. 31 2022	Sept. 30 2022	Jun. 30 2022	Mar. 31 2022	Dec. 31 2021
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net income(loss)	(221)	(19,477)	(44,691)	1,918	(22)	(12,975)	(6,849)	(5,263)
Net income(loss) Basic and Diluted	(0.00)	(0.00)	(0.01)	0.00	(0.00)	(0.00)	(0.00)	(0.00)
Total assets	300,086	302,802	322,576	346,741	345,811	347,979	358,634	369,311
Total shareholders' equity	282,099	282,320	301,797	346,488	344,570	344,592	357,567	364,416

RESULT OF OPERATIONS

The Company had a net loss of \$221 and \$64,389 for the three and nine months ended September 30, 2023, respectively, as compared to a net loss of \$22 and \$19,846 for the same periods of the prior year. The loss was mainly due to professional fees, listing and filing fees.

- Listing and filing fees were \$75 and \$23,151 for the three and nine months ended September 30, 2023, respectively, as compared to \$40 and \$8,166 for the same periods of the prior year. Except for fees incurred for ongoing regulatory activities in the periods of this year, \$10,000 initial filing fees were paid to the Exchange with respect to its Qualifying Transaction in the first quarter of this year.
- Professional fees were \$700 and \$43,568 for the three and nine months ended September 30, 2023, respectively, as compared to \$700 and \$6,942 for the periods of the prior year, with the breakdown as follows:

In Canadian dollars (\$)	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
Accounting fees	700	700	2,100	2,100
Audit fees	-	-	9,000	3,500
Legal fees ⁽ⁱ⁾	-	-	31,718	342
Tax fees	-	-	750	1,000
	700	700	43,568	6,942

⁽ⁱ⁾ Legal fees were attributable to the Qualifying Transaction.

- Transfer agent fee was \$753 and \$1,755 for the three and nine months ended September 30, 2023 (2022 – \$722 & \$2,492), respectively.

LIQUIDITY AND CAPITAL MANAGEMENT

For the nine months ended September 30, 2023, cash of \$50,856 was used in operating activities which was primarily due to expenditures relating to listing and filing fees and professional fees, and \$20,000 cash inflow provided from investing activities as a result of a withdrawal of \$170,000 from the Company's short-term investment partially offset by the advancement of \$150,000 as a loan to Old Centenario, as

compared to cash outflow of \$24,581 used in operating activities for the same period of the prior year. The increase of \$26,275 used in operating activities of this year was mainly attributed to the Qualified Transaction.

The Company's primary objective with respect to its capital management is to maintain its ability to continue as a going concern and to ensure that it had sufficient cash resources to close the Qualifying Transaction. After the completion of the Qualifying Transaction, the Company's objective with respect to capital management is to ensure it has sufficient cash resources to conduct its mineral exploration program.

OUTSTANDING SHARE DATA – AS AT NOVEMBER 28, 2023

	Number	Price	Weighted Average Remaining Life in Years
Common shares, issued and outstanding	41,499,156		
Share purchase warrants	7,120,826	\$0.28	1.78
Agents' warrants	1,184,986	\$0.13	2.18
Stock options	3,700,000	\$0.14	4.57
Fully Diluted	53,504,968		

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not have any off-balance sheet arrangements as at September 30, 2023 and December 31, 2022.

RELATED PARTY TRANSACTIONS

The Company incurred accounting fees of \$700 and \$2,100 for the three and nine months ended September 30, 2023, respectively, (2022 - \$700 & 2,100) to a consulting firm controlled by a director and officer of the Company. The Company incurred legal fees of \$0 and \$31,718 for the three and nine months ended September 30, 2023, respectively, (2022 - \$0 & \$2,568) to a law firm controlled by a director of the Company. The legal fee was attributed to the Qualifying Transaction. As at September 30, 2023, \$16,934 plus GST recorded in accounts payable and accruals was due to the above mentioned legal firm.

CRITICAL ACCOUNTING ESTIMATES

The Company's significant accounting policies and estimates are summarized in Note 2&3 of the audited financial statements for the year ended December 31, 2022.

FINANCIAL INSTRUMENTS

The Company classifies its financial instruments as follows: cash and cash equivalents as financial assets and measured at fair value; loan receivable and other receivable as financial assets and measured at amortized cost; and account payables and accruals as financial liabilities and measured at amortized cost.

As at September 30, 2023, the Company's financial instruments consist of cash, short-term investments, other receivable, loan receivable, and accounts payable. The carrying value of such financial instruments approximates their fair value due to the immediate or short-term maturity of these instruments.

RISKS AND UNCERTAINTIES

The Company has not generated revenues and cash flows from operations and is currently listed as a CPC on the TSXV. Management is actively working on the Qualifying Transaction that will qualify the Company, at a minimum, for listing on Tier 2 of the TSXV.

DISCLOSURE CONTROLS

In connection with Exemption Orders issued by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the audited annual and interim financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificates under National Instrument ("NI") 52-109 (Certification of Disclosure in an Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting as defined in NI 52-109.

There have been no changes in the Company's internal controls over financial reporting for the three and nine months ended September 30, 2023 that have materially affected, or are reasonably likely to materially affect, its controls over financial reporting.

ADDITIONAL INFORMATION

Additional information is available concerning the Company and its operations on SEDAR+ at www.sedarplus.ca

FORWARD-LOOKING STATEMENTS

The statements made in this MD&A that are not historical facts contain forward-looking information that involves risks and uncertainties. All statements, other than statements of historical facts, which address the Company's expectations, should be considered forward-looking statements. Such statements are based on management's exercise of business judgment as well as assumptions made by and information currently available to management. When used in this document, the words "may", "will", "anticipate", "believe", "estimate", "expect", "intend" and words of similar import, are intended to identify any forward-looking statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, which give rise to the possibility that predictions, forecasts, projections and other forward-looking statements will not be achieved. Certain material factors or assumptions are applied in making forward-looking statements, and actual results, performance or achievements may differ materially from those expressed or implied in such statements. The Company cannot assure readers that actual results, performance and achievements will be consistent with these forward-looking statements, and the differences may be material. The Company undertakes no obligation to update any forward-looking statements except as required by law.