

**FILING STATEMENT**

**AADIRECTION CAPITAL CORP.**

with respect to a Qualifying Transaction pursuant to Policy  
2.4 of the TSX Venture Exchange

Dated as at May 11, 2023

*Neither the TSX Venture Exchange Inc. (the “**Exchange**”) nor any securities regulatory authority has in any way passed upon the merits of the Reverse Takeover described in this filing statement.*

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## GLOSSARY

The following terms used in this Filing Statement have the following meanings.

“**ABCA**” means the *Business Corporations Act* (Alberta), as amended.

“**AADirection**” or the “**Issuer**” means AADirection Capital Corp., a corporation incorporated pursuant to the laws of the Province of British Columbia that is a Capital Pool Company.

“**AADirection Options**” means options to acquire AADirection Shares.

“**AADirection Shareholders**” means the holders of AADirection Shares.

“**AADirection Shares**” means common shares in the capital of AADirection Capital Corp.

“**AADirection Stock Option Plan**” means the June 1, 2022 10% rolling stock option plan of AADirection adopted by AADirection Shareholders at its annual general meeting held on June 1, 2022 and accepted by the Exchange.

“**Affiliate**” means a Company that is affiliated with another Company as described below.

A Company is an “Affiliate” of another Company if:

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same Person.

A Company is “controlled” by a Person if:

- (a) Voting Shares of the Company are held, other than by way of security only, by or for the benefit of that Person, and
- (b) the Voting Shares, if voted, entitle the Person to elect a majority of the directors of the Company.

A Person beneficially owns securities that are beneficially owned by:

- (a) a Company controlled by that Person, or
- (b) an Affiliate of that Person or an Affiliate of any Company controlled by that Person.

“**Agent**” means Canaccord Genuity Corp. which acted as agent for AADirection’s initial public offering.

“**Amalco**” means the successor company formed by the Amalgamation of Centenario and SubCo, which will be a wholly owned subsidiary of the Resulting Issuer.

“**Amalgamation**” means the amalgamation of Centenario and SubCo into one company, Amalco, by way of a three-cornered statutory amalgamation pursuant to section 175 of the *Business Corporations Act* (British Columbia), expected to occur immediately following the conversion of the Subscription Receipts into Centenario Units.

“**Amalgamation Agreement**” means the definitive amalgamation agreement dated March 21, 2023 among AADirection, SubCo and Centenario.

“**Associate**” when used to indicate a relationship with a person or company, means:

- (a) an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer,
  - (i) any partner of the person or company,

- (ii) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity,
- (iii) in the case of a person, a relative of that person, including
  - (A) that person’s spouse or child, or
  - (B) any relative of the person or of his spouse who has the same residence as that person; but
- (iv) where the Exchange determines that two persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding company.

“**BCBCA**” means the *Business Corporations Act* (British Columbia), as amended.

“**Board**” means the board of directors of AADirection or of the Resulting Issuer, as the context requires.

“**CEO**” means Alain Charest, who is the chief executive officer of Centenario.

“**CEO Agreement**” means the consulting agreement entered into by Centenario with the CEO of Centenario on April 21, 2021 pursuant to which the CEO is paid \$7,500 per month by Centenario for the CEO’s services.

“**CFO Agreement**” means the consulting agreement entered into by Centenario with Copswood Capital Corp., a private company controlled by Jonathan Younie, the CFO of Centenario, on April 21, 2021 pursuant to which Copswood Capital Corp. is paid \$2,500 per month by Centenario for the CFO’s services.

“**Centenario**” means Centenario Gold Corp., a reporting issuer incorporated pursuant to the laws of the Province of British Columbia.

“**Centenario Executive Agreement**” means the consulting agreement entered into by Centenario with Digga Holdings Ltd., a private company controlled by Douglas Fulcher, the President of Centenario, on April 1, 2021, pursuant to which Digga Holdings Ltd. is paid \$5,000 per month by Centenario for the services of the President.

“**Centenario Shareholders**” means the holders of Centenario Shares.

“**Centenario Shares**” means common shares in the capital of Centenario.

“**Centenario Unit**” means a unit of Centenario consisting of one Centenario Share and one-half of one Centenario Warrant subject to adjustment in certain events, that will be issued on conversion of the Subscription Receipts.

“**Centenario Warrants**” means whole warrants that entitle the holder to purchase one Centenario Share at a price of \$0.30 for 24 months following the date of issuance of the Centenario warrants subject to adjustment in certain events.

“**CFO**” means Jonathan Younie, who is the chief financial officer of Centenario.

“**Closing**” means the closing of the Transaction, which necessarily implies the closing of the Amalgamation.

“**Company**” unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

“**Completion of the Qualifying Transaction**” means the date the Final Exchange Bulletin is issued by the Exchange.

“**Conditional Acceptance**”, as may be amended, means the delivery in writing to the Issuer of conditional acceptance of the Qualifying Transaction by the Exchange, wherein the Final Exchange Bulletin will be delivered to the Issuer upon satisfaction of the conditions set out in such conditional acceptance.

**“Control Person”** means any person or company that holds or is one of a combination of persons or companies that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

**“CPC” or “Capital Pool Company”** means a corporation or trust:

- (a) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the Commissions in compliance with Policy 2.4 - *Capital Pool Companies*; and
- (b) in regard to which the Final QT Exchange Bulletin has not yet been issued.

**“Durango Gold”** means Durango Gold Corp. S.A. de C.V., a company incorporated and duly existing under the laws of Mexico that is a wholly beneficially owned subsidiary of Centenario (wherein one (1) common share of the one-hundred (100) common shares issued and outstanding in Durango Gold is registered in the name of a Mexican officer of Durango Gold pursuant to Mexican law).

**“Eden Property or the Property”** means the principal resource exploration property optioned by Durango Gold, Centenario’s wholly owned subsidiary, pursuant to the Option Agreement.

**“Effective Time”** means the effective time of the Transaction.

**“Escrow Agent”** means legal counsel to Centenario, who has been appointed by Centenario to receive and escrow all cash subscription amounts received from subscribers with respect to the Financing for the purchase of Subscription Receipts pursuant to subscription agreements entered into by subscribers with Centenario, and for such Escrow Agent to either release the escrowed proceeds to Centenario on receipt of the Release Notice, or to return such monies to subscribers if the Transaction, and accordingly the Financing, does not close.

**“Escrow Share Agent”** means Odyssey Trust Company which is the registrar and transfer agent of AADirection, and which has been appointed as the escrow agent pursuant to the Exchange prescribed CPC escrow agreement dated February 1, 2021 regarding the principals of AADirection, and has also been appointed as the escrow agent pursuant to the Exchange prescribed Form 5D escrow agreement dated May 11, 2023 with respect to the principals of Centenario.

**“Filing Statement”** means this filing statement dated as of May 11, 2023.

**“Final Exchange Bulletin”** means the Exchange Bulletin which is issued following closing of the Qualifying Transaction and the submission of all required documentation and that evidences final Exchange acceptance of the Qualifying Transaction.

**“Financing”** means the non-brokered private placement of Subscription Receipts by Centenario for a minimum dollar amount of the greater of (a) \$1,750,000 or (b) the dollar amount required by the Exchange as set out in its Conditional Acceptance.

**“Finder’s Warrants”** means share purchase warrants issued to qualified finders in connection with the Financing that will be equal in number to 7% of the Subscription Receipts sold by such finders in the Financing, such finder’s warrants exercisable into a Resulting Issuer Share at \$0.15 per share for a period of two (2) years from closing of the Amalgamation.

**“Forward-Looking Statements”** has the meaning given to that term in the section entitled "General Information - Cautionary Statement Regarding Forward-Looking Information".

**“Insider”** if used in relation to an issuer, means:

- (a) a director or senior officer of the issuer;
- (b) a director or senior officer of the Company that is an Insider or subsidiary of the issuer;
- (c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; or

(d) the issuer itself if it holds any of its own securities.

**“Letter Agreement”** means the binding letter agreement dated January 20, 2023 between AADirection and Centenario pursuant to which AADirection agreed to acquire all of the outstanding shares of Centenario.

**“Loan Agreement”** means the secured loan agreement dated February 24, 2023 between AADirection and Centenario pursuant to which AADirection agreed to lend \$150,000 to Centenario pursuant to the terms of the Letter Agreement, subject to Exchange acceptance. The loan is secured by way of the Security Agreement entered into by the parties on the same date.

**“Minimum AADirection Participation”** means the commitment by AADirection or subscribers sourced by AADirection to purchase a minimum of 20% of the minimum Financing, being the greater of (a) \$1,750,000 or (b) the dollar amount required by the Exchange as set out in its Conditional Acceptance.

**“Non-Arm’s Length Party”** means:

(a) in relation to a Company:

- (i) a Promoter, officer, director, other Insider or Control Person of that Company and any Associates or Affiliates of any of such Persons; or
- (ii) another entity or an Affiliate of that entity, if that entity or its Affiliate have the same Promoter, officer, director, Insider or Control Person as the Company; and

(b) in relation to an individual, any Associate of the individual or any Company of which the individual is a Promoter, officer, director, Insider or Control Person.

**“NSR”** means net smelter returns royalty which is generally calculated as the net revenue that the owner of a mining property receives from the sale of a mine’s metal/non-metal products less transportation and refining costs.

**“Option Agreement”** means the resource property option agreement dated effective as of March 24, 2021 between Durango Gold, a wholly owned Mexican subsidiary of Centenario entered into the Option Agreement with Dr. Eduardo Alfonso Navarro Contreras, Ing. Antonio Bonifacio Flores Martinez and Ing. Ignacio Martinez Dominguez as optionors, who collectively optioned a 100% interest in the Property to CGC, subject to certain payments and conditions and subject to a 1% NSR;

**“Other Centenario Warrants”** means holders of share purchase warrants that were issued and outstanding in the capital of Centenario as at the date of the Amalgamation Agreement.

**“Other Securityholders”** refers to holders of Centenario securities, other than Centenario Shares, who hold outstanding securities of the Centenario, including, without limitation, share purchase warrants to purchase Centenario Shares.

**“Parties”** means AADirection, Centenario and SubCo, and "Party" means any one of them.

**“Person”** means any individual or Company, and where the context requires any of the foregoing when they are acting as trustee, executor, administrator or other legal representative.

**“Qualifying Transaction”** means a transaction where a CPC acquires Significant Assets other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means.

**“Release Notice”** means written confirmation of the satisfaction or waiver of the following escrow release conditions:

- (a) approval of the Amalgamation by the Centenario Shareholders and Other Securityholders (if applicable);
- (b) the conditions precedent in the Amalgamation Agreement for completion of the Qualifying Transaction, other than the financing condition,
- (c) receipt of written Conditional Acceptance of the Qualifying Transaction by the Exchange and, other than the financing condition, the satisfaction of all material conditions precedent of the Exchange contained in

its Conditional Acceptance; and

- (d) receipt of any other required regulatory approval.

**“Resulting Issuer”** means AADirection, when it closes the Transaction followed by issuance of the Final Exchange Bulletin where it is no longer a CPC and exists as a Tier 2 resource exploration mining issuer on the Exchange.

**“Resulting Issuer Board”** means the board of directors of the Resulting Issuer after Closing, such board to be comprised of five (5) directors.

**“Resulting Issuer Shares”** means the common shares in the capital of the Resulting Issuer.

**“Resulting Issuer Shareholders”** means the holders of the Resulting Issuer Shares after Closing.

**“Resulting Issuer Units”** means units of the Resulting Issuer that are exchanged for Centenario Units pursuant to Closing of the Amalgamation, each Resulting Issuer Unit consisting of a common share in the capital of the Resulting Issuer, and one-half of a Resulting Issuer Warrant, each whole Resulting Issuer Warrant entitling the holder to purchase one Resulting Issuer Share at \$0.30 per Share for a period of two (2) years from issuance.

**“Resulting Issuer Warrant”** means whole share purchase warrants of the Resulting Issuer

**“SEC”** has the meaning given to that term in the section entitled "General Information - *Note to U.S. Shareholders*".

**“Security Agreement”** means the security agreement dated February 24, 2023 between AADirection and Centenario pursuant to which Centenario provided general security over its assets to AADirection to secure the loan provided by AADirection to Centenario pursuant to the Loan Agreement.

**“Significant Assets”** means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the CPC, together with any other concurrent transactions would result in the CPC meeting the initial listing requirements set out in the policies of the TSXV.

**“Sponsor”** has the meaning specified in Exchange *Policy 2.2 – Sponsorship and Sponsorship Requirements*.

**“SubCo”** means 1403285 B.C. Ltd., a wholly-owned subsidiary of the Issuer incorporated under the BCBCA for the purposes of completing the Qualifying Transaction.

**“Subscription Receipts”** means subscription receipts sold by Centenario in the Financing, wherein each subscription receipt will automatically convert or be exchanged, without further action by the holder (and for no additional consideration), into one Centenario Unit upon the Triggering Event.

**“Technical Report”** means the National Instrument 43-101 technical report on the Eden Property dated April 24, 2023, authored (the “author”) by Derrick Strickland P. GEO. addressed to AADirection and filed on SEDAR at [www.sedar.com](http://www.sedar.com) under the Issuer’s profile.

**“Target Company”** means a Company to be acquired by the CPC as its Significant Asset pursuant to a Qualifying Transaction.

**“Transaction”** means the Issuer’s acquisition of Centenario as provided pursuant to the terms and conditions of Closing of the Amalgamation Agreement, which is intended to be the Issuer’s Qualifying Transaction.

**“Triggering Event”** means delivery by Centenario to the Escrow Agent of a Release Notice.

**“TSXV”** or the **“Exchange”** means the TSX Venture Exchange.

## GENERAL INFORMATION

### General

No person has been authorized by AADirection or Centenario to give any information or make any representations in connection with the transactions herein described other than those contained in this Filing Statement and, if given or made, any such information or representation must not be relied upon as having been authorized by AADirection or Centenario, as applicable.

All information contained in this Filing Statement with respect to AADirection has been supplied by AADirection for inclusion herein, and with respect to that information, Centenario has relied solely on AADirection. Based on their due diligence conducted in this respect, Centenario has no reason to believe that such information is not accurate.

All information contained in this Filing Statement with respect to Centenario has been supplied by Centenario for inclusion herein, and with respect to that information, AADirection and its directors and officers have relied solely on Centenario. Based on its due diligence conducted in this respect, AADirection has no reason to believe that such information is not accurate.

Information contained in this Filing Statement is given as at May 11, 2023, unless otherwise specifically stated.

### Cautionary Statement Regarding Forward-Looking Information

This Filing Statement includes certain statements and information that constitutes "forward-looking statements" and "forward-looking information" under applicable securities laws (collectively, "**Forward-Looking Statements**", unless otherwise stated). Forward-Looking statements appear in a number of places in this Filing Statement and include statements and information regarding the intent, beliefs or current expectations of AADirection, Centenario and statements relating to the proposed Transaction (as such term is defined herein). Such Forward-Looking Statements involve known and unknown risks and uncertainties that may cause AADirection, Centenario, and the Resulting Issuer's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such Forward-Looking Statements. When used in this Filing Statement, words such as "expects", "anticipates", "estimates", "projects", "plans", "goals", "objectives", "outlook", "believe", "could", "intend", "may", "predict", "will", "would" and similar expressions are intended to identify these Forward-Looking Statements. Forward-looking statements may relate to AADirection's, Centenario's, and the Resulting Issuer's future outlook and anticipated events or results and may include statements regarding AADirection's, Centenario, and the Resulting Issuer's future business strategy, plans and objectives. AADirection and Centenario have based these Forward-Looking Statements largely on their current expectations and projections about future events. These Forward-Looking Statements were derived using numerous assumptions, and while AADirection considers these assumptions to be reasonable, based on information currently available, such assumptions may prove to be incorrect. Accordingly, readers are cautioned to not put undue reliance on these Forward-Looking Statements. Forward-Looking Statements should not be read as a guarantee of future events or results.

Forward-Looking Statements speak only as of the date such statements are made.

### Note to U.S. Shareholders

The transactions contemplated herein are being undertaken by Canadian issuers in accordance with Canadian corporate and securities laws. Shareholders should be aware that disclosure requirements under such Canadian laws are different from requirements under United States corporate and securities laws relating to issuers organized under United States laws, and this Filing Statement has not been filed with or approved by the United States Securities and Exchange Commission (the "**SEC**") or the securities regulatory authority of any state within the United States. Likewise, information concerning AADirection or Centenario has been prepared in accordance with Canadian standards and may not be comparable to similar information for issuers organized in the United States.

The financial statements of AADirection, Centenario, and the pro forma consolidated financial statements of the Resulting Issuer included in this Filing Statement have been prepared in accordance with generally accepted accounting principles in Canada and are subject to Canadian auditing and auditor independence standards, and thus may not be comparable to financial statements prepared in accordance with United States generally accepted accounting principles. Completion of the transactions described herein may have tax consequences under the laws of both the United States and Canada, and any such

tax consequences are not described in this Filing Statement. U.S. shareholders of AADirection and Centenario are advised to consult their tax advisors to determine any particular tax consequences to them with respect to this Transaction.

THE SECURITIES ISSUABLE IN CONNECTION WITH THE TRANSACTION HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE PASSED UPON THE ADEQUACY OR ACCURACY OF THIS FILING STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

UNITED STATES SHAREHOLDERS OF AADIRECTION AND CENTENARIO SHOULD CONSULT THEIR OWN TAX, LEGAL AND FINANCIAL ADVISORS REGARDING THE PARTICULAR CONSEQUENCES TO THEM OF THE TRANSACTIONS.

## SUMMARY OF FILING STATEMENT

*The following is a summary of information relating to AADirection, Centenario and the Resulting Issuer (the successor to AADirection assuming completion of the Transaction) and should be read together with the more detailed information and financial data and statements contained elsewhere in this filing statement.*

*Capitalized terms not otherwise defined in this summary are defined in the Glossary of defined terms or elsewhere in this Filing Statement. This summary is qualified in its entirety by the more detailed information appearing or referred to elsewhere herein.*

### **AADirection Capital Corp.**

AADirection Capital Corp. was incorporated on December 1, 2020 under the *BCBCA*.

The registered and head office of AADirection is located at 2110 28th Street, West Vancouver, British Columbia, V7V 4M3. See "*Information Concerning AADirection*".

### **Transaction**

On January 20, 2023, AADirection entered into the Letter Agreement with Centenario pursuant to which AADirection agreed to acquire all of the outstanding shares of Centenario. The Transaction is intended to be a "Qualifying Transaction" for AADirection as defined under TSXV policies.

On March 21, 2023, the Issuer, Centenario and SubCo entered into the Amalgamation Agreement. The Amalgamation Agreement replaces and supersedes the Letter Agreement, except for certain provisions specifically stated in the Amalgamation Agreement to continue in force, and contemplates that the Transaction will be completed by way of an amalgamation among the Issuer, Centenario and SubCo. Centenario will become a wholly-owned subsidiary of the Resulting Issuer on completion of the Transaction by way of Centenario amalgamating with SubCo and the shareholders of Centenario receiving one (1) Resulting Issuer Share for each one (1) Centenario Share owned, at a deemed price of \$0.09 per Common Share, and all other outstanding securities of the Centenario, namely share purchase warrants to purchase Centenario Shares for Resulting Issuer warrants to purchase Resulting Issuer Shares on a 1:1 basis on duplicate terms and conditions. Other than the exchange of securities as described herein particularly with respect to the Amalgamation, there is no other consideration payable by AADirection to acquire Centenario.

In connection with the Transaction, Centenario held a shareholder meeting on April 11, 2023 at which, among other matters, Centenario Shareholders approved by unanimous special resolution the Amalgamation, and related matters to be effective on completion of the Transaction. The proposed directors of the Resulting Issuer are Douglas Fulcher, Alain Charest, Pablo Mendez Alvidrez, Kevin Milledge and Mary Ma. On or prior to the closing of the Transaction, the Issuer intends to change its name to "Centenario Gold Corp.", or such other name as may be agreed upon the parties.

The Resulting Issuer will be engaged in the business which is currently conducted by Centenario, which is as a resource exploration mining company with its principal property, the Eden Property, located in Mexico.

The Board determined that the Transaction is in the best interests of AADirection and authorized the execution of the Amalgamation Agreement. For more details on the Transaction, see "*Information Concerning the Transaction*".

The completion of the Transaction will be effected pursuant to the terms of the Amalgamation Agreement and upon receipt of the necessary regulatory approvals. See "*Information Concerning the Transaction*". The completion of the Transaction remains subject to a number of terms and conditions customary for transactions of this nature, including regulatory and shareholder approval of the matters contemplated by the Amalgamation Agreement.

### **Financing**

As a condition of completion of the Transaction and subject to the Minimum AADirection Participation, Centenario will complete, prior to Closing, a non-brokered Financing of Subscription Receipts at \$0.15 per Subscription Receipt for gross proceeds of the greater of (a) \$1,750,000 or (b) such dollar amount as set out in the Conditional Acceptance of the Exchange. Each Subscription Receipt is convertible into a Centenario Unit consisting of one Centenario Share and one-half of one Centenario Warrant, each whole Centenario Warrant entitling the holder to purchase one Centenario Share at a price of \$0.30

for 24 months following the date of issuance of the Centenario Warrants subject to adjustment in certain events (which Centenario Units are expected, on the same day of issuance, to be exchanged for Resulting Issuer Units on the same terms and conditions as the Centenario Units pursuant to closing of the Transaction). The Subscription Receipts will not be converted unless a Release Notice is delivered to the Escrow Agent by Centenario.

The proceeds from the Subscription Receipt Financing will be held in escrow by the Escrow Agent until the Escrow Agent has either (a) received a Release Notice from Centenario which will confirm that all regulatory conditions contained in the Conditional Acceptance of the Exchange have been satisfied, other than the Financing condition, or (b) the parties to the Amalgamation Agreement have terminated the Transaction, in which latter case the escrowed proceeds will be returned to the holders of the Subscription Receipts on a pro rata basis and the Subscription Receipts will be cancelled without further action on the part of the subscribers.

The Release Notice will confirm the satisfaction of the following escrow release conditions:

- (a) approval of the Amalgamation by the Centenario Shareholders and Other Securityholders (if applicable);
- (b) the conditions precedent in the Amalgamation Agreement for completion of the Qualifying Transaction, other than the financing condition;
- (c) receipt of written Conditional Acceptance of the Qualifying Transaction by the Exchange and, other than the financing condition, the satisfaction of all material conditions precedent of the Exchange contained in its Conditional Acceptance; and
- (d) receipt of any other required regulatory approval.

Finder's fees will be payable by Centenario equal to (a) 7% of funds raised from subscribers in the Financing introduced by qualified finders and (b) Finder's Warrants equal in number to 7% of the Subscription Receipts sold that are attributable to each such finder, such Finder's Warrants exercisable into a Resulting Issuer Share at \$0.15 per Resulting Issuer Share for a period of two (2) years from conversion of the Subscription Receipts. Finder's fees will only become payable on conversion of the Subscription Receipts and Closing of the Transaction.

The net proceeds raised from the Financing will be used to fund a first phase program on the Resulting Issuer's primary resource exploration mining property located in Mexico known as the "Eden Property" wherein the Centenario's subsidiary, Durango Gold Corp. S.A. de C.V., holds an option to acquire a 100% interest subject to a 1% net smelter returns royalty. The program is set out in the Technical Report on the Eden Property that has been filed on SEDAR at [www.sedar.com](http://www.sedar.com). The remainder of the Financing proceeds will be used to cover the expenses of the Mexican geological support team, 2023 Eden Property concession taxes, the 2024 Eden Property Option Agreement cash payment, general & administrative expenses, with the balance added to working capital. See the table below regarding principal uses of available proceeds.

### **Conditions of the Transaction**

The Transaction is subject to certain conditions, including but not limited to, no material adverse change occurring prior to the Closing, receiving all necessary regulatory and third-party approvals, and the Exchange being satisfied that after completion of the Transaction, the Resulting Issuer will satisfy the Exchange's Initial Listing Requirements in order to become a Tier 2 resource exploration mining issuer.

### **Effective Date of the Closing**

It is anticipated that the Transaction will close after the requisite regulatory approvals have been obtained and all other conditions to the Closing have been satisfied or waived, which is anticipated to occur in May or June of 2023. It is anticipated that the Final Exchange Bulletin will be issued as soon as reasonably practicable thereafter. See "*Information concerning the Transaction*".

### **The Resulting Issuer**

At Closing, AADirection will acquire all issued and outstanding common shares of Centenario pursuant to the Amalgamation Agreement, and subject to the approval of the Exchange, the Resulting Issuer will become a Tier 2 resource exploration mining issuer on the Exchange.

### Interest of Insiders, Promoters or Control Persons

No AADirection director, officer, Insider, promoter, significant shareholder or Control Person (or their respective Affiliates) (before and after giving effect to the Transaction) has an interest in or will receive any consideration as a result of the Transaction, should the Transaction proceed.

### Arm's Length Transaction

The Transaction was negotiated by the Parties dealing at arm's length with each other. The Transaction is not a Non-Arm's Length Qualifying Transaction.

### Use of Funds Available on Completion of the Transaction

Upon closing of the Transaction which is conditional on closing the Financing, the Resulting Issuer is expected to have available funds, net of estimated current liabilities, of approximately \$1,628,000.

The following table sets forth the estimated total funds available to the Resulting Issuer following Closing and the principal purposes for which the estimated funds available to the Resulting Issuer will be used, and the current estimated amounts to be used for each such principal purpose during the twelve-month period following Closing. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Resulting Issuer to achieve its business objectives. The Resulting Issuer may require additional funds in order to fulfill all of the Resulting Issuer's expenditure requirements to meet its objectives, in which case the Resulting Issuer expects to either issue additional shares or incur indebtedness. There is no assurance that additional funding required by the Resulting Issuer will be available if required.

Source of Funds	Amount including Financing (\$)
Working capital of AADirection as at April 30, 2023	\$130,000 <sup>(1)</sup>
Net proceeds of the Financing	\$1,658,500 <sup>(2)</sup>
(Negative) Working capital of Centenario as at April 30, 2023	(\$160,157)
<b>Total available funds</b>	<b>\$1,628,243</b>

#### Notes:

- (1) Assumes April 30, 2023 working capital inclusive of accrued administrative expenses, regulatory fees, legal expenses and disbursements and the loan made to Centenario.
- (2) Assumes aggregate gross proceeds from the Financing of \$1,750,000 and estimated offering expenses of \$91,500.

Following Closing, the Resulting Issuer expects to use its available funds as follows:

Principal Uses	Allocation with Financing <sup>(1)</sup> (\$)
First Phase Work Program on the Eden Property	\$663,092 <sup>(1)</sup>
Mexico Exploration Support Team	\$84,669
2023 Eden Property Concession Taxes	\$45,982
2024 Eden Property Option Agreement Cash Payment	\$149,400 <sup>(2)</sup>
General & Administrative Expenses	\$437,196
Unallocated working capital	\$248,004
<b>Total</b>	<b>\$1,628,543</b>

#### Notes:

- (1) See the Technical Report on the Eden Property which has been filed on Sedar by Centenario. This dollar amount includes a 10% contingency allowance and 16% taxes (IVA) payable in connection with such expenditures.

(2) The payment is USD\$100,000 plus 16% value added tax due on or before March 24, 2024.

While it is anticipated that the Resulting Issuer's available funds following completion of the Transaction will be used as set forth above, the Resulting Issuer may re-allocate funds from time to time depending upon its growth strategy and other conditions in effect at the time.

Please see "*Information Concerning the Resulting Issuer - Available Funds and Principal Purposes*".

### **Selected Pro Forma Financial Information**

The following table sets out certain pro forma financial information for the Resulting Issuer (in Canadian dollars) as at December 31, 2022, assuming Closing occurs. The following information should be read in conjunction with the unaudited pro forma consolidated financial statements set forth in this Filing Statement. See "*Appendix E - Pro Forma Financial Statements*".

	<b>Year Ended December 31, 2022 (\$)</b>	<b>Pro Forma Adjustments (\$)</b>	<b>Resulting Issuer Pro Forma Consolidation (\$)</b>
Current assets	\$468,472	\$1,689,949 <sup>(1)</sup>	\$2,158,421
Total assets	\$682,554	\$1,805,431 <sup>(1)</sup>	\$2,487,985
Current and Total liabilities	\$387,418	(\$228,250)	\$159,168
Shareholders' equity (deficiency)	\$295,136	\$2,033,681 <sup>(1)</sup>	\$2,328,817
Common shares issued and outstanding	25,287,492	15,517,993	40,805,485 <sup>(2)</sup>

#### **Notes:**

(1) Assumes aggregate gross proceeds from the Financing of \$1,750,000 at \$0.15 per Subscription Receipt.

(2) On a fully diluted basis, assuming 7% finder's fees are payable on the entirety of the Financing, there would be 50,381,147 issued and outstanding Resulting Issuer Shares (and gross proceeds of \$2,357,632 would be received by the Resulting Issuer).

### **Market for Securities**

The outstanding AADirection Shares are listed on the Exchange under the trading symbol "AAD.P". The last trading price of AADirection Shares was at \$0.13 on November 11, 2022. On January 20, 2023, AADirection Shares were halted from trading on the TSXV. It is anticipated that AADirection Shares will remain halted until Closing and will resume trading on the TSXV after Closing under the symbol "CGC".

### **Dividend Policy**

The Resulting Issuer does not currently have a dividend policy in place. The holders of Resulting Issuer Shares will be entitled to receive such dividends as may be declared by the Resulting Issuer's Board from time to time.

### **Conflicts of Interest**

The directors of the Resulting Issuer will be required by law to act honestly and in good faith with a view to the best interests of the Resulting Issuer and to disclose any interests that they may have in any project or opportunity of the Resulting Issuer. If a conflict of interest arises at a meeting of the Resulting Issuer's Board, any director in a conflict is obligated to disclose his or her interest and abstain from voting on such matter. To the best knowledge of AADirection and the Centenario, other than as disclosed herein, there are no known existing conflicts of interest between the Resulting Issuer and its proposed promoters, directors and officers or other proposed members of management of the Resulting Issuer as a result of their outside business interests, except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Resulting Issuer and their duties as directors or officers of such other companies, where such directors or officers have been and will continue to be engaged in the identification and evaluation, with a view to potential acquisition of interests in businesses and corporations on their own behalf and on behalf of other corporations, and situations may arise where the directors and officers will be in direct competition with the Resulting Issuer.

## Interests of Experts

To the knowledge of AADirection, no Person whose profession or business gives authority to a statement made by the Person and who is named as having prepared or certified a part of this Filing Statement or as having prepared or certified a report or valuation described or included in this Filing Statement holds, or will hold, any beneficial interest, direct or indirect, in any securities or property of AADirection or the Resulting Issuer or an Affiliate of the foregoing.

## Risk Factors

The Resulting Issuer will be a resource exploration mining company. Such activities are highly speculative. Due to the nature of the Resulting Issuer's business and the present stage of development of its business, the Resulting Issuer will be subject to significant risk. A purchase of any of the securities of the Resulting Issuer involves a high degree of risk and should be carefully considered and undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. Risk factors include, but are not limited to, the following:

- failure to satisfy conditions to completion of the Transaction;
- failure to obtain necessary approvals for the Transaction;
- volatility of share prices for publicly traded companies;
- risk of dilution as a result of equity financings;
- risks related to an inability to finance the business of the Resulting Issuer;
- risks associated with required continuous public disclosure of information respecting the business of the Resulting Issuer;
- limited operating history of the Resulting Issuer and expected continued operating losses;
- title to properties, including access to permits and licenses;
- inherent risks of the mining industry including uninsurable risks, political risks and environmental risks;
- risks associated with early stage mineral exploration;
- commodity prices;
- competition from other resource exploration mining companies; and
- dependence on directors, officers and other key personnel.

An investment in securities of AADirection and, following the completion of the Transaction, the Resulting Issuer, should be considered highly speculative and involves a high degree of risk due to the nature of the Resulting Issuer's proposed business and the current stage of development. Such an investment should only be made by investors who can afford to lose their entire investment. In evaluating the Resulting Issuer and its prospective business, investors should carefully consider, in addition to other information contained in this Filing Statement, the risk factors set forth in this Filing Statement. Additionally, while this Filing Statement has described the risks and uncertainties related to the Transaction and the business of the Resulting Issuer, it is possible that other risks and uncertainties will arise or become material in the future.

If AADirection is unable to effectively address these and other potential risks and uncertainties following a successful completion of the Transaction, the Resulting Issuer's business, financial condition or results of operations could be materially adversely affected. In this event, the value of the Resulting Issuer Shares could decline after the completion of the Transaction and the Resulting Issuer Shareholders could lose all or part of their investment.

## *General*

The Resulting Issuer will be in the business of resource exploration, primarily mining for precious metals. A purchase of any of the securities of the Resulting Issuer involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Resulting Issuer should not constitute a major portion of an individual's investment portfolio and should only be made by Persons who can afford a total loss of their investment. Prospective investors should evaluate carefully the following risk factors associated with an investment in the Resulting Issuer's securities prior to purchasing any securities.

### *Failure to Realize Anticipated Benefits of the Transaction*

The Parties propose to complete the Transaction in order to achieve the benefits described in the section entitled "Background to the Transaction". There can be no assurance, however, that the anticipated benefits of the Transaction will materialize. It is possible that the risks and uncertainties described in this Filing Statement will arise and become material to such an extent that some or all of the anticipated benefits of the Transaction never materialize or are nullified. Failure to realize all of the anticipated benefits of the Transaction could adversely impact the market price of the Resulting Issuer Shares and the value of the other Resulting Issuer securities.

### *Failure to Satisfy Conditions to Completion of the Transaction*

The Amalgamation Agreement contains certain conditions that must be satisfied, or waived by the party for whose benefit such conditions are imposed, in order for the Transaction to close. Some of these conditions are outside of the control of the Parties, including, but not limited to, receipt of applicable regulatory approvals and acceptance of the Transaction by the TSXV. There can be no certainty, nor can the Parties provide any assurance, that all conditions precedent to the completion of the Transaction will be satisfied or waived, nor provide any certainty of the timing of their satisfaction or waiver. Failure to complete the Transaction could adversely impact the market price of AADirection Shares.

### *Failure to Obtain Necessary Approvals for Completion of the Transaction*

Completion of the Transaction is subject to, among other things, the acceptance of the TSXV. AADirection has applied to the TSXV for acceptance of the Transaction. On May 11, 2023, the TSXV granted conditional acceptance of the Transaction.

## ***Resulting Issuer Risk Factors***

AADirection currently has no active business. The following risk factors therefore relate primarily to the business of the Resulting Issuer on a post-Transaction basis, which will be a continuation of Centenario's mineral resource mining business with Centenario directors assuming a majority of the positions on the Board and taking over management of the Resulting Issuer as further described below.

### *Additional Financing*

In order to complete the phased exploration of the Eden Property and otherwise grow its business, the Resulting Issuer will be required to complete additional equity and/or debt financings (in addition to the Financing) to support on-going operations, to undertake capital expenditures or to undertake property acquisitions, or other business combination transactions. There can be no assurance that additional financings will be available to the Resulting Issuer when needed or on terms, which are acceptable. The Resulting Issuer's inability to raise financing to support ongoing operations or to fund capital expenditures or acquisitions could limit the Resulting Issuer's growth and may have a material adverse effect upon future profitability. The Resulting Issuer will likely require additional financings to fund its operations to ensure its continuity as a going concern.

### *Volatility of Share Price*

Securities markets throughout the world are cyclical and, over time, tend to undergo high levels of price and volume volatility. A publicly-traded company will not necessarily trade at values determined by reference to the underlying value of its business. The prices at which the Resulting Issuer Shares will trade cannot be predicted. The market price of the Resulting Issuer Shares could be subject to significant fluctuations in response to variations in quarterly and annual operating results, the results of any public announcements the Resulting Issuer makes, general economic conditions, and other factors. Increased levels of volatility and resulting market turmoil may adversely impact the price of the Resulting Issuer Shares. If the Resulting Issuer

is required to access capital markets to carry out its development objectives (as is expected), the state of domestic and international capital markets and other financial systems could affect its respective access to, and cost of, capital. Such capital may not be available on terms acceptable to the Resulting Issuer or at all, and this could have a material adverse impact on its business, financial condition, results of operations, prospects and its Resulting Issuer Share price.

#### *Dilution*

The Resulting Issuer will be authorized to issue an unlimited number of Resulting Issuer Shares or other securities for such consideration and on such terms and conditions as may be established by the Resulting Issuer, without the approval of Resulting Issuer Shareholders. In addition, it is currently anticipated that the Resulting Issuer will be required to conduct additional equity financings to develop the business of the Resulting Issuer as currently planned and envisioned by management of the Resulting Issuer. Any further issuance of Resulting Issuer Shares pursuant to such equity financings may dilute the interests of Resulting Issuer Shareholders.

#### *Impact of Quarterly and Annual Financial Reporting*

There can be no assurance that the Resulting Issuer will be profitable on a quarterly or annual basis at any time in the future. The Resulting Issuer's business strategies may not be successful. As a reporting company, the Resulting Issuer will be required to report financial results on an annual and quarterly basis. If its business is not profitable, the Resulting Issuer's Share price may decline.

#### *Exploration and Development*

Mineral exploration and development involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. In particular, exploration for precious metals is highly speculative in nature.

The Resulting Issuer does not have an interest in any mineral property that presently contains any commercial ore. The Resulting Issuer's proposed exploration programs for the Eden Property are exploratory searches for mineralized zones, resources and, if successful, ore reserves. Should any ore reserves exist, substantial expenditures will be required to confirm ore reserves which are sufficient to justify commercial mining and to obtain the required environmental approvals and permitting required to commence commercial operations. Should any mineral resource be defined on a property in which the Resulting Issuer has an interest there can be no assurance that the mineral resource on any such properties can be commercially mined or that the metallurgical processing will produce economically viable saleable products. Furthermore, there is no assurance that any estimated mineral resources are accurately defined. Mineral resource estimates are imprecise and depend on geological analysis based partly on statistical inferences drawn from drilling, and assumptions about operating costs and metal prices, all of which may prove unreliable. As resource estimates may not be accurate, there can be no assurance that the indicated quantities of metals on the Eden Property will be recovered if commercial production is commenced. Any future production could differ significantly from such estimates for the following reasons: (1) actual mineralization or formations could be different from those predicted by drilling, sampling and similar examinations; declines in the market price of gold may render the mining of some or all of the resources uneconomic; (2) and the grade of material may vary dramatically from time to time; and (3) the Resulting Issuer cannot give any assurances that any particular quantity of metal will be recovered from the resources. The occurrence of any of these events may cause Centenario to adjust resource estimates (if any) or change its mining plans, which could negatively affect the Resulting Issuer's financial condition and results of operations.

The decision as to whether a property contains a commercial mineral deposit and should be brought into production will depend upon the results of exploration programs and/or feasibility studies, and the recommendations of duly qualified engineers and/or geologists, all of which involves significant expense. This decision will involve consideration and evaluation of several significant factors including, but not limited to: (1) costs of bringing a property into production, including exploration and development work, preparation of production feasibility studies and construction of production facilities; (2) availability and costs of financing; (3) ongoing costs of production; (4) market prices for the minerals to be produced; (5) environmental compliance regulations and restraints (including potential environmental liabilities associated with historical exploration activities); and (6) political climate and/or governmental regulation and control.

In addition, the grade of material ultimately mined may differ from that indicated by drilling results. Short term factors relating to mineral resources or mineral reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations.

There can be no assurance that metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or in production scale process applications. Material changes in mineral resources or reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

The ability of the Resulting Issuer to sell, and profit from the sale of any eventual production from any property in which the Resulting Issuer has an interest will be subject to the prevailing conditions in the marketplace at the time of sale. Many of these factors are beyond the control of the Resulting Issuer and therefore represent a market risk which could impact the long-term viability of the Resulting Issuer and its operations.

Mining exploration requires ready access to mining equipment such as drills, and crews to operate that equipment. There can be no assurance that such resources will be available to the Resulting Issuer on a timely basis or at a reasonable cost. Failure to obtain these resources when needed may result in delays in the Resulting Issuer's exploration programs. There may be other factors that result in delays to the Resulting Issuer's exploration programs, including adverse weather.

#### *Mining Operations are Risky*

The Resulting Issuer's current business, and any future development or mining operations, involve various types of risks and hazards typical of companies engaged in the mining industry. Such risks include, but are not limited to: (1) industrial accidents; (2) unusual or unexpected rock formations; (3) structural cave-ins or slides and pitfall, ground or slope failures and accidental release of water from surface storage facilities; (4) fire, flooding and earthquakes; (5) rock bursts; (6) metal losses in handling and transport; (7) periodic interruptions due to inclement or hazardous weather conditions; (8) environmental hazards; (9) discharge of pollutants or hazardous materials; (10) failure of processing and mechanical equipment and other performance problems; (11) geotechnical risks, including the stability of the underground hanging walls and unusual and unexpected geological conditions; (12) unanticipated variations in grade and other geological problems, water, surface or underground conditions; (13) labour disputes or slowdowns; (14) work force health issues as a result of working conditions; and (15) force majeure events, or other unfavourable operating conditions.

These risks, conditions and events could result in: (1) damage to, or destruction of, the value of, the Eden Property; (2) personal injury or death; (3) environmental damage to the Eden Property, surrounding lands and waters, or the properties of others; (4) delays or prohibitions on mining or the transportation of minerals; (5) monetary losses; and (6) potential legal liability and any of the foregoing could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operation, cash flows or prospects. In particular, underground refurbishment and exploration activities present inherent risks of injury to people and damage to equipment. Significant accidents could occur, potentially resulting in a complete shutdown of the Resulting Issuer's operations at the Eden Property which could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations, cash flows or prospects.

#### *Operations During Mining Cycle Peaks are More Expensive*

During times of increased demand for metals and minerals, price increases may encourage expanded mining exploration, development and construction activities. These increased activities may result in escalating demand for and cost of contract exploration, development and construction services and equipment. Increased demand for and cost of services and equipment could cause exploration, development and construction costs to increase materially, resulting in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, and increased potential for scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment, any of which could materially increase project exploration, development or construction costs, result in project delays, or increase operating costs.

#### *Acquisition of Additional Mineral Projects*

The Eden Property is not a producing property and its ultimate success will depend on its operating ability to generate cash flow from producing properties in the future. The Resulting Issuer has not generated any revenue to date and there is no assurance that it will do so in the future.

The Resulting Issuer's business operations are at an early stage of development and its success will be largely dependent upon the outcome of the exploration programs that the Resulting Issuer proposes to undertake.

### *Permits and Government Regulations*

The future operations of the Resulting Issuer may require permits from various federal, state and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that the Resulting Issuer will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on the Resulting Issuer's Eden Property. The Resulting Issuer currently does not have any permits in place.

### *Land and Mining Claims*

Although the Resulting Issuer has exercised the usual due diligence with respect to determining title to the Eden property in which it has a material interest, and is satisfied that evidence of title to the Eden property is adequate and acceptable, no assurances can be given that the Resulting Issuer may not face challenges to the title of the Property or subsequent properties it may acquire, which may prove to be costly to defend or could impair the advancement of the Resulting Issuer's business plan.

### *Local Community Land Claims*

The Resulting Issuer is not aware of any local community or native land claims with respect to the Resulting Issuer's property; however, there is no assurance that such claims will not be asserted in the future. The Resulting Issuer believes in and is supportive of cooperative relationships with local communities in conducting exploration and development activities and recognizes the mutual benefit in such cooperation.

### *Possible Loss of Interest in the Eden Property*

The Resulting Issuer does not own the mineral rights pertaining to the Property. Rather, it holds an option to acquire a 100% interest in the mineral claims comprising the Property mineral rights the Eden Property Agreement pursuant to which the Resulting Issuer has its interest in the Eden Property requires the Resulting Issuer to make a series of payments in cash and must incur US\$1,000,000 cumulative exploration expenditures on or before March 24, 2024, and incur US\$3,000,000 cumulative exploration expenditures on or before March 24, 2025.

There is no guarantee the Resulting Issuer will be able to raise sufficient funding in the future to make such payments within the prescribed time periods pursuant to the Eden Property Agreement in order for the Resulting Issuer to explore and develop the Property so as to maintain its interests therein. If the Resulting Issuer loses or abandons its interest in the Property, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the Exchange. There is also no guarantee that the Exchange will approve the acquisition of any additional properties by the Resulting Issuer, whether by way of option or otherwise, should the Resulting Issuer wish to acquire any additional properties.

### *Competition*

The mining industry is intensely competitive in all its phases. The Resulting Issuer competes for the acquisition of mineral properties, claims, leases and other mineral interests as well as for the recruitment and retention of qualified individuals with many companies possessing greater financial resources and technical facilities than the Resulting Issuer. The competition in the mineral exploration and development business could have an adverse effect on the Resulting Issuer's ability to acquire suitable properties or prospects for mineral exploration in the future.

### *Conflicts of Interest*

All of the Resulting Issuer's directors and officers act as directors and officers of other mineral exploration companies and all are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other companies and situations may arise where these directors and officers will be in direct competition with the Resulting Issuer. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the *Business Corporations Act* (British Columbia). In order to avoid the possible conflict of interest which may arise between the directors' duties to the Resulting Issuer and their duties to the other companies on whose boards they serve, the directors and officers of the Resulting Issuer will endeavor to adhere to the following:

1. participation in other business ventures offered to the directors will be allocated between the various companies and on the basis of prudent business judgment and the relative financial abilities and needs of the companies to participate;
2. no commissions or other extraordinary consideration will be paid to such directors and officers; and
3. business opportunities formulated by or through other companies in which the directors and officers are involved will not be offered to the Resulting Issuer except on the same or better terms than the basis on which they are offered to third party participants.

### *Environmental Risks*

Environmental laws and regulations may affect the operations of the Resulting Issuer. These laws and regulations set various standards regulating certain aspects of environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. Where there is evidence of breaches of environmental laws and regulations, the permission to operate can be withdrawn temporarily, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Resulting Issuer for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations. In all major developments, the Resulting Issuer generally relies on recognized designers and development contractors from which the Resulting Issuer will, in the first instance, seek indemnities.

Environmental approvals and permits are currently, and may in the future be, required in connection with the Resulting Issuer's current and planned operations. To the extent such environmental approvals and permits are required and not obtained, the Resulting Issuer's plans and the operation of mines may be curtailed or it may be prohibited from proceeding with planned exploration or development of additional mineral properties. Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

There is no assurance that any future changes in environmental regulation will not adversely affect the Resulting Issuer's operations. Changes in government regulations have the potential to significantly increase compliance costs and thus reduce the profitability of current or future operations.

Environmental hazards may also exist on the properties on which the Resulting Issuer holds interests that are unknown to the Resulting Issuer at present and that have been caused by previous or existing owners or operators of the properties and for which the Resulting Issuer may be liable for remediation. Parties engaged in mining operations, including the Resulting Issuer, may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable environmental laws or regulations, regardless of whether the Resulting Issuer actually caused the loss or damage. The costs of such compensation, fines or penalties could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations, cash flows or prospects.

### *Social and Environmental Activism*

There is an increasing level of public concern relating to the effects of mining on the natural landscape, on communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs") who oppose resource development can be vocal critics of the mining industry. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. While the Resulting Issuer seeks to operate in a socially responsible manner and believes it has good relationships with local communities in the regions in which it operates, NGOs or local community organizations could direct adverse publicity against and/or disrupt the operations of the Resulting Issuer in respect of one or more of its properties, regardless of its successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which the Resulting Issuer has an interest or the Resulting Issuer's operations specifically. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Resulting Issuer or its relationships with the communities in which it operates, which could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations, cash flows or prospects.

### *Safety Regulation*

Health and safety laws and regulations may affect the operations of the Resulting Issuer. These laws and regulations set various health and safety standards regulating certain aspects pertaining to individuals working with the Resulting Issuer. A violation of health and safety laws, or the failure to comply with the instructions of relevant health and safety authorities, could lead to, among other things, a temporary cessation of activities on the Eden Property or any part thereof, a loss of the right to prospect for minerals, or the imposition of costly compliance procedures. This could have a material adverse effect on the Resulting Issuer's operations and/or financial condition. The Resulting Issuer intends to minimize risks by taking steps to ensure compliance with health and safety laws and regulations and operating to applicable health and safety standards. There is a risk that health and safety laws and regulations may become more onerous, making the Resulting Issuer's operations more expensive.

### *Natural Disasters, Geopolitical Instability or Other Unforeseen Events*

In addition to the outbreak of infectious disease or occurrence of pandemics, such as the recent outbreak of COVID-19; natural disasters; terrorism or other unanticipated events, in any of the areas in which the Resulting Issuer operates could cause interruptions in the Resulting Issuer's operations. Natural disasters, geopolitical tensions and instability (including terrorism) or other unforeseen events could negatively affect project development, operations, labour supply and financial markets, all or any of which could have a material adverse effect on the Resulting Issuer's business, financial condition, operational results or cash flows.

### *Uninsurable Risks*

Not all risks to the Resulting Issuer's operations are insurable. The Resulting Issuer, in the course of exploration, development and production of mineral properties may become subject to liability for unusual or unexpected environmental hazards relating to geological operating conditions such as rock bursts, cave-ins, fires, floods and earthquakes whereby insurance against these environmental risks has not been generally available to companies within the mining and exploration industry. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Resulting Issuer.

The Resulting Issuer also currently has no keyman insurance or property insurance as such insurance is uneconomical at this time. The Resulting Issuer will obtain such insurance once it is available and, in the opinion of the Board, economical to do so. The Resulting Issuer may incur a liability to third parties (in excess of any insurance cover) arising from pollution or other damage or injury.

## **INFORMATION CONCERNING THE TRANSACTION**

### *Background to the Transaction*

On January 20, 2023, AADirection entered into the Letter Agreement with Centenario pursuant to which AADirection agreed to acquire all of the outstanding shares of Centenario. The Transaction is intended to be a "Qualifying Transaction" for AADirection as defined under TSXV policies.

On March 21, 2023, the Issuer, Centenario and SubCo entered into the Amalgamation Agreement. The Amalgamation Agreement replaces and supersedes the Letter Agreement, except for certain provisions specifically stated in the Amalgamation Agreement to continue in force, and contemplates that the Transaction will be completed by way of an amalgamation among the Issuer, Centenario and SubCo. Centenario will become a wholly-owned subsidiary of the Resulting Issuer on completion of the Transaction by way of Centenario amalgamating with SubCo.

Pursuant to the terms of the Amalgamation, Centenario and SubCo will amalgamate by way of a statutory amalgamation pursuant to section 175 of the *Business Corporations Act* (British Columbia). The Amalgamation is structured as a reverse takeover of AADirection by Centenario, and by way of the three-way exchange of securities with AADirection and SubCo, the shareholders of Centenario will receive securities of AADirection (which on Closing is referred to as the Resulting Issuer) on a 1:1 basis wherein:

1. the Centenario Shareholders will exchange their 23,138,818 Centenario Shares for 23,138,818 Resulting Issuer Shares;

2. the Centenario Shareholders will exchange their 1,925,663 share purchase warrants exercisable at \$0.20 per warrant share expiring February 1, 2025 for Resulting Issuer Warrants on the same terms.

Centenario will become a wholly owned subsidiary of the Resulting Issuer, that will in turn continue to own its subsidiary, Durango Gold, which holds the option to acquire a 100% interest in the Eden Property. The management of the Resulting Issuer will be the existing management of Centenario.

As one of the conditions precedent to Closing the Amalgamation, Centenario will have closed the Financing of Subscription Receipts at \$0.15 per Subscription Receipts, expected to be for aggregate gross proceeds of a minimum of \$1,750,000, such proceeds being held in escrow until the escrow release conditions as set out in the Subscription Receipt subscription agreement have been satisfied, as evidenced by the Escrow Agent receiving a Release Notice from Centenario that confirms that all regulatory conditions contained in the Conditional Acceptance of the Exchange have been satisfied, other than the financing condition that \$1,750,000 or more be raised in the Financing.

Finder's fees will be payable by Centenario equal to (a) 7% of funds raised from subscribers in the Financing introduced by qualified finders and (b) Finder's Warrants equal in number to 7% of the Subscription Receipts sold that are attributable to each such finder, such Finder's Warrants exercisable into a Resulting Issuer Share at \$0.15 per Resulting Issuer Share for a period of two (2) years from conversion of the Subscription Receipts. Finder's fees will only become payable on conversion of the Subscription Receipts and Closing of the Transaction.

Upon issuance of the Release Notice, the Subscription Receipts will automatically convert into Centenario Units, each Centenario Unit consisting of a common share and one-half of one share purchase warrant, each whole warrant exercisable at \$0.30 per share for a two (2) year period, and the gross Financing proceeds will be released to Centenario. It is anticipated that the Amalgamation will proceed immediately (same day) following this conversion of Subscription Receipts, and as such the Centenario Units will be immediately exchanged for Resulting Issuer Units on a 1:1 basis on the same terms as the Centenario Units.

The net proceeds raised from the Financing will be used to fund the first phase program on Centenario's primary resource exploration property located in Mexico known as the "Eden Property", funding the Mexican exploration team, for Eden Property payments, taxes, and for working capital as detailed below. See "*Information on the Resulting Issuer.*"

The Program is set out in the National Instrument 43-101 Technical Report on the Eden Property that is filed on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Benefits of the Amalgamation**

The benefits of the Amalgamation include the following:

1. The Amalgamation is a go public transaction wherein the Centenario Shareholders will end up with securities of a publicly listed company.
2. The concurrent Subscription Receipt Financing will allow Centenario to complete a maiden drill program on its promising Eden Property and have sufficient working capital to cover operating expenses for the next 12 months.
3. By being public, Centenario will be able to access the public markets for follow-on financings to develop the Eden Property and to finance exploration of Eden 1 and potentially the acquisition of other prospective resource exploration properties.

### **Steps prior to the Amalgamation**

Prior to the Amalgamation of the parties, the following has or will have occurred in effectively the following sequence:

1. AADirection has loaned Centenario \$150,000 for completion of a near-term Eden Property payment that was due March 24, 2023 (paid), and for payment of certain expenses of this Transaction.

2. As noted above, Centenario, AADirection and SubCo entered into a definitive Amalgamation Agreement in replacement of the initial Letter Agreement except for certain specified provisions of the Letter Agreement that will continue in force;
3. The Technical Report, in part establishing the Eden Property as a qualifying property, will have been finalized and SEDAR filed, AADirection and Centenario having addressed all comments of the Exchange to its satisfaction;
4. Centenario will have closed the Subscription Receipt offering for an expected minimum \$1,750,000 or such other minimum dollar amount as required by the Exchange, with the proceeds held in escrow until issuance of the Release Notice;
5. AADirection will have received written Conditional Acceptance from the Exchange with respect to the Qualifying Transaction of AADirection;
6. The primary disclosure document on the Qualifying Transaction, this Filing Statement, will have been finalized and SEDAR filed, AADirection and Centenario having addressed all comments of the Exchange to its satisfaction, including the filing of all requisite consents of experts with respect to such Filing Statement;
7. AADirection will satisfy all other material conditions precedent to closing the Qualifying Transaction of the Exchange; and
8. Upon satisfaction of escrow conditions, a Triggering Notice will then be issued by Centenario, triggering the automatic conversion of the Subscription Receipts into Centenario Units, without any further action by, or payment from, the purchasers of Subscription Receipts, and the release of the Financing proceeds to Centenario.

#### **Steps of the Amalgamation to be reflected in the Amalgamation Agreement**

The steps involved in closing the definitive Amalgamation Agreement are as follows:

1. The completed Amalgamation application will be filed with corporate registry (British Columbia) and a certificate of Amalgamation issued wherein Centenario and SubCo will continue as one entity that is wholly owned by AADirection (on Closing the Resulting Issuer);
2. Each holder of Centenario Shares outstanding immediately prior to the Amalgamation shall automatically receive one (1) AADirection (Resulting Issuer) Share for every one (1) Centenario Share held, in exchange for the transfer to AADirection, or cancellation of, their Centenario Shares;
3. Each holder of Centenario share purchase warrants outstanding immediately prior to the Amalgamation shall automatically receive one (1) AADirection (Resulting Issuer) share purchase warrant on a 1:1 basis such that the exercise price and the term of the warrant will be the same, in exchange for the cancellation of their Centenario warrants;
4. Each holder of Centenario Units outstanding immediately prior to the Amalgamation shall automatically receive one (1) AADirection (Resulting Issuer) Unit on a 1:1 basis, each AADirection Unit consisting of an AADirection share and an AADirection share purchase warrant with the exercise price and the term of the warrant being the same as for Centenario Units, in exchange for the transfer to AADirection or cancellation of their Centenario Units;
5. The exchange of securities will result in Centenario becoming a wholly owned subsidiary of AADirection (Resulting Issuer) that will continue to own its subsidiary Durango;
6. Management of Centenario will take over management of AADirection (the Resulting Issuer) with AADirection (Resulting Issuer) Board consisting of five members, being Douglas Fulcher (President), Alain Charest (CEO), Kevin Milledge, Pablo Martinez and Xiao Qin (Mary) Ma, an existing director of AADirection. Jonathan Younie will be appointed CFO;

7. The name of AADirection is expected to be changed to Centenario Gold Corp. or such other name as incoming management decide and the stock symbol will be changed from AAD to such other symbol as incoming management decide subject to Exchange requirements;
8. All of the assets of the combined entities will merge, as will all the liabilities; and
9. With the final Exchange bulletin, AADirection will have its listing upgraded to Tier 2 of the Exchange and will have a minimum of 40,805,485 AADirection shares on a non-diluted basis, and a minimum of 52,281,147 AADirection shares on a fully diluted basis (assuming maximum 7% finder's warrants issued) assuming Closing of the Financing for minimum gross proceeds of \$1,750,000.

The Resulting Issuer will be engaged in the business which is currently conducted by Centenario, which is as a resource exploration mining company.

In connection with the Transaction, Centenario held a shareholder meeting on April 11, 2023 at which, among other matters, Centenario Shareholders approved, by unanimous special resolution, the Amalgamation, and related matters to be effective on completion of the Transaction.

The completion of the Transaction will be affected pursuant to the terms of the Amalgamation Agreement and upon receipt of the necessary regulatory approvals.

#### *Conditions of the Transaction*

The Transaction is subject to certain conditions, including but not limited to, no material adverse change occurring prior to the Closing, receiving all necessary regulatory and third-party approvals, and the Exchange being satisfied that after completion of the Transaction, the Resulting Issuer will satisfy the Exchange's Initial Listing Requirements in order to become a Tier 2 resource exploration mining issuer.

#### *Effective Date of the Closing*

It is anticipated that the Transaction will close after the requisite regulatory approvals have been obtained and all other conditions to the Closing have been satisfied or waived, which is anticipated to occur in May or June of 2023. It is anticipated that the Final Exchange Bulletin will be issued as soon as reasonably practicable thereafter. See "*Information concerning the Transaction*".

#### *Resulting Issuer Board Reconstitution*

As noted above, the Resulting Issuer will, in connection with the Transaction and subject to the approval of the TSXV, complete a reconstitution of the Board, whereby the following four (4) new directors will join Mary Ma on the Board: Douglas Fulcher, Alain Charest, Pablo Mendez and Kevin Milledge. Following Closing, the revised Board will continue as the Resulting Issuer Board.

#### *Resulting Issuer Management Reconstitution*

As noted above, pursuant to the Amalgamation Agreement, the Resulting Issuer will complete a reconstitution of its management team, as follows:

Alain Charest, Chief Executive Officer, Douglas Fulcher, President and Corporate Secretary, Jonathan Younie, Chief Financial Officer, subject to any required approvals by the TSXV. Following Closing, the aforementioned individuals will continue as the management team of the Resulting Issuer.

#### **Proposed Principals of the Resulting Issuer**

##### ***Douglas Fulcher (Age: 67) – President, Corporate Secretary and Director***

Mr. Fulcher has over 45 years of mineral exploration experience. He has worked with numerous senior and junior mining companies, domestically and at an international level, both public and private. Mr. Fulcher is currently the President of Centenario and the President and CEO of One World Lithium Inc. Previously, he was the President and CEO of Maritime

Resources Corp from March 2014 to January 2019. He was the President and CEO of Abacus Mining and Exploration from 2003 until 2010 where he was instrumental in the development of the Afton Ajax project. Mr. Fulcher also served on the Boards of True Grit Resources Ltd. and previously was the President of Burnstone Ventures Inc., Skygold Ventures Ltd and a director of Redstar Gold Corp. and Niblack Mining Corp which was formed as a spin out company of Abacus Mining. Mr Fulcher has a business degree from Capilano University. Mr. Fulcher will devote his time as needed to Centenario, but at a minimum, Mr. Fulcher will devote 75% of his working time to the affairs of Centenario pursuant to the Digga Holdings Consulting Agreement.

Mr. Fulcher has entered into the Digga Holdings Consulting Agreement and is thereby an independent contractor of Centenario. Mr. Fulcher has not entered into any non-competition or non-disclosure agreements with Centenario; however, pursuant to the Digga Holdings Consulting Agreement, he is subject to confidentiality provisions and is bound to not engage in any other business activities that could create a conflict of interest with Mr. Fulcher's services and duties to Centenario without the prior written consent of the Board.

***Alain Charest (Age: 66) – Chief Executive Officer, VP Exploration and Director***

Mr. Charest is a geological engineer with more than 40 years in major and junior company exploration worldwide. He has spent the past 27 years based in Mexico exploring and developing mining operations. Mr. Charest was VP Exploration for Francisco Gold Corp. and Chesapeake Gold Corp., both operating in Mexico. Mr. Charest studied Geological Engineering at the University of British Columbia. Mr. Charest will devote his time as needed to Centenario, but at a minimum, Mr. Charest will devote 75% of his working time to the affairs of Centenario pursuant to the Charest Consulting Agreement.

Mr. Charest has entered into the Charest Consulting Agreement and is thereby an independent contractor of Centenario. Mr. Charest has not entered into any non-competition or non-disclosure agreements with Centenario; however, pursuant to the Charest Consulting Agreement, he is subject to confidentiality provisions and is bound to not engage in any other business activities that could create a conflict of interest with Mr. Charest's services and duties to Centenario without the prior written consent of the Board.

***Pablo Mendez (Age: 43) – Director***

Pablo Méndez joined legal firm Ec Rubio in October 2004 and became partner in March 2010. In 2007, he opened the Mining Area of the Ec Rubio and has been its director since. In 2017, he was appointed Managing Director of the Chihuahua office. From 2002 to 2004, he worked for the Ministry of Foreign Affairs at the Consulate of Mexico in Albuquerque, New Mexico, US. His areas of expertise are civil, commercial and banking litigation, mining, international affairs, amparo and immigration. Mr Mendez earned a law degree at Instituto Panamericano de Alta Dirección de Empresas.

Mr. Mendez is not an independent contractor or employee of Centenario and has not entered into non-competition or non-disclosure agreements with Centenario. Mr. Mendez will devote his time to Centenario on an as needed basis as required by both board and committee meetings.

***Kevin Milledge (Age: 67) – Director***

Mr. Milledge has over 45 years' experience as a businessman and entrepreneur in the mineral exploration field. Mr. Milledge is president of Pamicon Developments Ltd., which is a full-service geological consulting firm with global experience. He has held management and executive positions and has extensive experience in project planning, development, and budgeting. Mr. Milledge has served on the boards and committees of several public companies trading on both the TSX Venture Exchange and Canadian Securities Exchange. Mr. Milledge is currently on the board of One World Lithium Inc. and is the Chairman of the Audit Committee.

Mr. Milledge is not an independent contractor or employee of Centenario and has not entered into non-competition or non-disclosure agreements with Centenario. Mr. Milledge will devote his time to Centenario on an as needed basis as required by both board and committee meetings.

***Jonathan Younie (Age: 54) – Chief Financial Officer***

Mr. Younie has been the Principal of Copsewood Capital Corp., a Corporate Finance and Accounting firm since 2020. From December 2006 until May 2021, he was Manager, Corporate Finance and Accounting of New Dawn Holdings Ltd., an

investment and financial consulting firm providing administration and financial advisory services to private and public companies. Mr. Younie has been the Chief Financial Officer of Centenario since April 1, 2021.

Mr. Younie is a Director of Kelly Ventures Ltd., a CPC company listed on the TSXV, the Chief Financial Officer of Condor Resources Inc., a junior natural resource company listed on the TSXV, and Chief Financial Officer of Galaxy Ventures Inc., a CPC company listed on the TSXV. From April 2019 to November 2021, he was Chief Financial Officer of RooGold Inc. (formerly JNC Resources Inc. and now named Metalite Resources Inc), a junior natural resource company listed on the CSE. Mr. Younie has also served as a director and/or officer of a number of other public companies listed on the TSXV/NEX. See “*Other Reporting Issuer Experience*” below for details. Mr. Younie will devote his time as needed to Centenario, but at a minimum, Mr. Younie will devote 33% of his working time to the affairs of Centenario pursuant to the Copsewood Consulting Agreement.

Mr. Younie has entered into the Copsewood Consulting Agreement and is thereby an independent contractor of Centenario. Mr. Younie has not entered into any non-competition or non-disclosure agreements with Centenario; however, pursuant to the Copsewood Consulting Agreement, he is subject to confidentiality provisions and is bound to not engage in any other business activities that could create a conflict of interest with Mr. Younie’s services and duties to Centenario without the prior written consent of the Board.

#### ***Mary Ma (Age: 50) – Director***

Ms. Ma, CPA, CGA has been involved with publicly listed companies since 2009. She has advised a few companies on going public in Canada and China and played a significant role which led to a successful completion of such transactions including merger, acquisition and project financing. She also has been a Chief Financial Officer, Director and Corporate Secretary in a couple of public companies listed on the TSX and TSX Venture Exchange since 2009. Ms. Ma is a senior financial and accounting professional with acute business sense, and she has more than 20 years of experience in accounting, finance, and the operating fields of private, international, and public companies.

## **INFORMATION CONCERNING AADIRECTION**

### **Corporate Structure**

#### *Name and Incorporation*

AADirection Capital Corp. was incorporated on December 1, 2020, under the laws of the *BCBCA*. It has one wholly-owned subsidiary, 1403285 B.C. Ltd., a company incorporated under the *BCBCA* which is referred to as SubCo in this Filing Statement.

The registered and head office of AADirection is located at 2110 28th Street, West Vancouver, British Columbia, V7V 4M3.

#### *General Development of the Business*

#### History

AADirection is a Capital Pool Company formed pursuant to the policies of the TSX Venture Exchange with a view to completing a Qualifying Transaction.

It received a receipt from the British Columbia Securities Commission, and Alberta Securities Commission for its final prospectus on December 9, 2021.

On August 17, 2021, AADirection completed its initial public offering by issuing 4,000,000 AADirection Shares at a price of \$0.10 per share for gross proceeds of \$400,000. Canaccord Genuity Corp. acted as Agent for the offering and received an administration fee and a cash commission equal to 10% of the gross proceeds of the offering. The Issuer also granted the Agent and members of its selling group non-transferrable warrants to purchase up to an aggregate of 400,000 AADirection Shares at a price of \$0.10 per share until August 16, 2026. No Agent’s warrants have been exercised to date.

On August 19, 2021, AADirection started trading on the Exchange under the symbol “AAD.P”.

On January 20, 2023, AADirection entered into the Letter Agreement with Centenario pursuant to which AADirection agreed to acquire all of the outstanding shares of Centenario. The Transaction is intended to be a “Qualifying Transaction” for AADirection as defined under TSXV policies.

On February 24, 2023, AADirection entered into the Loan Agreement with Centenario to lend \$150,000 to Centenario pursuant to the terms of the Letter Agreement, subject to Exchange acceptance. The loan is secured by way of the Security Agreement entered into by the parties which provides a general charge over the assets of Centenario in favour of AADirection. Following Exchange acceptance, the principal amount of the loan was advanced to Centenario in the month of March, 2023. There is no interest accruing on the loan unless the Qualifying Transaction is terminated and upon Closing of the Amalgamation, the loan will effectively be extinguished.

On March 21, 2023, the Issuer, Centenario and SubCo entered into the Amalgamation Agreement. The Amalgamation Agreement replaces and supersedes the Letter Agreement, except for certain provisions specifically stated in the Amalgamation Agreement to continue in force, and contemplates that the Transaction will be completed by way of an amalgamation among the Issuer, Centenario and SubCo. Centenario will become a wholly-owned subsidiary of the Resulting Issuer on completion of the Transaction by way of Centenario amalgamating with SubCo.

Pursuant to the terms of the Amalgamation, Centenario and SubCo will amalgamate by way of a statutory amalgamation pursuant to section 175 of the *Business Corporations Act* (British Columbia). The Amalgamation is structured as a reverse takeover of AADirection by Centenario, and by way of the three-way exchange of securities with AADirection and SubCo, the shareholders of Centenario will receive securities of AADirection (which on Closing is referred to as the Resulting Issuer) on a 1:1 basis wherein:

1. the Centenario Shareholders will exchange their 23,138,818 Centenario Shares for 23,138,818 Resulting Issuer Shares;
2. the Centenario Shareholders will exchange their 1,925,663 share purchase warrants exercisable at \$0.20 per warrant share expiring February 1, 2025 for Resulting Issuer Warrants on the same terms.

Centenario will become a wholly owned subsidiary of the Resulting Issuer, that will in turn continue to own its subsidiary, Durango Gold, which holds the option to acquire a 100% interest in the Eden Property. The management of the Resulting Issuer will be the existing management of Centenario.

As one of the conditions precedent to Closing the Amalgamation, Centenario will have closed the Financing of Subscription Receipts at \$0.15 per Subscription Receipts, expected to be for aggregate gross proceeds of a minimum of \$1,750,000, such proceeds being held in escrow until the escrow release conditions as set out in the Subscription Receipt subscription agreement have been satisfied, as evidenced by the Escrow Agent receiving a Release Notice from Centenario that confirms that all regulatory conditions contained in the Conditional Acceptance of the Exchange have been satisfied, other than the financing condition that \$1,750,000 or more be raised in the Financing.

The completion of the Transaction remains subject to a number of terms and conditions customary for transactions of this nature, including regulatory approval of the matters contemplated by the Amalgamation Agreement.

Securities issued to Centenario shareholders by AADirection pursuant to the Proposed Transaction (other than those issued pursuant to the Financing and or other than prescribed exceptions in TSXV Policies), held by Principals of the Resulting Issuer are subject to escrow, and all securities held by Non-Principals are subject to Seed Share Resale Restrictions (SSRR). No new insiders of the Resulting Issuer (excluding those in their capacities as proposed directors and officers) are expected to be created under the Transaction.

### Selected Financial Information

	<b>Year Ended December 31, 2022</b> <b>(audited)</b> <b>(\$)</b>	<b>Year Ended December 31, 2021</b> <b>(audited)</b> <b>(\$)</b>
Total revenue	Nil	Nil
Total expenses	\$23,403	\$94,998
Net income (loss)	(\$17,928)	(\$94,998)
Per share (basic)	(\$0.00)	(\$0.03)
Per share (diluted)	(\$0.00)	(\$0.03)
Total assets	\$346,741	\$369,111
Total liabilities	\$253	\$4,895
Share capital	\$375,922	\$375,922
Deficit	\$114,479	\$96,551

### Management Discussion and Analysis

The management discussion and analysis of AADirection for the year ended December 31, 2022 is attached to this Filing Statement and can be found on SEDAR at [www.sedar.com](http://www.sedar.com). Please refer to SEDAR for AADirection's management discussion and analysis on its financial results for the relevant periods.

### Description of the Securities

The authorized capital of AADirection consists of an unlimited number of AADirection Shares without par value. As of the date of this Filing Statement, 6,000,000 AADirection Shares were issued and outstanding as fully paid and non-assessable shares.

The holders of AADirection Shares are entitled to receive notice of and attend any meeting of AADirection Shareholders and are entitled to cast one vote for each AADirection Share held. AADirection Shareholders are entitled to receive dividends, if, as and when declared by the Board and to receive a proportionate share, on a per share basis, of the assets of AADirection available for distribution in the event of a liquidation, dissolution or winding-up of AADirection.

### Stock Option Plan

AADirection adopted AADirection Stock Option Plan as at June 1, 2022 that was approved by AADirection Shareholders at its most recent annual general meeting on June 1, 2022. The purpose of the Stock Option Plan is to advance the interests of AADirection and AADirection Shareholders and subsidiaries by attracting, retaining and motivating the performance of selected directors, officers, employees or consultants of AADirection of high caliber and potential and to encourage and enable such persons to acquire and retain a proprietary interest in AADirection by ownership of its stock.

The Stock Option Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance, set aside and made available for issuance under the Stock Option Plan may not exceed 10% of the issued and outstanding shares of AADirection at the time of granting of options. Furthermore, the aggregate number of shares that may be issued pursuant to the exercise of stock options awarded under the Stock Option Plan and all other security-based compensation arrangements of AADirection shall not exceed 10% of the issued and outstanding Shares at any given time.

The aggregate number of options granted under the Stock Option Plan in any 12-month period to any one person (including Associates and Affiliates), together with all other security-based compensation arrangements of AADirection, must not exceed 5% of the then issued and outstanding AADirection Shares of AADirection on a non-diluted basis.

The Stock Option Plan will be administered by the board of directors of AADirection or by a special committee of directors which will have full and final authority with respect to the granting of all options thereunder. Options may be granted under the Stock Option Plan to such directors, officers, employees or consultants of AADirection or its subsidiaries, if any, as the board of directors may, from time to time, designate. Options may also be granted to employees of management companies providing management services to AADirection.

The exercise price of any options granted under the Stock Option Plan shall be determined by the board of directors, subject to the approval of the Exchange if necessary but in no event may this exercise price be lower than the exercise price permitted by the Exchange.

The term of any options granted under the Stock Option Plan shall be determined by the board of directors at the time of grant, subject to earlier termination in the event of dismissal for cause, termination other than for cause, or in the event of death. The term of any options granted under the Stock Option Plan may not exceed ten (10) years.

If desired by the board of directors, options granted under the Stock Option Plan may be subject to vesting. Vesting provisions will be determined by the board of directors, at its discretion and depend on the circumstances surrounding the grant of options. Options granted under the Stock Option Plan are not to be transferable or assignable other than as a consequence of the death of the holder. Subject to certain exceptions, in the event that a director, officer, consultant, or employee of AADirection ceases to hold office or ceases to be a management company employee, options granted to such individual under the Stock Option Plan will expire 90 days after such individual ceases to hold office or such longer period as determined by the board of directors of AADirection. In the event of death of an option holder, options granted under the Stock Option Plan expire one year from the date of the death of the option holder.

Should the expiry date of an option fall within a period during which the relevant participant is prohibited from exercising an option due to trading restrictions imposed by AADirection pursuant to any policy of AADirection respecting restrictions on trading that is in effect at that time, otherwise referred to as a black-out period, or within nine (9) business days following the expiration of a such black-out period, such expiry date of the option shall be automatically extended without any further act or formality to that date which is the tenth (10th) business day after the end of such black out period, such tenth (10th) business day to be considered the expiry date for such option for all purposes under the Stock Option Plan. The ten (10) business day period may not be extended by AADirection's Board.

#### *Prior Sales*

AADirection has not issued any AADirection Shares in the past 12 months.

#### *Stock Exchange Price*

The outstanding AADirection Shares are listed on the TSXV under the trading symbol "AAD.P". AADirection Shares became eligible to commence trading on August 19, 2021. The last day on which there was a trade of a board lot of AADirection Shares was November 11, 2022, being a trade at \$0.13. AADirection Shares were halted from trading on the TSXV on January 20, 2023.

The following table sets out the high and low trading prices and aggregate volume of trading for AADirection Shares on a quarterly basis for the period from the commencement of trading on August 19, 2021 and the last board lot trade on November 11, 2022:

Period	Trading Range (\$)		Trading Volume
	High	Low	
Quarter ended December 31, 2022	\$0.13	\$0.13	20,000
Quarter ended September 30, 2022	\$0.135	\$0.13	8,000
Quarter ended June 30, 2022	\$0.14	\$0.135	29,000
Quarter ended March 31, 2022	N/A	N/A	N/A
Quarter ended December 31, 2021	\$0.135	\$0.135	10,000
Period ended September 30, 2021	\$0.15	\$0.15	20,000

#### **Note:**

(1) At AADirection's request, trading of AADirection Shares was halted on January 20, 2023.

## STATEMENT OF DIRECTOR AND EXECUTIVE OFFICER COMPENSATION

Executive compensation is required to be disclosed for (i) each chief executive officer (or individual who served in a similar capacity during the most recently completed financial year), (ii) each chief financial officer (or individual who served in a similar capacity during the most recently completed financial year), (iii) each of the three most highly compensated executive officers (other than the chief executive officer and the chief financial officer) who were serving as executive officers at the end of the most recently completed fiscal year (or three most highly compensated individuals) and whose total compensation was, individually, more than \$150,000; and (iv) each individual who would meet the definition set forth in (iii) but for the fact that the individual was neither an executive officer of AADirection, nor acting in a similar capacity, at the end of that financial year (the "Named Executive Officers" or "NEOs").

Compensation of the Named Executive Officers of AADirection is reviewed annually by AADirection's Board. The Board's objective in setting compensation levels is that the aggregate compensation received by a Named Executive Officer be generally competitive with the compensation received by persons with similar qualifications and responsibilities who are employed by other companies of corresponding size and stage of development. In setting such levels, the Board relies primarily on its own experience and knowledge of the marketplace, supplemented by independent advisors, as required.

AADirection's view of salaries and fees is that they should be competitive with industry peers, to the extent that can be determined, and with other public companies at similar stages of development and having similar assets, number of employees, market capitalization and profit margin. In addition to the salary, the Board may from time to time pay a bonus to a Named Executive Officer for either the accomplishment of specific performance criteria or for exceptional performance, as may be applicable in accordance with their respective agreements with AADirection.

### *Compensation of Directors*

The Board sets the compensation received by its members. AADirection does not currently compensate its members in their capacity as directors of AADirection.

### *Summary Compensation Table*

The following table sets forth information concerning the total compensation paid to the Named Executive Officers within the three most recently completed years.

Name and Position	Year Ended December 31	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all Other Compensation (\$)	Total Compensation (\$)
<b>Mary Ma</b> CEO, CFO & Director	2022	\$2,800 <sup>(2)</sup>	Nil	Nil	Nil	Nil	\$2,800
<b>Mary Ma</b> CEO, CFO & Director	2021 <sup>(1)</sup>	\$700 <sup>(2)</sup>	Nil	Nil	Nil	Nil	\$700
<b>Joanne Yan</b> CEO, CFO & Director	2021	Nil	Nil	Nil	Nil	Nil	Nil

#### **Notes:**

(1) Xiao Qin (Mary) Ma replaced Joanne Yan as CEO, CFO and Corporate Secretary on November 10, 2021.

(2) Mary Ma's wholly owned consulting company, Marvellous Consulting Corp. was paid fees strictly for accounting services performed by Mary Ma.

### *Stock Options and Other Compensation Securities*

AADirection has AADirection Stock Option Plan described above but does not have any other plan for the issuance of compensation securities.

### *Pension Plan Benefits*

AADirection does not have any defined benefit or defined contribution pension plans in place that provide for payments or benefits at, following, or in connection with retirement.

### *Employment, Consulting and Management Agreements*

There are no management functions of AADirection that are to any substantial degree performed by a person or company other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of AADirection, other than the engagement agreement pursuant to which Michael Woods is compensated for the indirect services of Woods & Company as counsel of AADirection.

### *Non-Arm's Length Party Transaction*

Except as otherwise disclosed herein, the directors and senior officers of AADirection and Affiliates thereof have not had any direct or indirect material interest in any transaction or proposed transaction since its date of incorporation to the date of this Filing Statement that has materially affected or will materially affect AADirection or the Resulting Issuer other than as disclosed below.

### *Arm's Length Transaction*

The Transaction is not a Non-Arm's Length Qualifying Transaction.

### *Legal Proceedings*

AADirection has not been, and is not presently involved in, any legal proceedings material to it, and insofar as it is aware, no such proceedings are contemplated.

## **AUDITOR, TRANSFER AGENT AND REGISTRAR**

### *Auditor*

AADirection's current auditors are Mao & Ying LLP, whose office is located at Suite 1488 - 1188 West Georgia Street, Vancouver, BC V6E 4A2.

### *Transfer Agent and Registrar*

The transfer agent and registrar for AADirection Shares is Odyssey Trust Corporation at its Vancouver office located at United Kingdom Building #323 – 409 Granville Street Vancouver BC V6C 1T2.

## **MATERIAL CONTRACTS**

AADirection has not entered into any material contracts, outside of the ordinary course of business, prior to the date hereof, other than:

1. On July 8, 2021, an agency agreement between AADirection and the Agent in connection with its initial public offering;
2. On February 1, 2021, a CPC escrow agreement among AADirection, the Escrow Share Agent and Non-Arm's length Parties of AADirection;

3. On February 1, 2021, a transfer agent and registrar agreement between AADirection and Odyssey Trust Company;
4. Effective as of June 1, 2022, shareholders ratified the current stock option plan of AADirection which is dated as of the same date and previously adopted by the Board of AADirection;
5. On January 20, 2023, AADirection entered into the Letter Agreement with Centenario;
6. On February 24, 2023, AADirection entered into the Loan Agreement with Centenario to lend Centenario \$150,000;
7. On February 24, 2023, AADirection entered into the Security Agreement with Centenario whereby Centenario provided general security over its assets to AADirection with respect to AADirection's loan of \$150,000 to Centenario; and
8. On March 21, 2023, AADirection entered into the Amalgamation Agreement with Centenario which included Subco.

Copies of these material contracts will be available for inspection without charge at the registered office of AADirection at 2110 28th Street, West Vancouver, British Columbia, V7V 4M3, during ordinary business hours from the date hereof until the Closing, and for a period of 30 days thereafter.

## **INFORMATION CONCERNING CENTENARIO**

### **Corporate Structure**

#### *Name and Incorporation*

Centenario was incorporated on August 17, 2020 pursuant to the laws of the BCBCA.

Centenario's head office address is suite 615, 800 West Pender Street, Vancouver, BC V6C 2V6.

Centenario's registered and records office address is 2110 28<sup>th</sup> Street, West Vancouver, BC V7V 4M3.

#### *Intercorporate Relationships*

Durango Gold, a company incorporated and duly existing under the laws of Mexico is a wholly beneficially owned subsidiary of Centenario (wherein one (1) common share of the one-hundred (100) common shares issued and outstanding in Durango Gold is registered in the name of a Mexican officer of Durango Gold pursuant to Mexican law).

#### *General Development of the Business*

#### History

On March 24, 2021, Centenario signed the Option Agreement, as amended, pursuant to which Centenario has the sole and exclusive option to acquire 100% of the rights and interests in the Eden Property subject to a 1.0% NSR. The Eden Property, located on the border of the states of Durango and Sinaloa, Mexico, consists of two (2) contiguous and titled mineral concessions named El Eden and El Eden 1 covering approximately 2,489 hectares.

Centenario's option to acquire the rights and interests in the Eden Property is exercisable by making aggregate cash payments of US \$700,000 over 4 years and by incurring minimum exploration expenditures totaling US \$3,000,000 over four years.

The cash payments and minimum exploration expenditures schedule pursuant to the Option Agreement are as follows:

1. cash payment of US \$50,000 upon signing the Eden Agreement (paid);
2. cash payment of US \$50,000 on or before March 24, 2022 (paid);

3. cash payment of US\$75,000 on or before March 24, 2023 (paid);
4. as amended, US \$1,000,000 cumulative expenditures on or before March 24, 2024;
5. cash payment of US \$100,000 on or before March 24, 2024;
6. cash payment of US \$425,000 on or before March 24, 2025; and
7. US \$3,000,000 cumulative expenditures on or before March 24, 2025.

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

Centenario 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.

All technical disclosure on the Eden Property (or the Property) is drawn from the Technical Report available at [www.sedar.com](http://www.sedar.com) under the Issuer's profile. Any capitalized terms not defined herein are defined in the Technical Report.

### *Introduction*

The Property consists of two north-south un-surveyed contiguous minerals concessions (El Eden and El Eden 1) that cover an area of 2488.9 hectares, centred at Latitude 24.63° and Longitude -106.49°. The Property is located 160 km from both the cities of Mazatlán and Culiacan along good, paved roads. The town of Cosalá offers all the essential services and amenities for supporting an exploration program. The southern part of the Eden Property can be accessed from Cosalá, following a moderately-good dirt road east for 37 km. The terrain at Eden is sparsely vegetated and moderately steep, with elevations ranging from 400m in the south to 850m in the north.

AADirection Capital Corp. entered into a binding letter agreement dated January 20, 2023, to acquire 100% of the outstanding common shares in the capital of acquire Centenario Gold Corp., by way of a one-for-one share exchange issuing 23,138,818 issuer common shares to the shareholders of Centenario Gold Corp.

The AADirection Capital Corp. will also issue 1,925,663 share purchase warrants on a one-for-one basis in exchange for all outstanding share purchase warrants of Centenario Gold Corp. as at the closing date on the same terms as were issued by Centenario.

On March 24, 2021, Centenario Gold Corp., through its 99%-ownership of a Mexican Subsidiary Company named 'Durango Gold Corp SA de CV, signed an 'Exploration and Option to Acquire Mineral Rights Agreement' with the owners of the Eden mineral property.

An option agreement to acquire mineral rights dated March 24, 2021 between Centenario Gold Corp. and 3 individuals, Dr. Eduardo Navarro (34%), Ing. Ignacio Martinez (33%) and Ing. Antonio Flores, (33%) allows Centenario Gold Corp to acquire 100% in two mineral concessions. Centenario Gold Corp. must undertake \$3,000,000USD of mineral exploration and make cash payments of \$812,000USD over a four-year period.

On April 13, 2021, Centenario Gold Corp. applied to the Mexican government for another concession Eden 2. The application has Centenario Gold Corp. owning 50% interest. The remaining 50% is controlled by Ing. Antonio Flores and Dr. Arturo Navarro. The application is still outstanding as of the date of this Filing Statement. The reader is cautioned that it is unclear if Eden 2 mineral concession application is going to be granted.

The gold-silver mineralization is hosted in a N to N20°E trending system of fracture-filling veins and breccias. Three main mineralized structures are being evaluated by Centenario Gold Corp: The Buenavista, La Provedora, and La Paloma. Of these prospects, Buenavista has received most of the exploration to date.

Centenario Gold Corp from February 2, 2021 to January 31, 2023 undertook an initial exploration program on the Eden Property that included 172 surface rock samples, 38 underground rock samples from historical adits, detailed mapping across

main prospect showings, followed by a 704-soil sample and 34.1-line kms of Induced Polarization (IP) ground geophysical survey over the ‘two prospect’s in the mineralized corridor.

The Property hosts gold and silver bearing structures that are hosted in a system of north-north-east trending, easterly dipping, fissure-filling, quartz-rich veins and breccias. Sugary and bladed lattice boiling textures were observed in some of the vein showings.

Based on regional mapping and sampling completed by Centenario Gold Corp. The ‘Buenavista’ mineralized system is interpreted to include sub-parallel vein structures, stockworks, and fracture zones that outcrop sporadically over more than 1,300 m on a trend of N to N20°E from the area of the old mine workings.

The four vein-breccia structures vary from 0.5 m to 3.0 m in width and can extend for more than 1km along trend. The initial exploration program outlined the extent of the mineralized structures along strike (mapping and sampling). Three different underground channel rock samples collected by Centenario Gold Corp contained values greater than 25 g/t gold that are all associated with silver over 390 g/t. One rock (0.6m) channel sample taken in a ‘Buenavista’ adit returned 239 g/t gold and 1390 g/t silver.

The dominant volcanic rock type seen on the Property 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 center of the Property there is a granodiorite intrusive body that outcrops over an area of 600m by 900m.

Centenario Gold Corp.’s exploration programs to date have resulted in the Eden Property being at the drilling ready stage. The recommend work program consists of a up to 1,500-meter drill program on the Buenavista prospects. In addition, field confirm targets identified by the geophysical and soil sampling surveys. This is estimated cost is \$491,180 USD.

With respect to the validity and good standing of the Eden Property, the author of the Technical Report relied on a legal opinion from Mexican counsel as described in the Technical Report and is derived from Mexican public registry records.

#### *Property and Location*

The Eden Property is located in southeastern Sinaloa and western Durango States, Mexico in the southwestern foothills of the Sierra Madre Occidental. The Property is composed of two north-south unsurveyed contiguous claims that cover an area of 2488.9 hectares centered at Latitude 24.63° and Longitude -106.49°.

The two titled mineral concessions, El Eden and El Eden 1, belong to a group of 3 individuals, Dr. Eduardo Navarro (34%), Ing. Ignacio Martinez (33%) and Ing. Antonio Flores, (33%). These two concessions are in good standing and current with respect to holding taxes and work assessments (Herrera, 2023). There are two small internal mineral concessions that are not part of the Eden Property, the Guadalupana\* concession (25 hectares) to the southwest, and the Republicana concession (50 hectares) near the central eastern part of the Property (Figure 2).

\*NOTE: Although the Title of the ‘Guadalupana’ mineral Concession is temporarily ‘cancelled’, the concession owners are completing all the necessary legal procedures to require the rights to the mineral concession.

Table 2: Mineral Concessions, Eden Project

Name	Title	Area (ha)	Issue date	Expiry date	Titleholders	Status
El Eden	242537	1174.00	06.11.2013	05.11.2063	Antonio B. Flores Martinez (34%) Eduardo A. Navarro Contreras (33%) Ignacio Martinez Dominguez (33%)	Active
El Eden	245101	1314.90	04.11.2016	03.11.2066	Antonio B. Flores Martinez (34%) Eduardo A. Navarro Contreras (33%) Ignacio Martinez Dominguez (33%)	Active

On April 13th of 2021, Centenario Gold Corp (through its 99% Mexican subsidiary Durango Gold Corp SA de CV, applied to the Mexican government for another concession called Eden 2 (Table 3). The application has Centenario Gold Corp. owning a 50% interest in the concession. The remaining 50% is controlled by Ing. Antonio Flores and Dr. Arturo Navarro.

The title is still outstanding as of the date of this Filing Statement. The reader is cautioned that it is unclear when or if the Eden 2 mineral concession application is going to be granted (Figure 2).

Table 3: Eden 2 Application

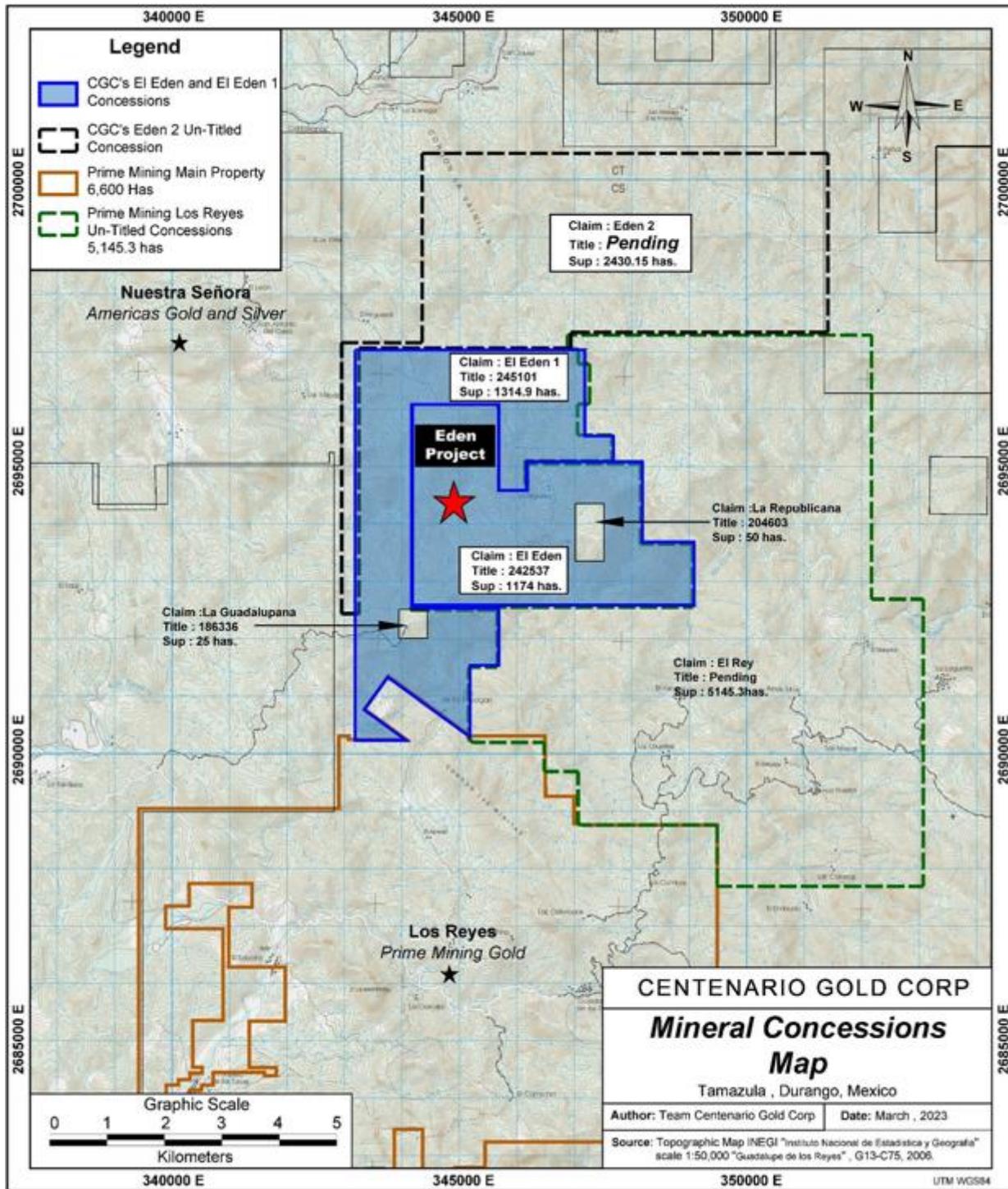
Title No.	Name	Hectares	Mineral Concession Owners and %
Exp. 95/15245	Eden 2	2430.15	Dr. Eduardo A. Navarro C & Ing. Antonio Flores M.; 50% Durango Gold Corp. S.A. de C.V.; 50%

No environmental liabilities were observed during the authors site visit.

Figure 1: Regional Location Map



Figure 2: Mineral Tenure Map



## Surface Rights

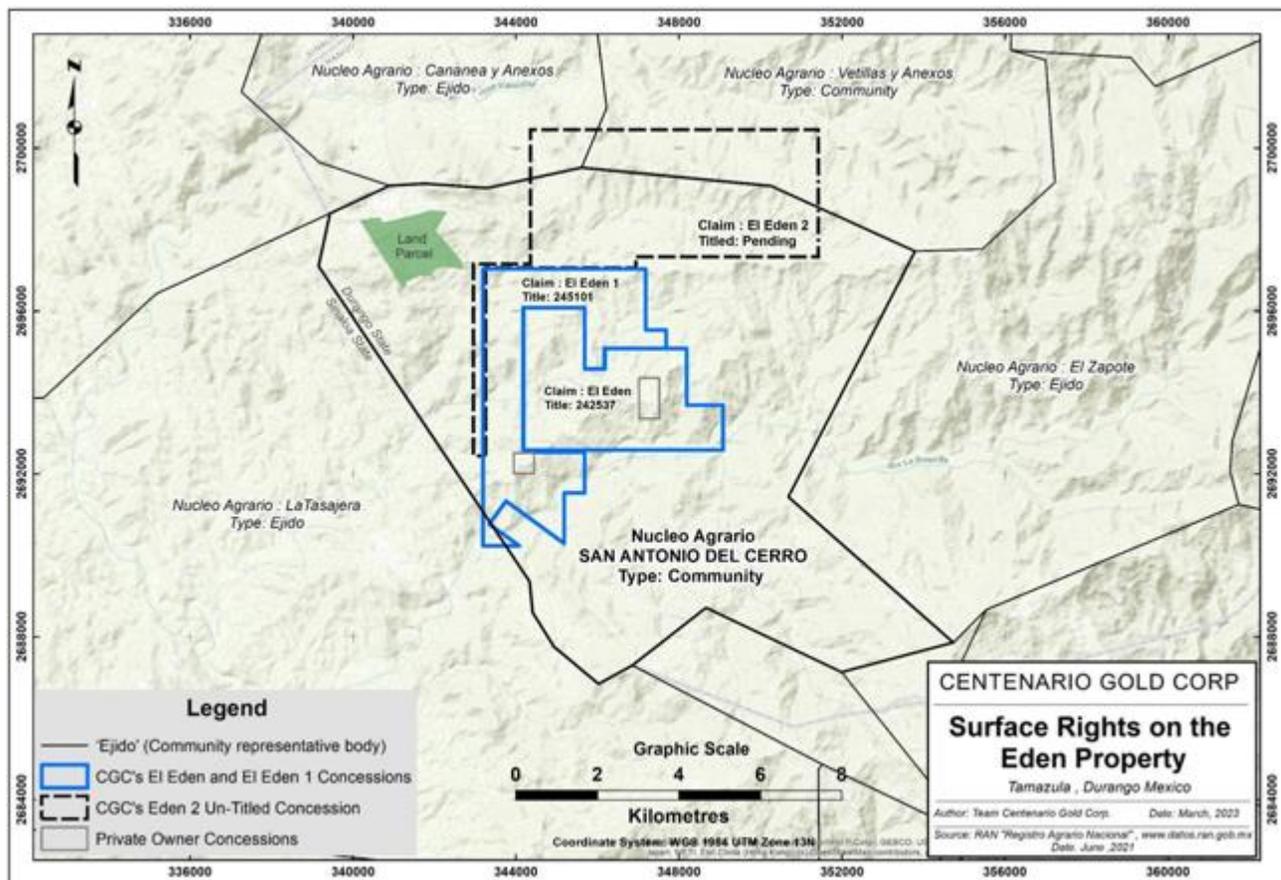
More than 98% of the Eden Property belongs to the 'Ejido' (Community representative body) of Tamazula, state of Durango. Only a small portion, about 22 ha in size, a small wedge of ground at the SW corner of the El Eden 1 mineral concession, is part of the 'Ejido' of Cosalá, state of Sinaloa. On the Durango portion of Eden Property, the surface rights are held by a local agrarian association, or 'Nucleo Agrario', which is part of the Tamazula Ejido and named 'San Antonio del Cerro' (Figure 3).

Since April of 2021, the Centenario Gold Corp. representatives held frequent discussions with senior members of the 'San Antonio del Cerro' community, informing them about the company's intention to do a drilling program after preliminary mapping and sampling exploration work on the Eden Property is completed.

On January 15th of 2022, in the town of Cosalá, Sinaloa, the Centenario Gold Corp. Centenario Gold Corp. and the community of 'San Antonio del Cerro' representatives signed a formal exploration and right-of-way agreement allowing the Centenario Gold Corp. to move freely anywhere across the property and to do any kind of mineral exploration and project development work, including drilling.

Alain-Roch Charest Director of Centenario Gold Corp. reported that on April 1st, 2023, the community of San Antonio del Cerro representatives signed a consent letter with Centenario Gold Corp. allowing it to complete the drilling program. This consent letter, more specific to drilling activities, is required by SEMARNAT in order to get the environmental drilling permit.

Figure 3: Surface Land Rights on the Eden Property



## Centenario Gold Corp. - Navarro, Martínez, Flores 2021

In an agreement dated March 24<sup>th</sup>, 2021, Centenario Gold Corp. (through its 99% Mexican subsidiary Durango Gold Corp SA de CV) can acquire a 100% interest in the Eden Property from three: individuals, Dr. Eduardo Navarro (34%), Ing. Ignacio Martinez (33%) and Ing. Antonio Flores, (33%). Centenario Gold Corp must undertake \$3,000,000USD of mineral exploration and make cash payments of \$812,000USD over a four-year period.

Centenario Gold Corp. is required to spend a minimum of \$1,000,000USD in exploration expenditures over the first year of the term and \$2,000,000USD in the last two years. Centenario Gold Corp. signed an amendment to the original agreement on January 26<sup>th</sup>, 2023, to extend the obligation to have the \$1,000,000 expenditures on the property extended until March 24<sup>th</sup>, 2024 (Table 5).

Table 5. Schedule cash payments, Eden Property

EDEN PROPERTY SCHEDULE OF OPTION PAYMENTS					
Event	Date	Payment (US \$)	16% IVA	Total (US \$)	Status
Signing	24th of March 2021	\$50,000	\$8,000.00	\$58,000.00	PAID
1st year	24th of March 2022	\$50,000	\$8,000.00	\$58,000.00	PAID
2nd year	24th of March 2023	\$75,000	\$12,000.00	\$87,000.00	PAID
3rd year	24th of March 2024	\$100,000	\$16,000.00	\$116,000.00	NOT PAID
4th year	24th of March 2025	\$425,000	\$68,000.00	\$493,000.00	NOT PAID
	<b>TOTAL:</b>	<b>\$700,000</b>	<b>\$112,000</b>	<b>\$812,000</b>	

The agreement also provides the concession owners with a 1% Royalty, or net smelter royalty which the Centenario Gold Corp. has an exclusive right to buy back for \$1,000,000USD. The agreement also stipulates that the Centenario Gold Corp. will pay all holding taxes and complete all related work assessment reports for the duration of the agreement.

## AADirection Capital Corp. Centenario Gold Corp 2023

AADirection Capital Corp. entered into a binding letter agreement dated January 20, 2023, to acquire Centenario Gold Corp., a British Columbia mineral resource exploration company. Centenario Gold Corp. holds interest through a 99% interest in a Mexican subsidiary, Durango Gold Corp. SA de CV.

Pursuant to the agreement, AADirection Capital Corp. intends to acquire 100% of the outstanding common shares in the capital of Centenario Gold Corp. by way of a one-for-one share exchange issuing 23,138,818 issuer common shares to the shareholders of Centenario Gold Corp.

The issuer will also issue 1,925,663 share purchase warrants on a one-for-one basis in exchange for all outstanding share purchase warrants of Centenario as of the closing date on the same terms as were issued by Centenario.

AADirection Capital Corp. will also issue 1,925,663 share purchase warrants on a one-for-one basis in exchange for all outstanding share purchase warrants of Centenario Gold Corp.

On closing, it is agreed that AADirection Capital Corp., which will become the parent company of Centenario Gold Corp.

AADirection Capital Corp. as a sign of its commitment, agreed to loan to Centenario Gold Corp. \$150,000 to finance the March payment and for working capital. The loan is secured by way of a general security agreement.

### *Accessibility, Climate, Local Resources, Infrastructure and Physiography*

The Property is located within the Sierra Madre Occidental Mountain range that trends north-northwest along the western coast of México. The Property is located in southeastern Sinaloa and western Durango States. The Property is 37 km east southeast of Cosalá a small town of about 17,000 inhabitants, located approximately 160 km north of Mazatlán and 160 km southeast of Culiacan, the capital of Sinaloa State.

The town of Cosalá has a regional airport with Cessna airplanes available for private flights. Cosalá also offers services and amenities needed to support an exploration operation. Local facilities include a hospital, health clinics, banks, schools, hotels, restaurants, gas stations, food, and hardware stores. Most of the local people that live on and around the Eden Property work on raising cattle and tending small crops such as corn and wheat.

From Cosalá, there is a well-maintained dirt road that accesses the Eden Property from the west. The road passes through the small villages of Palo Verde and Tasajeras before reaching the southern-central part of the Property. The mineral concessions are located north of the historical Guadalupe de los Reyes Mining District.

Cosalá is proximal to four international airports. Mazatlán International Airport is located approximately 2.5 hours from Cosalá and has regular flights from many North America centres. The other three airports are: Culiacán International Airport, also located approximately 2.5 hours from Cosalá; Mochis International Airport, located approximately five hours from Cosalá; and General Guadalupe Victoria International Airport, also known as the Durango International Airport, located approximately six hours from Cosalá. Cosalá has a regional airport, Aeropuerto de Cosalá, located northwest of the city centre.

This region's weather is characterized by distinct wet and dry seasons, with most of the precipitation occurring in the high-sun ('summer') season. Annual temperatures range from 16°C to 29°C. Precipitation reaches a peak in July, with 212.6 mm of rainfall in 2019. The Property is accessible year-round, with the best time for access being fall through spring.

The vegetation varies from tropical bushes and shrubs within the river valleys to evergreen and other types of trees within the mountainous regions. Most of the land surrounding the villages is developed for agriculture.

From either Mazatlán or Culiacan (the capital of Sinaloa State) the drive to Cosalá is 160 km on paved roads, 108 km along HWY-15, then 52 km on a secondary road to Cosalá, altogether a 2 ½ to 3 hours drive. The Eden Property is located 37 km E-SE of Cosalá, a small town of about 17,000 inhabitants. From Cosalá, a moderately well-maintained dirt road trends southeasterly and accesses the southwestern part of the Eden Property, a 1.5-hour drive

The road passes through the small towns of 'Palo Verde' and 'Tasajeras' where the Centenario Gold Corp. exploration basecamp is located. From Tasajeras some 14 km further to the E-north-east the road connects with a 4x4 track that trend north-northeast and extends to the north-east corner of the concessions.

The elevation over the Eden Property varies from 400m to 850m above mean sea level (masl). The topography varies from steep to modest mountainous terrain in the north, to a relatively flat river valley in the south.

## History

Before Centenario Gold Corp. exploration programs, truly little was known about the prospect. There are numerous old mine workings identified on the property which have been sporadically active, at a small scale. The two titled mineral concessions, El Eden and El Eden 1, were staked over open ground by the present owners in 2013.

### *Centenario Gold Corp 2021 to 2022*

All of the current geological knowledge and understanding regarding the Eden Property is due to the geological work undertaken by Centenario Gold Corp. Selected work undertaken by Centenario Gold Corp is presented throughout this summary. Please note that the majority of the geological information is included in this section of the Filing Statement.

Centenario Gold Corp from February 2, 2021 to January 31, 2023 undertook an initial exploration program on the Eden Property that included 172 surface rock samples, 38 underground rock samples from historical adits, detailed mapping across main prospect showings, followed by a 704-soil sample and 34.1-line kms of Induced Polarization ground geophysical survey over the 'two prospect's in the mineralized corridor.

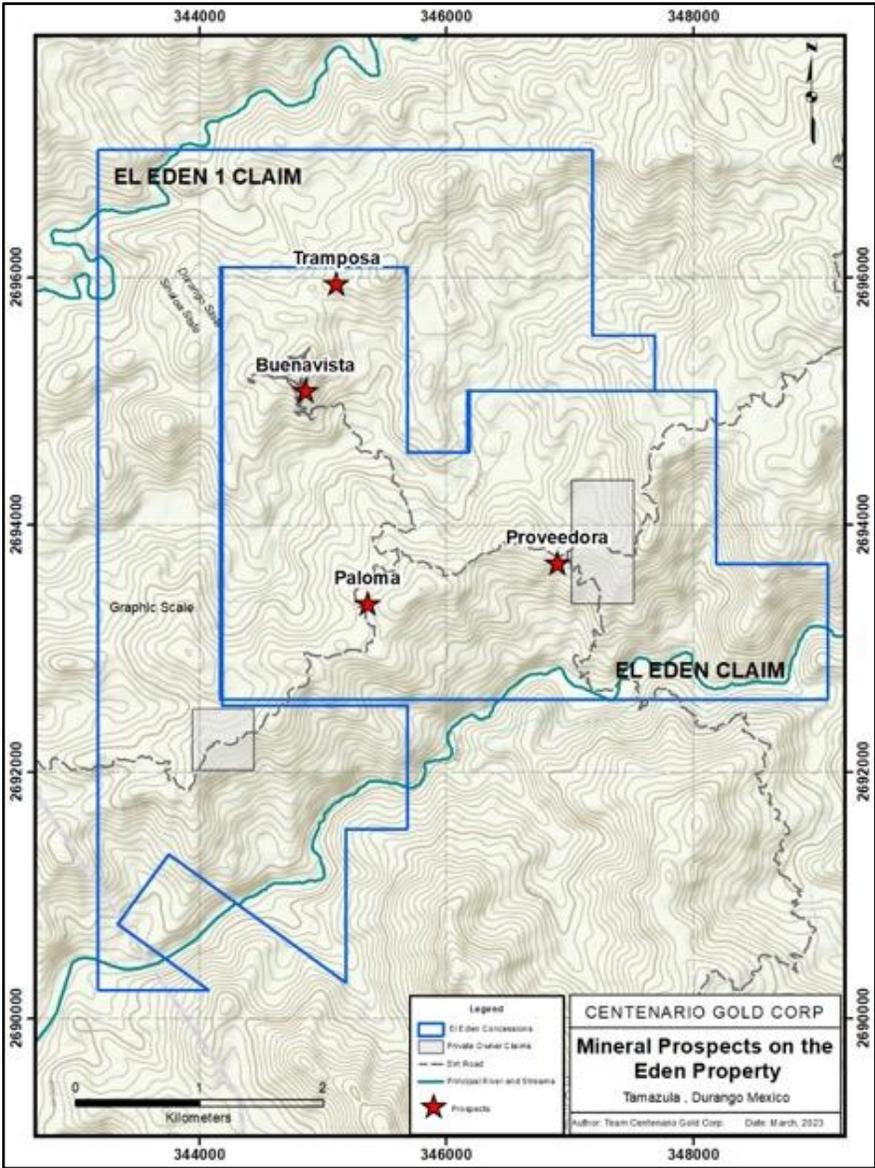
The surface and underground rock sampling was supervised by Centenario Gold Corp's senior project geologist. Except for grab samples, all rock samples consisted of rock chips, < 5 cm in diameter, collected across rock outcrops with the use of a chisel and hammer. Samples weighed between 1.5 kg and 2.0 kg. The length of the sample cuts varied from 0.3 m to 3.0 m and were usually oriented across a possibly mineralized structure such as veins, veinlets, and fracture zones. The sample chips were collected in a cotton cloth bag, labelled, and tied with a string.

The Centenario Gold Corp. geologists also completed semi-detailed mapping and sampling along a 2.8 km long section of the Buenavista mineralized corridor (Figure 5). Centenario Gold Corp. believes the mapping and rock sampling results have extended the Buenavista mineralized vein system, or corridor, to more than 1.2 km north-north-east and 1.6 km south southeast of the old mine workings.

To date, very little modern exploration work has been done on ‘La Paloma’ and ‘La Provedora’ prospects (Figure 5) due to overburden cover and the difficulty in accessing the old mine workings. Most of the exploration work by the Centenario Gold Corp was done on and around the ‘Buenavista’ prospect that has more rock outcroppings and less overburden cover. Several other similar north-south trending vein systems, represented by broad zones of quartz veinlets and stockworks, have also been identified by regional mapping on the Eden Property.

Based on the multi-element geochemical results, the base metal contents (Cu, Pb and Zn) of the samples collected are at background levels. Higher levels of contaminants such as arsenic, antimony or mercury are also absent from the mineralogical suite assayed by the labs.

Figure 5: Mineralized areas on the Eden Property



### *The Buenavista prospect*

The Buenavista prospect (Figure 5) is located at the north-west corner of the El Eden mineral concession and is only accessible at the present time by foot or ATV along an old road for about 2 km to the north-west of the location where a truck can be left. Buenavista represents the most interesting prospect that is known to date, it has received most of the exploration work completed by the Centenario Gold Corp.

Based on regional mapping and sampling completed by Centenario Gold Corp. the Buenavista mineralized system is interpreted to include sub-parallel vein structures, stockworks, and fracture zones that outcrop sporadically over more than 1,300 m on a trend of N to N20°E from the area of old mine workings (Figure 6: ).

Near the Buenavista mine workings, two sub-parallel mineralized quartz veins were identified and sampled, the La Nariz, and La Ardilla veins. Similar to the main Buenavista structure, these quartz-rich veins that are N20°E trending, 60°E dipping and 0.3 m to 0.6 m wide, are sometimes associated with a quartz stockworks that extend from 3.0 m to 5.0 m in width (Figure 8, Figure 10, Figure 11 is the legend).

The La Ardilla showing is restricted to a small quartz vein outcropping 25 m west of the 2<sup>nd</sup> Level portal of the old Buenavista showing. The vein is parallel to the main Buenavista vein. One rock sample collected by the Centenario Gold Corp. Sample ED-67 returned 24.6 g/t Au and 549 g/t Ag over 0.3 m.

The La Nariz prospect, also a sub-parallel vein structure, is located 140 m north of the La Ardilla showing, and 50m north-west of the main Buenavista vein. Segments of this vein were traced for more than 90 m following a N30°E strike. ED-08 rock sample returned 6.64 g/t Au and 1159.4g/t Ag over 1.3 m. These two sub-parallel vein structures, La Ardilla and La Nariz, could possibly be part of the same vein system, a structure that could also be a branch of the main Buenavista system.

Based on field observations at Buenavista, gold-silver mineralization occurs along oxidized fracture planes within a 0.5- to 1.0-m-wide quartz-dominant vein breccia structure usually accompanied by a lower grade, wider, greater than 5 m wide, quartz stockwork zone along the hanging-wall. Visible gold is common on the Eden Property's prospects except for La Paloma.

The surface rock samples collected at Buenavista and at other prospects were taken at intervals equal or greater than 10 m. At Buenavista, the samples were taken from the vein structure, outcropping at surface and underground around the old mine workings area and from smaller quartz-amethyst veinlets and breccia zones found along trend to the north-north-east and south-southeast (Figure 6, Figure 7, Figure 8, Figure 9 is the legend). The significant assay results from 'Buenavista' are listed in Table 8.

Across the 'Buenavista' old mine workings area, the vein structure partially outcrops for about 150 m along strike. Just south and northwest of this core area, two sub-parallel mineralized structures, 'La Nariz' and 'Ardilla', have been identified (Figure 6, Figure 7, Figure 8, Figure 9 is the legend). Zones of quartz stockworks of up to 5 m wide, containing low grade gold and silver values, occur sporadically along the hanging wall of the outcropping vein structure.

Based on Centenario Gold Corp. results of the reconnaissance, mapping and sampling programs, the 'Buenavista' fracture-filling, mineralized system extends for more than 1.0 km to the north-north-east and 1.8 km to the south-southeast of the old mine workings. The surface showings found across the core 'Buenavista' zone and further along trend to the north-north-east, and also better accessibility to the old mine tunnels, are very favorable conditions to allow systematic sampling and mapping of this particular prospect (Figure 6, Figure 7, Figure 8, Figure 9 is the legend, Figure 10, Figure 11 is the legend).

The old mine workings area at 'Buenavista' consist of three adits of varying lengths: 1<sup>st</sup> Level 90 m, 2<sup>nd</sup> Level 39 m, and 3<sup>rd</sup> Level 48 m. The three mining levels are spaced 15 m and 35 m apart in horizontal plan view. The adits were excavated along the southeast facing slope of a small hill and range between 700 m and 740 m masl.

The 1<sup>st</sup> Level follows the vein for 67m of strike from the portal; beyond this point to the face the vein becomes a stockwork Also in the 1st Level adit, an andesite-dacite dyke, 0.5m wide, outcrops along the footwall of the vein. The presence of quartz veinlets in the dyke suggest that it is most probably pre-mineral. In the 2<sup>nd</sup> Level the vein is exposed along the 39m length of the adit. The 3<sup>rd</sup> Level appears to be driven in the hanging wall, intersecting the vein at 38m from the portal where the vein is exposed for approximately 3m on a bend in the adit.

Based on the analytical results received by Centenario Gold Corp, 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 (Figure 6, Figure 7, Figure 8, Figure 9 is the legend). Specks of visible gold are often present along oxidized fractures within the vein.

Although the extensions of the Buenavista mineralized vein structure, both to the south-southeast and to the north-north-east, are very difficult to trace, the preliminary mapping and sampling results indicate that the ‘Buenavista’ mineralized structural corridor follows a regional fault that extends for more than 1200 m to the north-north-east and 1600 m to the south-southeast, and possibly connects with the ‘La Paloma’ prospect. The geophysical and soil sampling survey results have enhanced geological understanding of the geometry and the potential behaviour of the ‘Buenavista’ mineralized system.

Figure 6: The Buenavista Mineralized Corridor

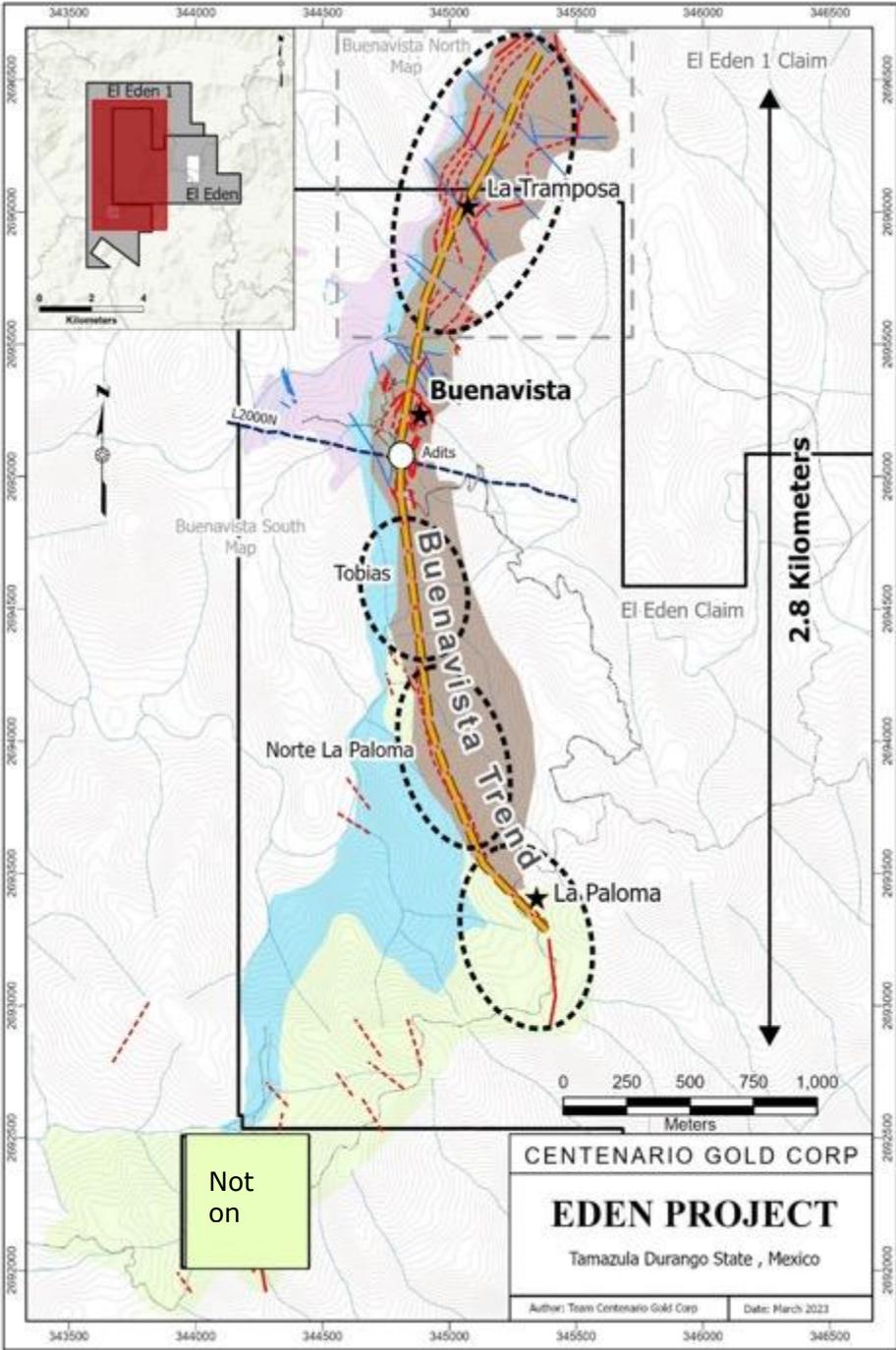


Figure 7: Buenavista Underground Sampling

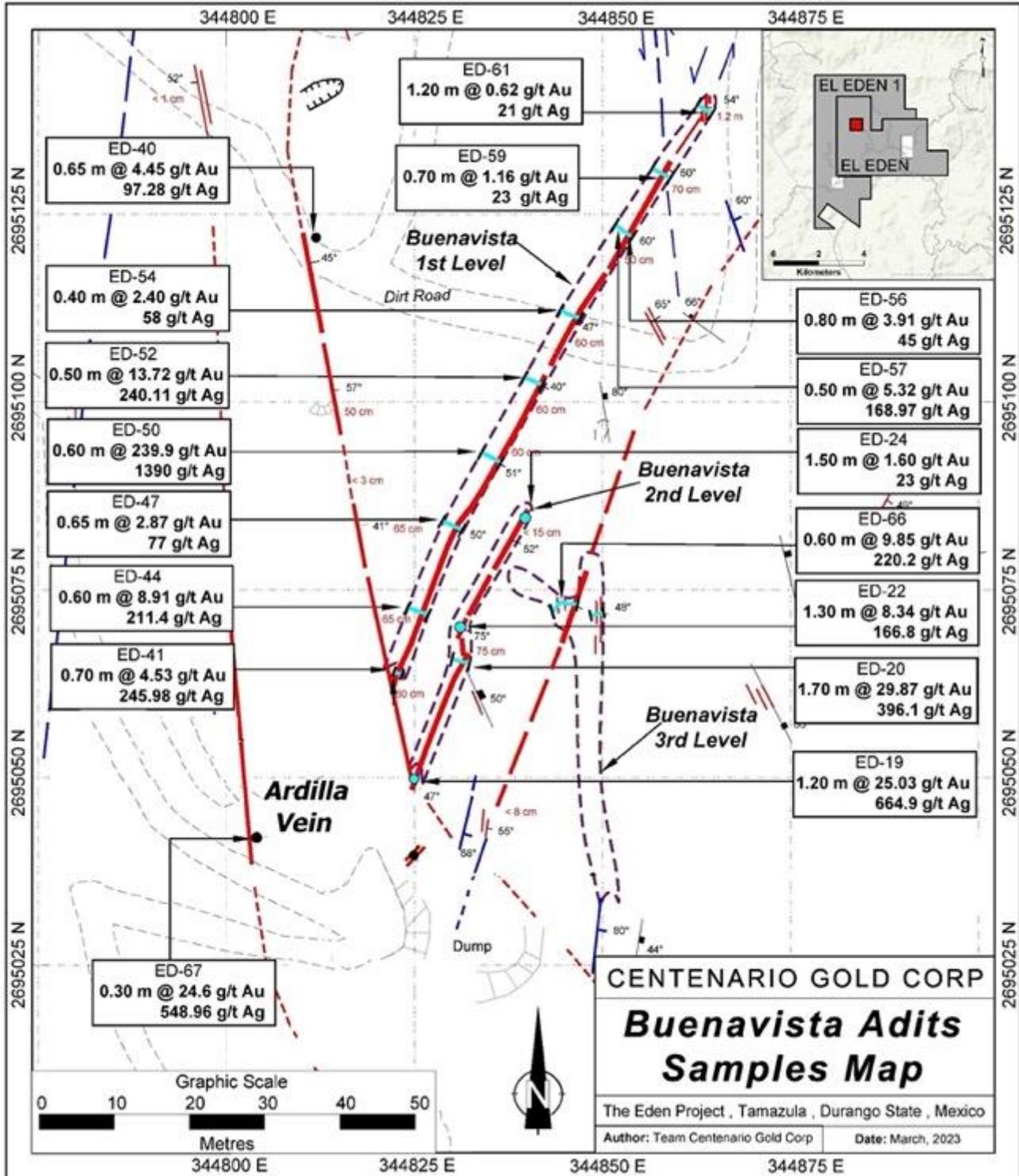
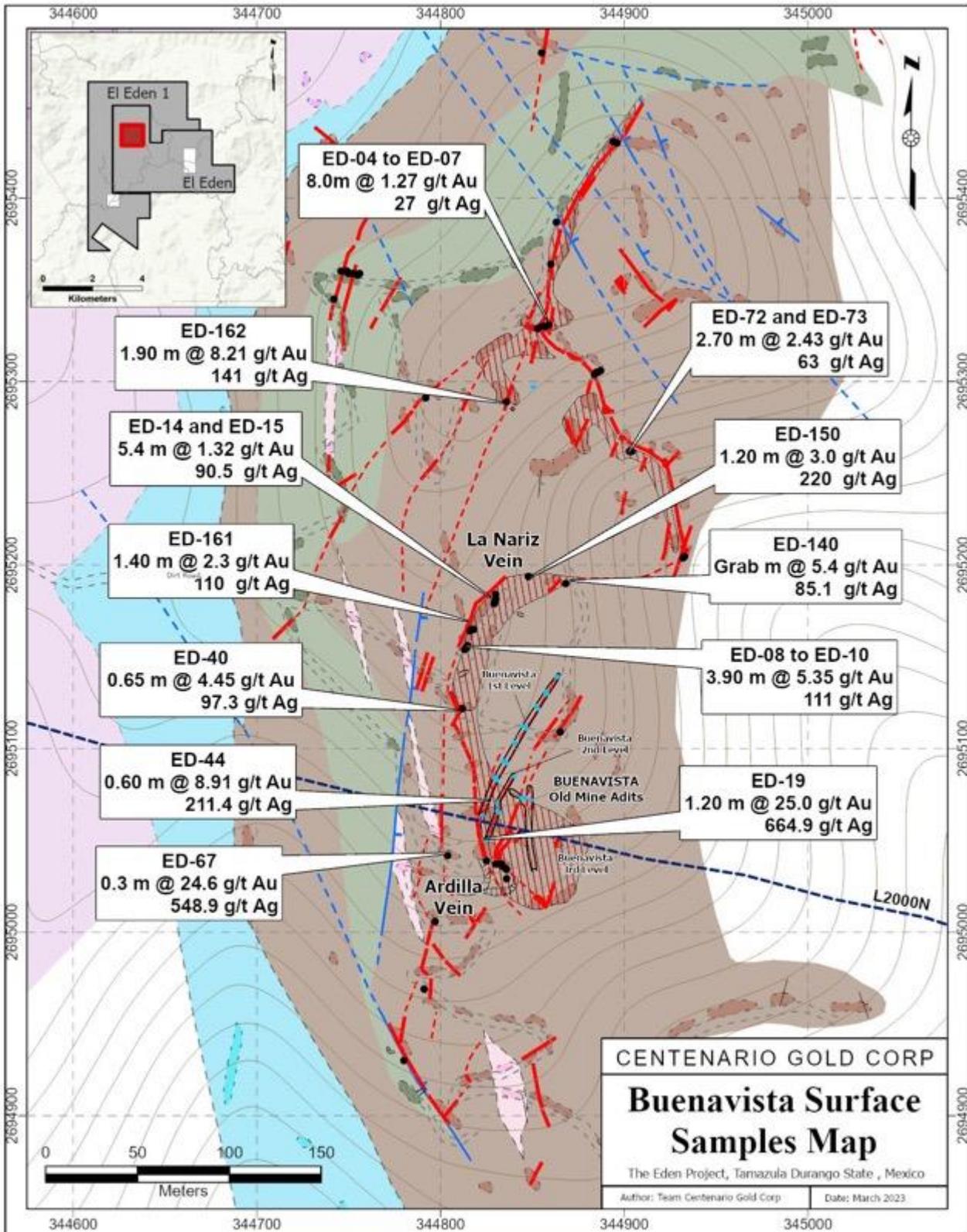


Figure 8: Surface Sampling Locations Buenavista



Au - Ag analytical results along the central and north-north-east extension of the Buenavista Mineralized Corridor.

Figure 9: Legend Figure 6 and Figure 8

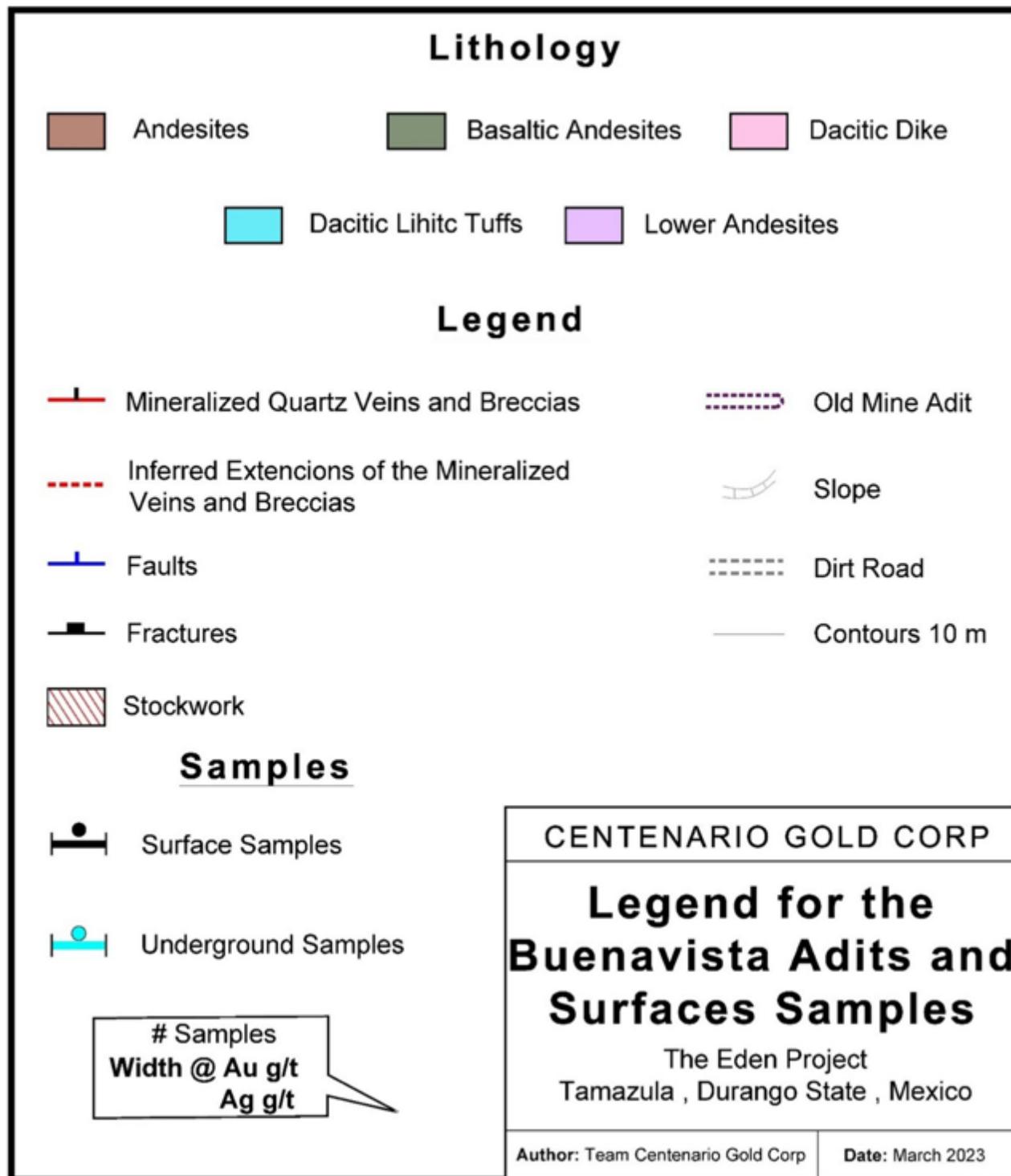


Table 8: Selected Rock Sample Gold and Silver assay

Sample No	Prospect	Collected	Type	Width (m)	Au (ppm)	Ag (ppm)
ED-01	Norte de Veta Buenavista	Surface	Chip channel	1.4	1.21	19
ED-02	Norte de Veta Buenavista	Surface	Chip channel	1.1	1.37	38
ED-06	Norte de Veta Buenavista	Surface	Chip channel	2.4	2.21	36
ED-07	Norte de Veta Buenavista	Surface	Chip channel	2	1.2	37
ED-08	Veta Buenavista	Surface	Chip channel	1.3	<b>6.64</b>	<b>159.4</b>
ED-09	Veta Buenavista	Surface	Chip channel	1.3	2.65	63
ED-10	Veta Buenavista	Surface	Chip channel	1.3	<b>6.78</b>	<b>110.8</b>
ED-14	Veta Buenavista	Surface	Chip channel	2.7	1.31	85
ED-15	Veta Buenavista	Surface	Chip channel	2.3	1.35	97
ED-16	Veta Buenavista	Surface	Chip channel	2.5	0.975	53
ED-19	Mina Buenavista (Level 2)	Underground	Chip channel	1.2	<b>25.03</b>	<b>664.9</b>
ED-20	Mina Buenavista (Level 2)	Underground	Chip channel	1.7	<b>29.87</b>	<b>396.2</b>
ED-22	Mina Buenavista (Level 2)	Underground	Chip channel	1.3	<b>8.34</b>	<b>166.8</b>
ED-24	Mina Buenavista (Level 2)	Underground	Chip channel	1.5	1.6	23
ED-27	Mina Paloma	Surface	Chip channel	1.4	0.967	53
ED-40	Buenavista Area	Surface	Chip channel	0.65	<b>4.45</b>	<b>97.28</b>
ED-41	Buenavista Mine (Level 1)	Underground	Chip channel	0.7	4.53	246
ED-44	Buenavista Mine (Level 1)	Underground	Chip channel	0.6	<b>8.91</b>	<b>211.4</b>
ED-47	Buenavista Mine (Level 1)	Underground	Chip channel	0.65	2.87	77
ED-50	Buenavista Mine (Level 1)	Underground	Chip channel	0.6	<b>239.9</b>	<b>1390</b>
ED-52	Buenavista Mine (Level 1)	Underground	Chip channel	0.5	<b>13.72</b>	<b>240.1</b>
ED-54	Buenavista Mine (Level 1)	Underground	Chip channel	0.4	2.4	58
ED-56	Buenavista Mine (Level 1)	Underground	Chip channel	0.8	3.91	45
ED-57	Buenavista Mine (Level 1)	Underground	Chip channel	0.5	5.32	169
ED-59	Buenavista Mine (Level 1)	Underground	Chip channel	0.7	1.16	23
ED-66	Buenavista Mine (Level lower)	Underground	Chip channel	0.6	<b>9.85</b>	<b>220.2</b>
ED-67	Buenavista Zone	Surface	Chip channel	0.3	<b>24.61</b>	<b>549</b>
ED-72	Buenavista Area	Surface	Chip channel	1.2	4.74	92
ED-109	La Trampa Area	Surface	Chip channel	2	1.74	12
ED-115	La Trampa Area	Surface	Chip channel	2.3	1.29	18
ED-132	La Tobias Vein	Surface	Chip channel	0.45	0.93	30.2
ED-149	Buenavista Zone	Surface	Grab	3x3	5.4	85.1
ED-150	Buenavista Zone	Surface	Chip channel	1.2	2.99	220
ED-161	Buenavista Zone	Surface	Chip channel	1.4	2.3	110
ED-162	Buenavista Zone	Surface	Chip channel	1.9	8.21	141
ED-163	Buenavista Zone	Underground	Chip channel	0.7	5.22	254
ED-164	Buenavista Zone	Underground	Chip channel	0.75	3.9	249
ED-172	Sobre camino principal	Surface	Grab	2x2	1.56	53.2
ED-244	Area Buenavista	Surface	Chip channel	1.5	1.15	37.4
ED-245	Area Buenavista	Surface	Chip channel	0.4	1.2	28.4

### ***North-North-East Extension of the Buenavista Prospect***

The El Puerto del Comedoro prospect, located 220 m north of the Buenavista workings, is centered across a 270 m long, 3 m to 8 m wide, N45°W and N20°E trending zone of quartz veinlets and stockworks. Amethyst and green quartz are occasionally observed along this zone, tending to occur more frequently to the southeast.

To the north-west, where the veinlet/stockwork system changes to a north-east trending direction, several small, north-south trending quartz veins were observed. At this location one rock sample collected by the Centenario Gold Corp. sample ED-72 returned 4.7 g/t Au and 92 g/t Ag over 1.2 m. This N20°E trending zone of fracturing, including small quartz veins and stockwork veinlets, is interpreted to represent the north-north-east extension of the Buenavista mineralized corridor. (Figure 6, Figure 7, Figure 8, Figure 9 is the legend).

Farther away, 1.2 km north-north-east of the Buenavista mine workings, on the La Tramposa sub-prospect, one 2.0 m wide sample (ED-109) returned 1.7 g/t Au and 12 g/t Ag.

The recently identified La Tramposa prospect covers a broad area of mainly north-west trending quartz veinlets and intense fracturing located 1000 m N20°E of the Buenavista old mine workings. The location of this sub-prospect contains a dense network of quartz veinlets and coincides with the north-east trending structural projection of the Buenavista prospect.

The La Tramposa is centered across 3 distinct zones of quartz stockwork veinlets. Two of the zones strike north-west-SE, and the other north-east-SW. The network of fractures is filled with white to pale green quartz veinlets, and occasionally amethyst. The veinlets are less than 10cm in width except for one main north-south trending vein in a structure that is 2.3 m wide. Rock samples ED-115 and ED-109 collected by the Centenario Gold Corp returned 1.29 g/t Au and 18 g/t Ag over 2.3 m and 1.7 g/t Au and 12g/t Ag over 2.0 m.

### **South-Southeast Extension of the Buenavista Prospect**

South of the Buenavista old workings, regional mapping and sampling identified several altered zones of intense fracturing, associated with quartz veinlets and stockworks. These zones appear to follow the Buenavista regional structural trend to the south-southeast, arcing slightly to the SE and extending all the way to the La Paloma prospect some 1,500 m further away (Figure 6, Figure 9 is the legend).

A little less than 100m south of the Buenavista workings, at the north end of the Tobias zone, a 0.45 m wide, N30°W trending, white to light green colored, cross-cutting, quartz vein was found. One rock sample ED-132 returned 0.93 g/t Au and 30.2 g/t Ag.

Some 700 m further south-southeast, the Tobias zone hosts a 2 to 3 meter-wide, 250 m long, north-south trending, zone of white and amethyst quartz veinlets.

The Norte de Paloma zone covers the S20°E extension of the Tobias prospect for more than 1km along trend. Norte de Paloma contains broad, up to 100 m wide, north-south trending zones of coffee-colored andesites, moderately fractured with fillings of quartz veinlets.

### **La Paloma Prospect**

The La Paloma prospect (Figure 5) is located 700 m further to the SE of Norte de Paloma and is centered across an area of old artisanal mine workings. Based on the very limited outcrop exposures, and the inaccessibility to the old mine tunnels, the mineralized structure at La Paloma appears to consist of a 3 m wide, N35°W trending, banded quartz vein.

The La Paloma mineralized structure appears to have been worked and consists of a zone of north-north-west trending quartz veinlets that can be traced for more than 500 m along strike to the north.

The host-rock is chloritic-manganese altered andesites. Based on topography, lithology and strike orientation, the La Paloma structure may be the southern extension of the Buenavista epithermal system that outcrops 2 km to the north-north-west (Figure 12).

The Paloma prospect is centered across a small, caved-in mine working (see Figure 12). Except for one small rock outcrop showing hosting a series of north-north-west trending fracture-filled quartz veinlets, no other evidence was encountered around the mine workings. Mapping and rock chip sampling, both from surface and underground, were completed at the La Paloma prospect.

Figure 10. Local Geological Map of The Buenavista Prospect

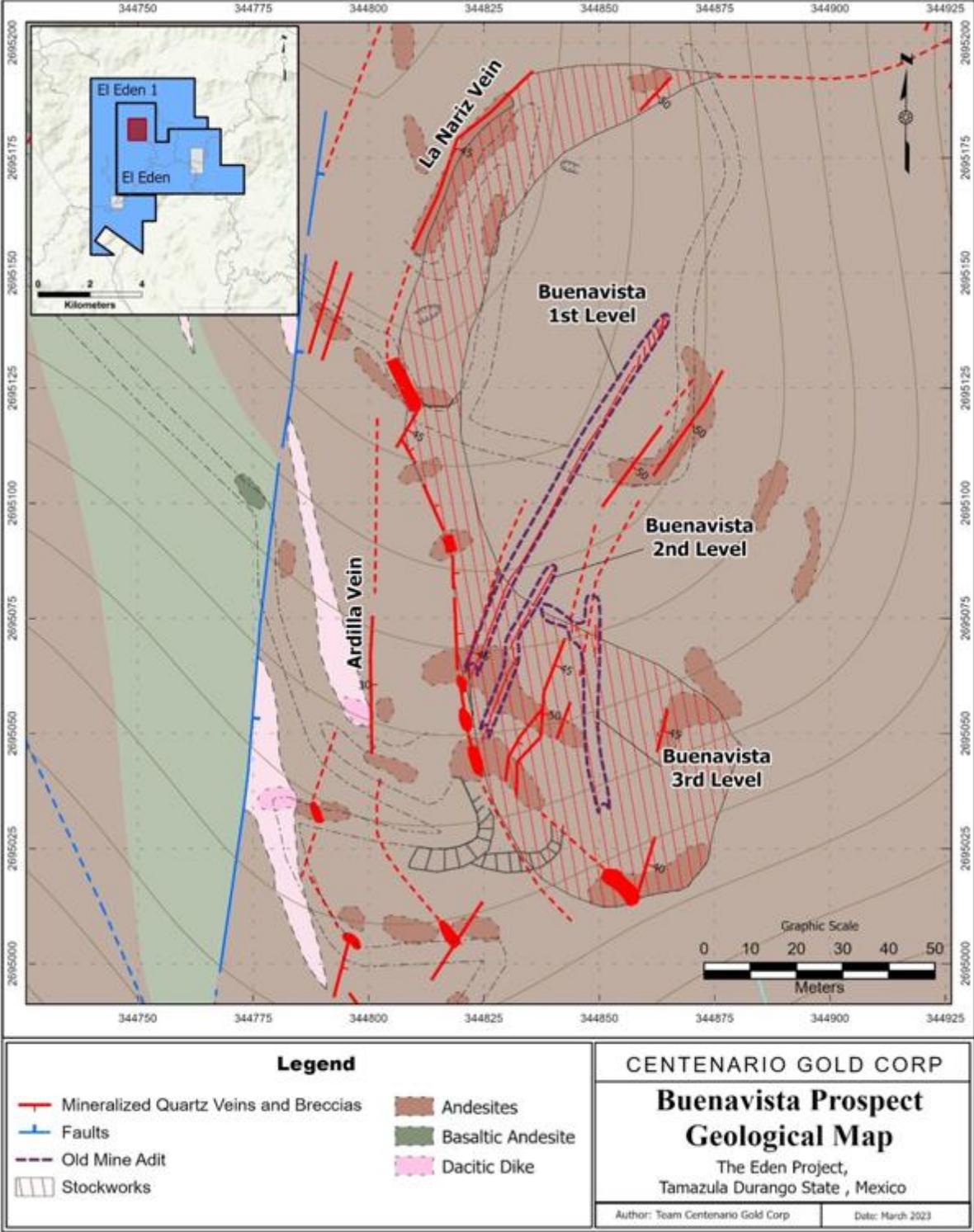


Figure 11. Legend for Buenavista Prospect Geological Map

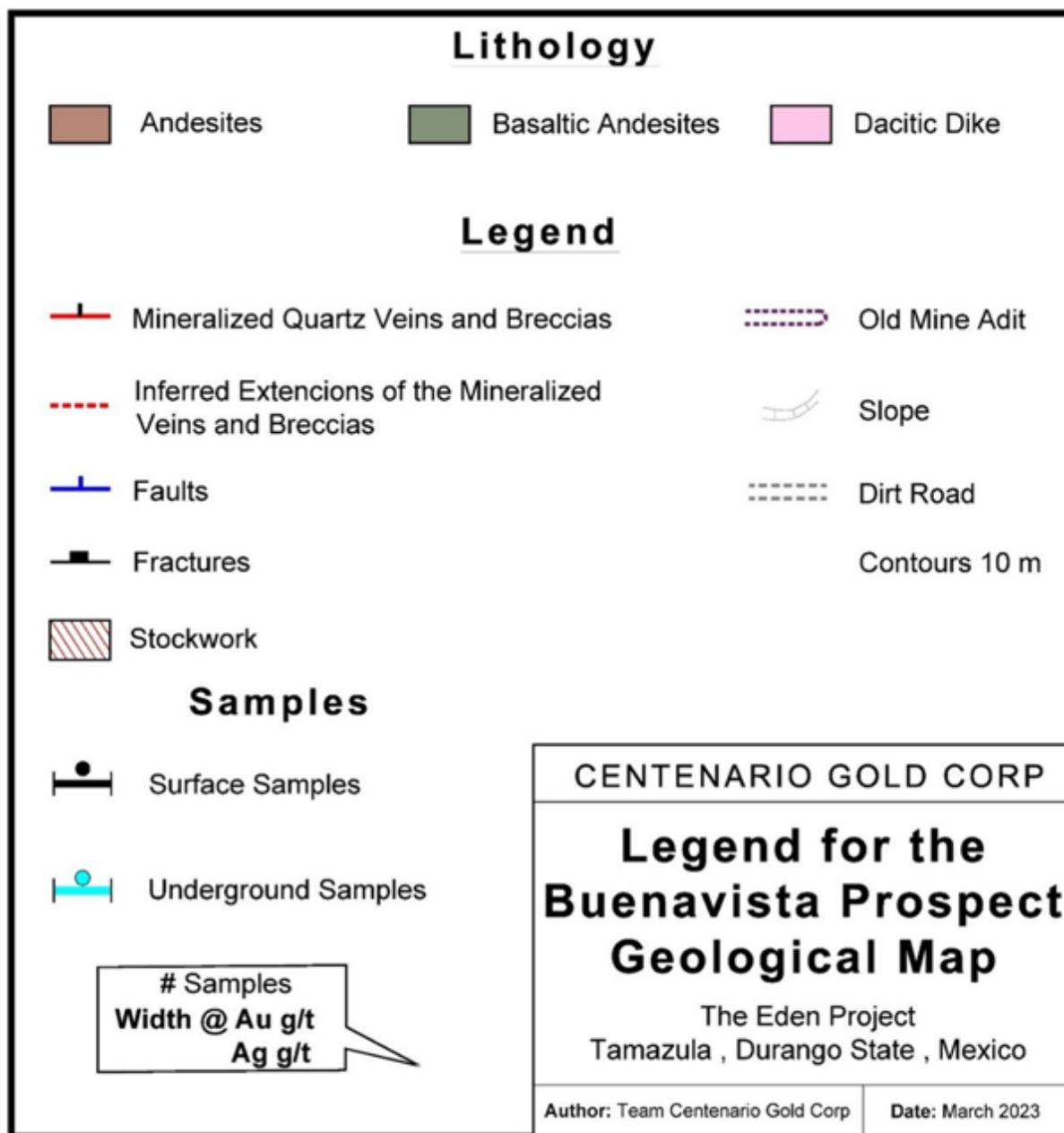
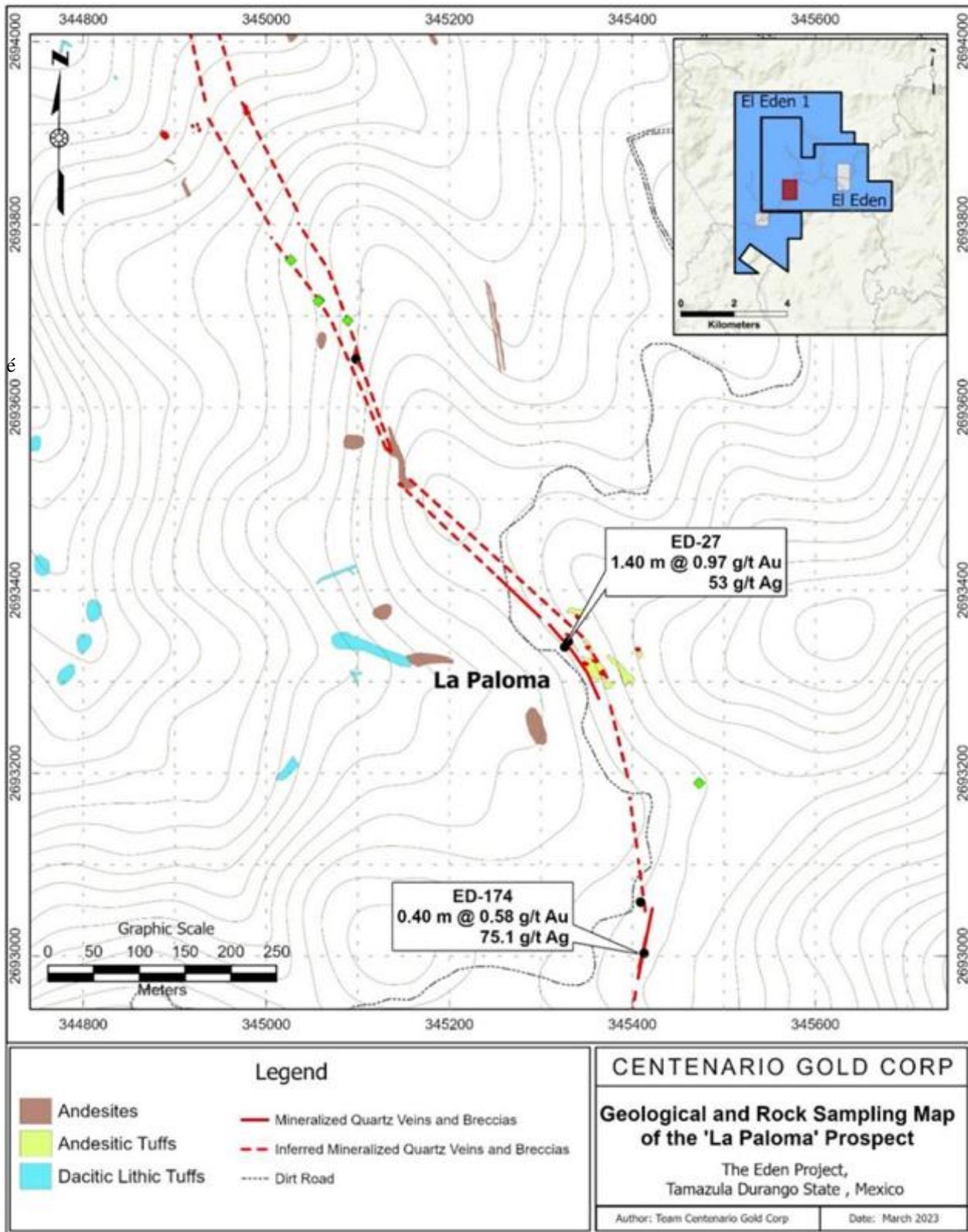


Figure 12: La Paloma Prospect Geology and Results



## La Provedora Prospect

The La Provedora prospect (Figure 5) is located 2 km east of the La Paloma prospect. It is centered on an old mine working that follows north-north-east trending, east dipping, vein structure that does not outcrop at surface (see Figure 13). The La Provedora mine working is infested with bat excrements (guano) so it is almost impossible to have access to the inside of the mine.

The prospect is centered across an area of old mine workings including two levels of tunnels, small pits and adits. The mineralized structure was not seen at surface and cannot be accessed in the old mine tunnels because of cave-ins and large accumulations of bat excrements (see Figure 13).

Based on a hand-drawn cross-section sketch map produced by geologist Ing. Antonio Flores, one of the concession owners, the extent of the underground workings at La Provedora is quite considerable, with one adit extending for more than 150 m. The cross-section also outlines the 100 m by 50 m, reported mineralized body, that was reported to be last mined in the mid 1900s.

### Soil Grid and Induced Polarization Grid

The Buenavista line grid is centered along a 4.0 km long, north-north-east and south-southeast trending, base line that follows the Buenavista mineralized corridor north and south of the Buenavista old mine workings area, a corridor that was identified earlier through regional mapping. The La Provedora grid, consisting of three 1,100 m-long lines, spaced 150 m apart that follows the interpreted surface trace of the mineralized structure.

Results from the geochemical soil samples show the existence of an anomalous corridor (Au and Ag), approximately 200 m wide, and 1,200 m long, following the north-N20E trending mineralized corridor north of the Buenavista old mine workings area (see Figure 14 and Figure 15, see Figure 12 for legend). There are no other elevated levels of trace elements except for a weak response from Ba that coincides with the Au and Ag soil anomaly.

The geophysical survey on the Eden Property was completed in 2022. The field work was done by TMC EXPLORACION S.R.L. de C.V., a subsidiary company of Geophysique TMC. The geophysical method utilized at both the Buenavista and La Provedora prospects was an IP (Induced Polarization) and Resistivity survey using a pole-dipole configuration, 10 stations spread, and a 10-kw generator for power. This configuration allows for a depth penetration of between 250 m and 300 m (Simard. 2022).

The fieldwork took place between November 21st, 2021, and February 2nd, 2022, and consisted of 34.1 km of IP using the pole-dipole electrode array, totalling (26) lines were set up in the middle of the property for this campaign with orientations varying from N65° and N100°. These lines are spaced by 100 or 200 m, and along each of them, ground reference points were indicated every 50 m over distances ranging between 1.20 and 1.4 km. These ground markers were localized by using a GPS receiver and the associated information was subsequently exported to the UTM-13N\_WGS84 coordinate system. The pole-dipole (dipole-pole) array was chosen for the IP surveys on both grids. The nominal a spacing between the electrodes was set to 50 m and ten (10) dipoles were read (Simard. 2022).

The 2022 IP-Resistivity survey results have identified a well-contrasted resistivity anomaly following the Buenavista mineralized corridor from the northern end of the grid to the southern end at the La Paloma prospect (see Figure 17 and Figure 16). Figure 16 is a 3D Voxel Model Resistivity and Chargeability if the 2022 IP survey (Simard. 2022).

Figure13: La Provedora Prospect Geology and Results

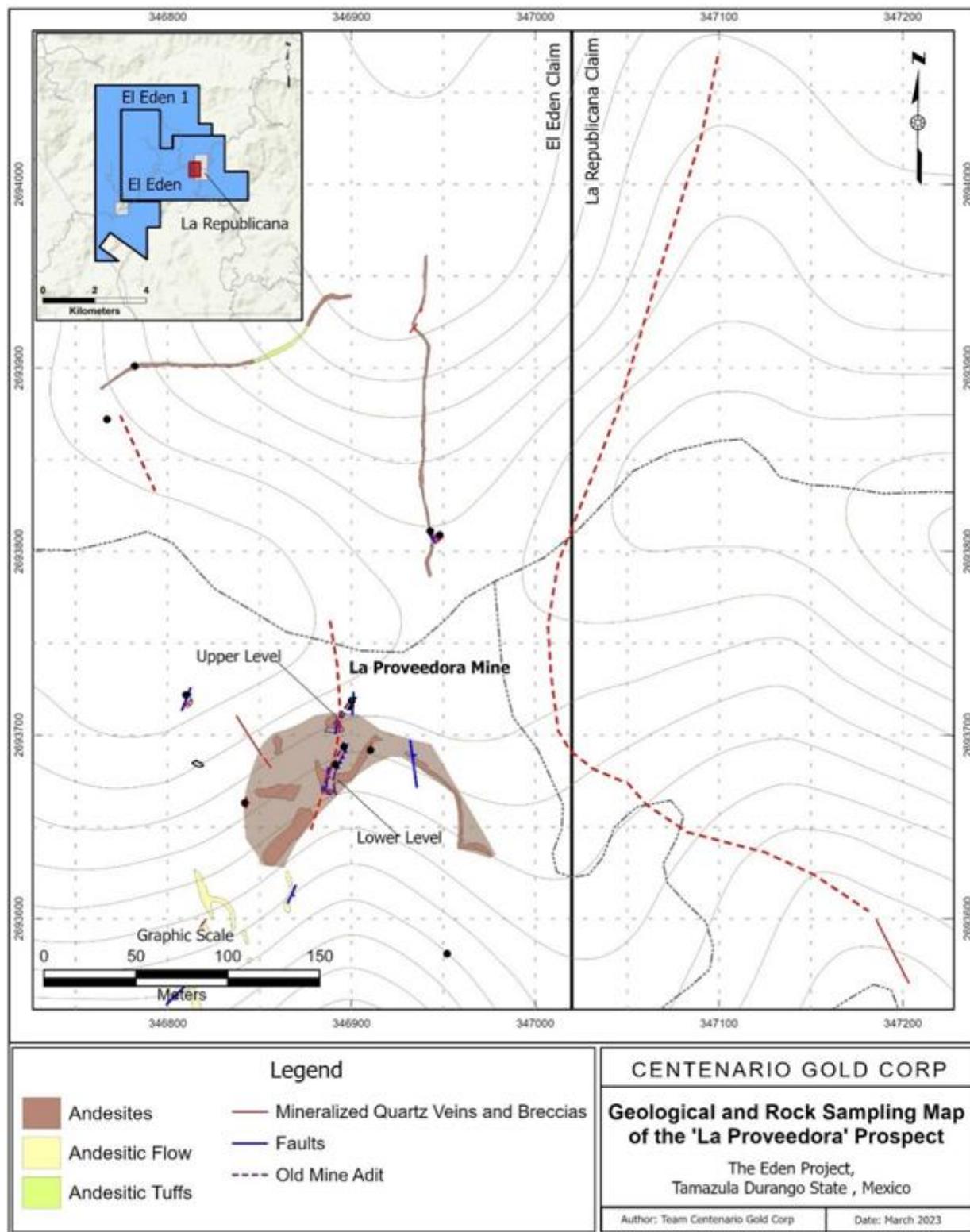


Figure 14: Soil Sampling Gold Results

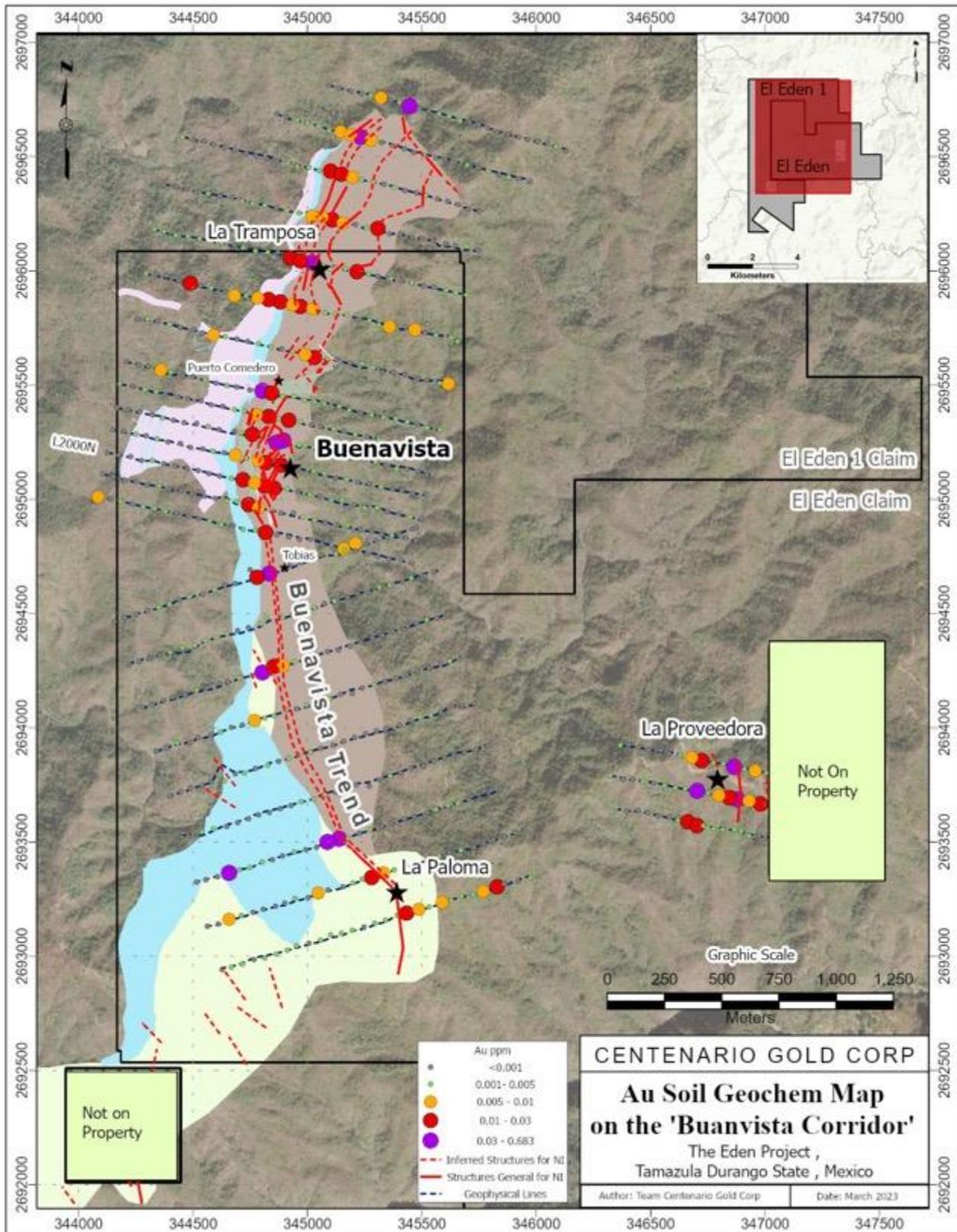


Figure 15: Soil Sampling Silver Results

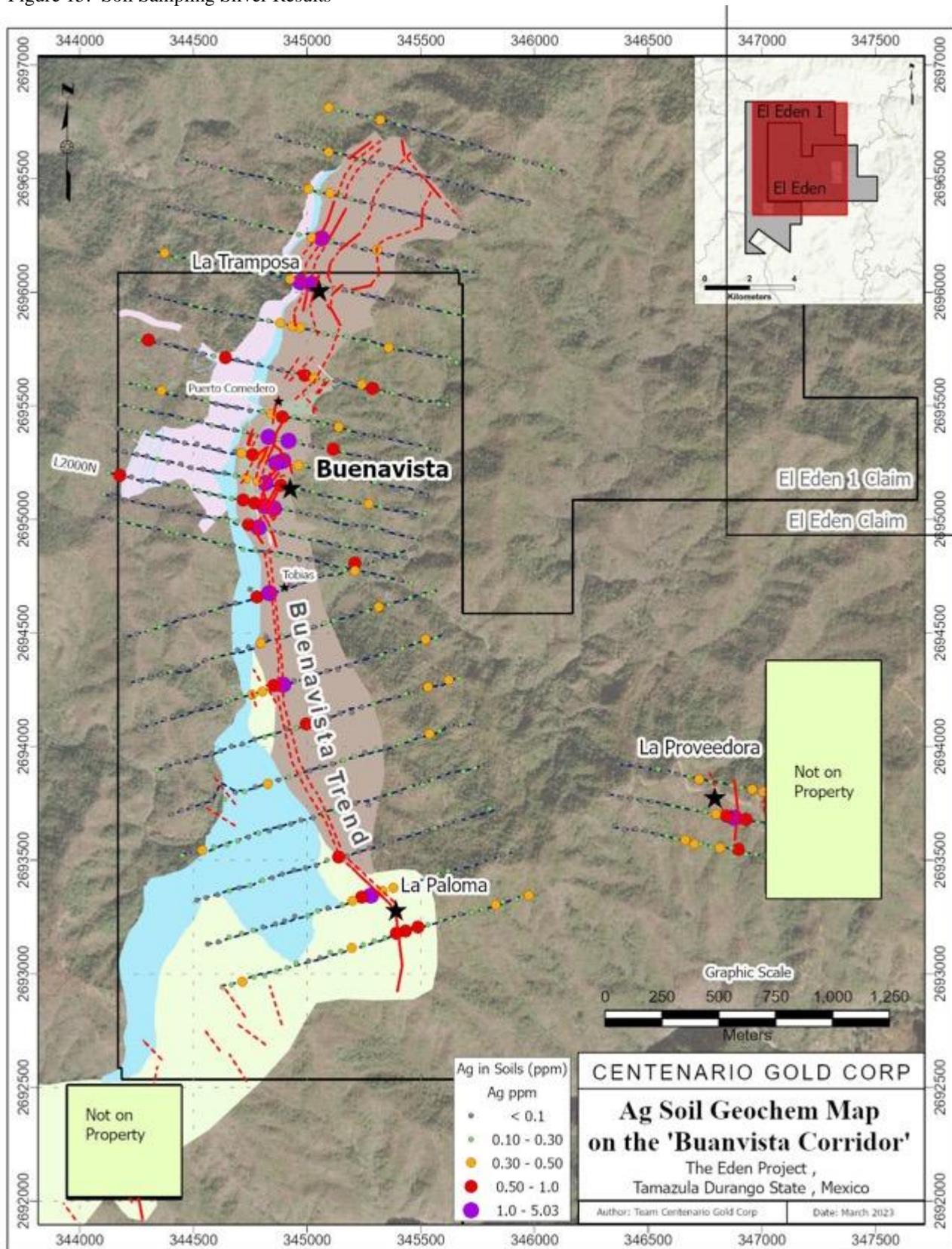


Figure 16: Voxel Model Resistivity and Chargeability

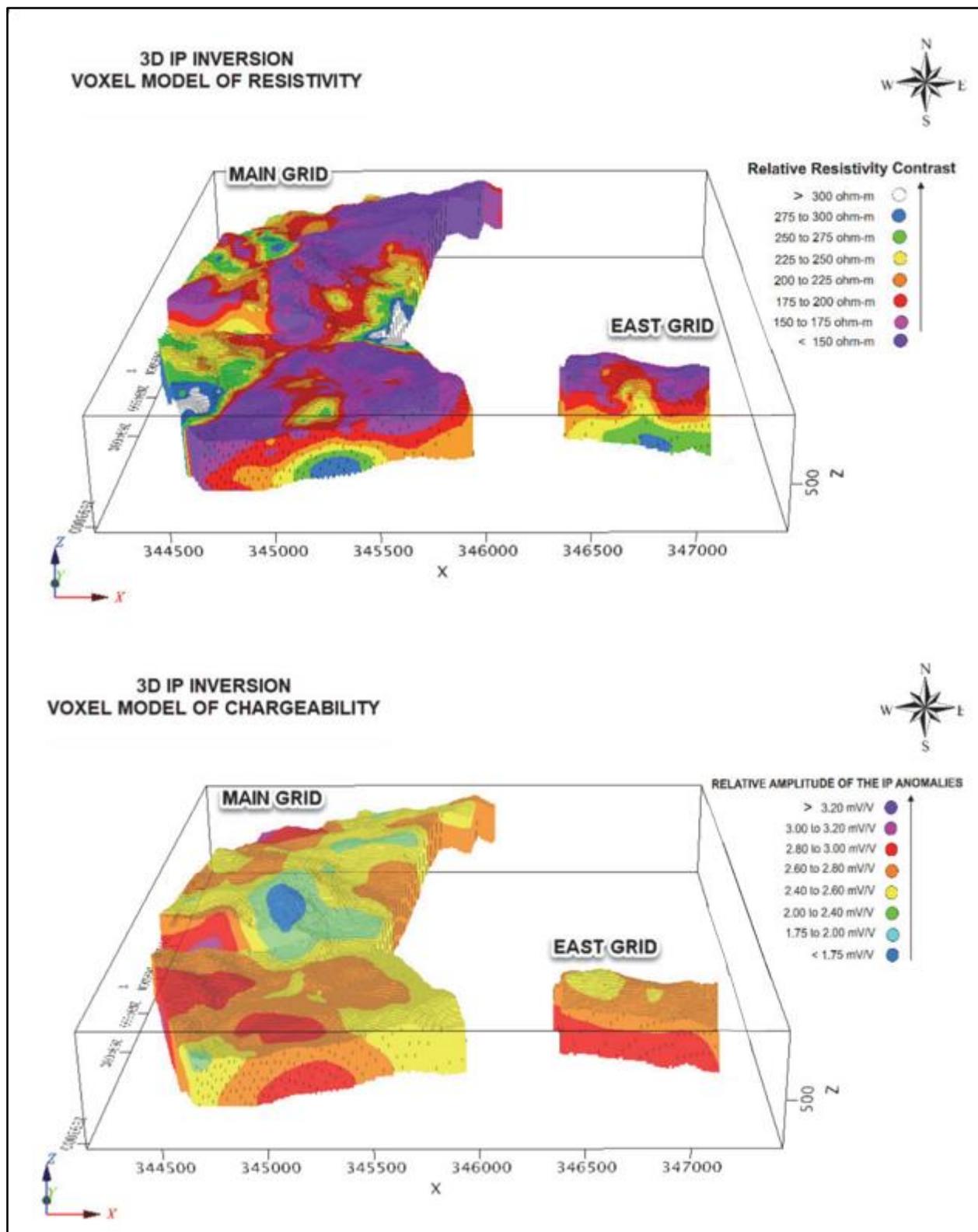
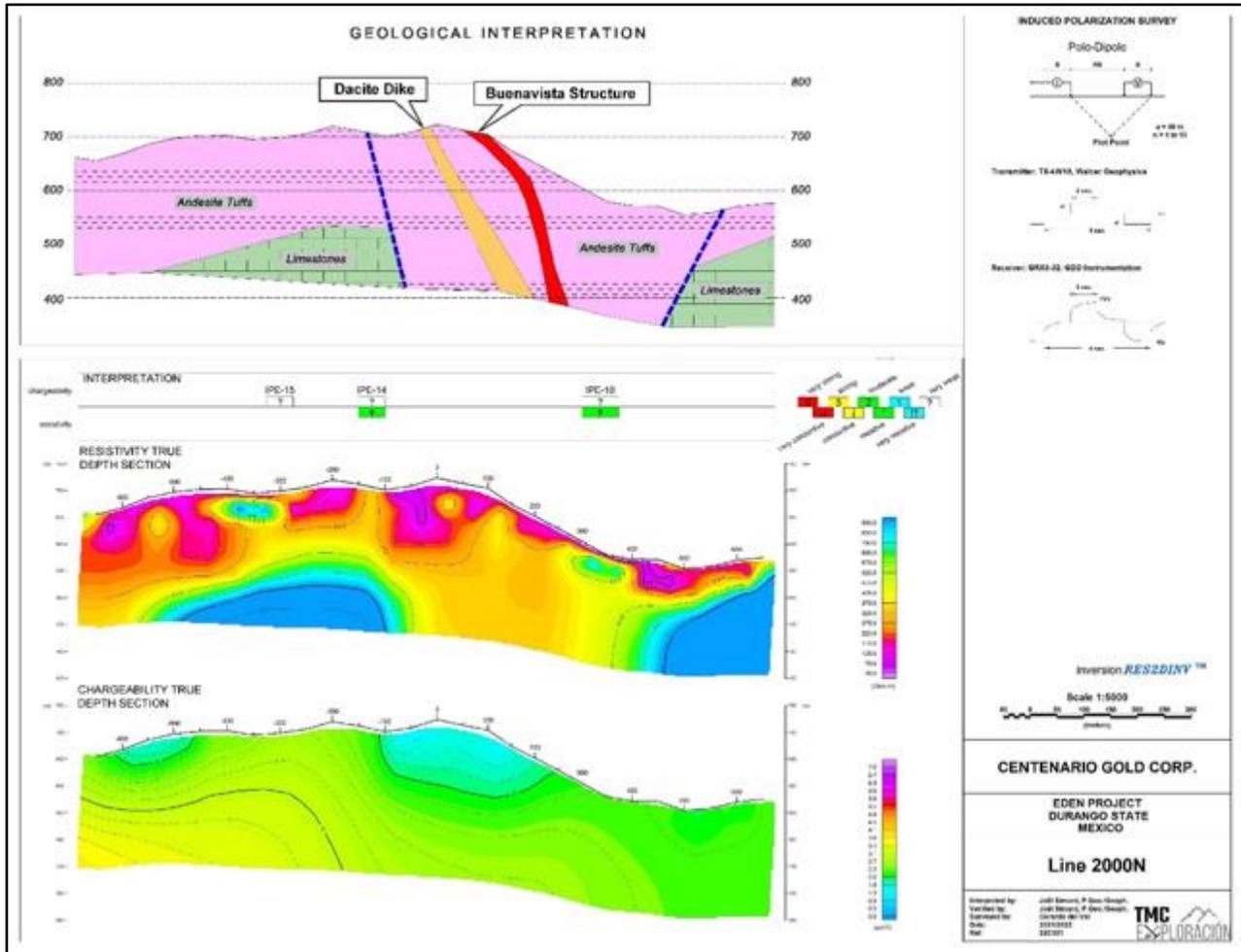




Figure 18: Line 2000 Pseudo Section.



See Figure 15 for location of Section.

Summary Maps: Resistivity (R)/chargeability (C) slices at vertical depths of 50 and 150 metres were extracted from the 3D inversion models (Figure 16).to generate the contour maps. They highlight the signature of the underlying bedrock units at two distinct depths, which appear be free from the influence of the alluvial cover where present. The main polarizable anomalies, or anomalous regions, poorly contrasted. These anomalies of weak amplitude ( $M_a < 5$  mV/V) are elliptically shaped with orientations ranging from north northwest-south southeast to north northeast-south southwest They are mainly regrouped to the west, south, and center-east of the Main grid where they are directly linked to more resistive bands of rocks. The local structural control seems to be conditioned by a network of already identified faults (Simard, 2022).

Based on the geophysical cross-sections obtained over the Buenavista old mine workings area, where the mineralized structure is better exposed, clearly shows that the mineralized system is wide,  $> 20$  m thick, and that it dips moderately to the East (see Figure 18).

### Geological Setting and Mineralization

The Eden project is located along the lower western flank of the Sierra Madre Occidental, a prominent north-west-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 Sierra Madre Occidental is composed of a sequence of andesitic rocks, mainly tuffs, flows and agglomerates, also referred to as the Lower Volcanic Sequence, 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 (see Figure 19 and Figure 20).

The general regional structural features include a series of prominent north-west-SE trending faults and lithological contacts. As seen around many other deposits in the Sierra Madre Occidental, epithermal Au-Ag systems mostly occur in the upper part of the andesitic sequence, at or near the contact (unconformity) with the overlying rhyolitic rocks.

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 center of the Property there is a granodiorite intrusive body that outcrops over an area of 600 m by 900 m. The recent mapping on the Property can be seen in Figure 21.

**Brown andesite:** brown to reddish andesite with a semi-aphanitic to porphyritic texture with equigranular plagioclase isolated on a fine matrix of 1 to 3%, sometimes with elongations. The alteration that it presents is strong silicification and scarcely chloritization in areas adjacent to veins, from the economic point of view it is the main rock carrying mineralization in the area, in it is the Trend Tobias, Buenavista, La Trampa and La Chulada. This lithology presents a north-west 10° north-east 10° orientation with a dip to the east with a mapped length of 5.5 km; this unit is cut by felsic dacitic-andesitic dikes.

**Andesitic Lithic Tuff:** it is a white to beige rock, hornblende crystals, coarse textured by polymictic fragments, mostly porphyritic andesites and even limestone on occasions, all rounded to subangular, presents patches of chlorite and argillization as general alterations. Within this lithology, very fine parallel veinlets < 2cm can be seen with a north-north-west orientation

This lithology presents a north-south orientation with a mapped length of 3.6 km and a width of up to 800 m. This unit is located mainly at the bottom of Andesite brown and around Rancho San Antonio.

**Green Andesite:** Olive-green andesite with a fine texture, it presents finely disseminated plagioclase, sometimes in the magnetic matrix. They present chlorite and oxidation as main alterations with some manganese zones between fractures, it presents a moderate presence of epidote, mainly in fractures.

**Basaltic Andesite:** it is a gray to light brown rock with a tonsillar texture with a variation in textural size that can be filled or empty, very brittle and altered, the outcrops present a north-south alignment of almost 1 km long and is found between brown andesite and green andesite.

**Limestone:** biomicritic gray rock with lower Cretaceous fossils. It is in the north-north-west of Cerro Buenavista as disintegrated "roof pendant" outcrops in the proximal part and predominant high ridges further north. They do not present dip or stratification, nor alteration or mineralization in the mining lot, but they do in other surrounding areas. This unit is cut by pink-red dacitic dikes with an equigranular porphyritic texture.

**Andesitic-Dacitic / Andesitic dikes:** they are white tabular bodies up to 8 m wide and up to 400 m long, presenting a porphyritic texture, large plagioclase crystals, hornblende and biotite?

They are cutting the unit of brown andesites and green andesites mainly, they present a north-west course with a dip to the north-east-east, it does not present mineralization, it could be post-mineralization.

In the area there are green andesitic dikes cutting all the units, they are olive green in color, aphanitic in texture, magnetic and pre-mineralized; They are bodies of approximately <2 m wide by <6 m long, it should be noted that they are located at the bottom of the Buenavista vein, in contact with host rock.

#### *Mineralization Type, Extent and Values*

The Eden gold and silver bearing structures are hosted in a system of north-north-east trending, easterly dipping, fissure-filling, quartz-rich veins and breccias potentially. 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 Sierra Madre Occidental, and visible gold in most of the oxidized veins in old mine workings that have been examined and sampled, suggest that these structures may contain high-grade zones. These are discussed in section 6 of the Technical Report because there had been no documented information about the mineralization prior to identification sampling, and mapping by Centenario Gold Corp.

Except for the Buenavista vein-breccia system, the continuity of the other mineralized structures away from the old mine workings is difficult to trace because the vein extensions are covered by overburden, mainly consisting of andesitic agglomerates and rubble.

Figure 19: Regional Geological Map

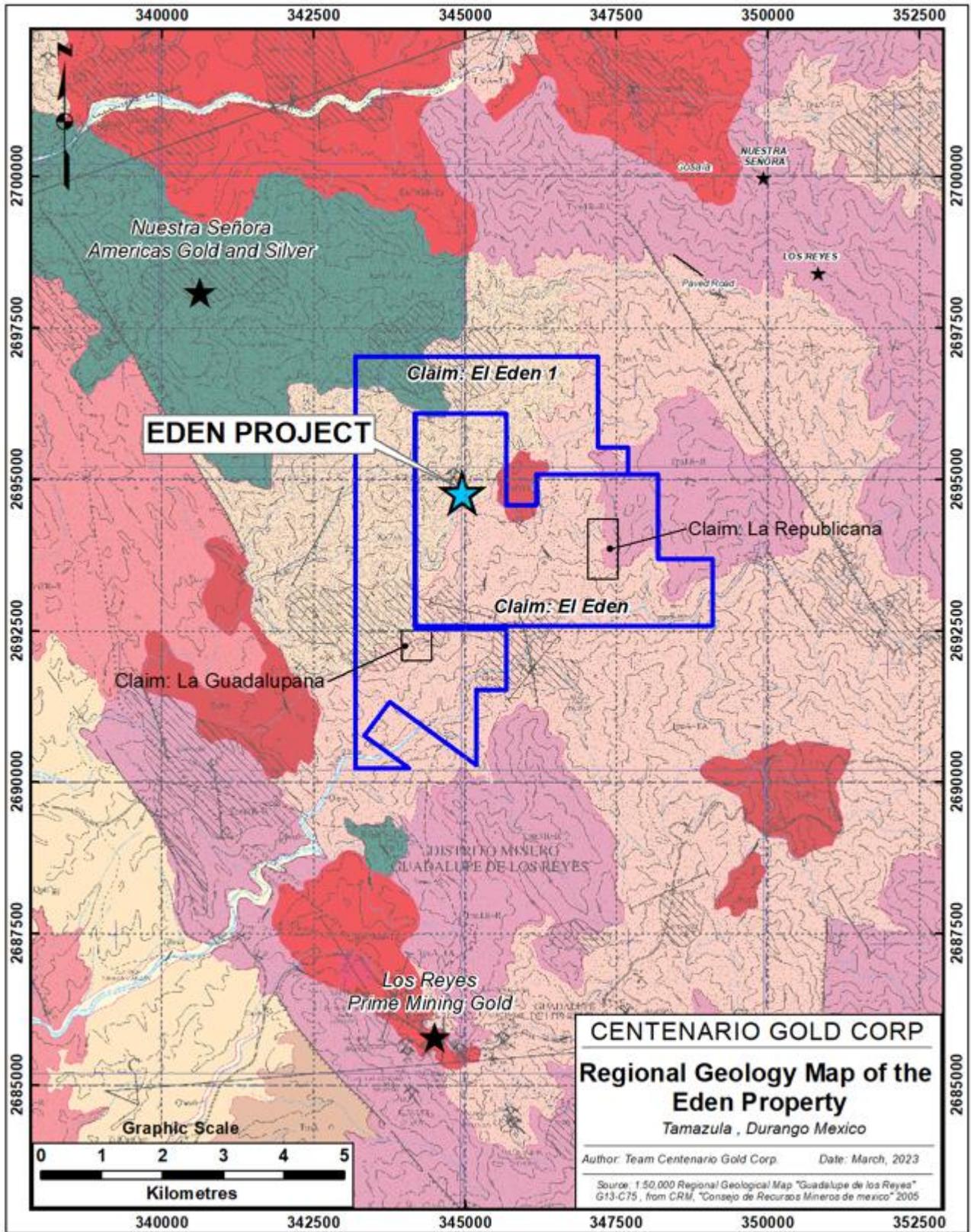


Figure 20. Legend for Regional Geological Map

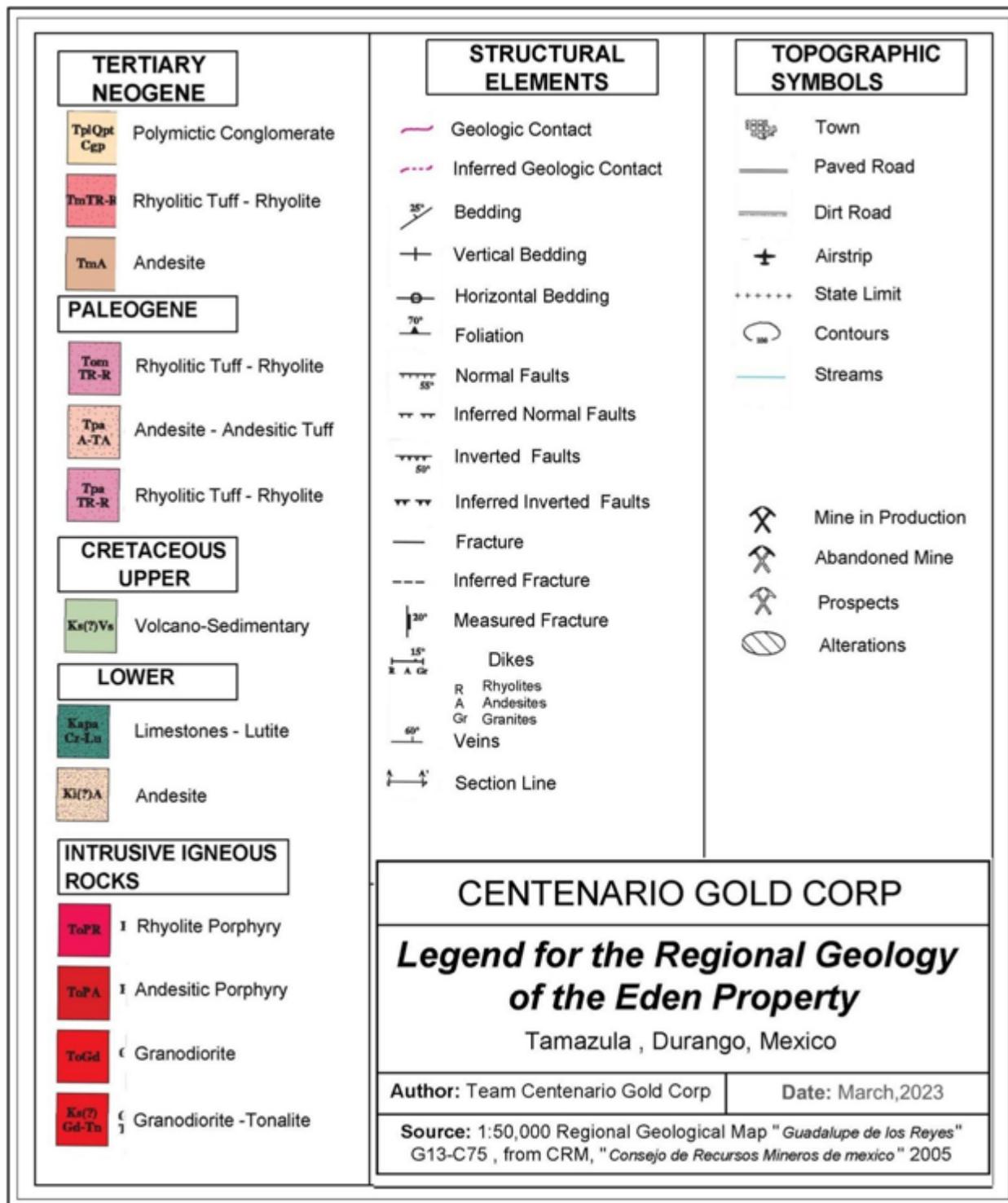
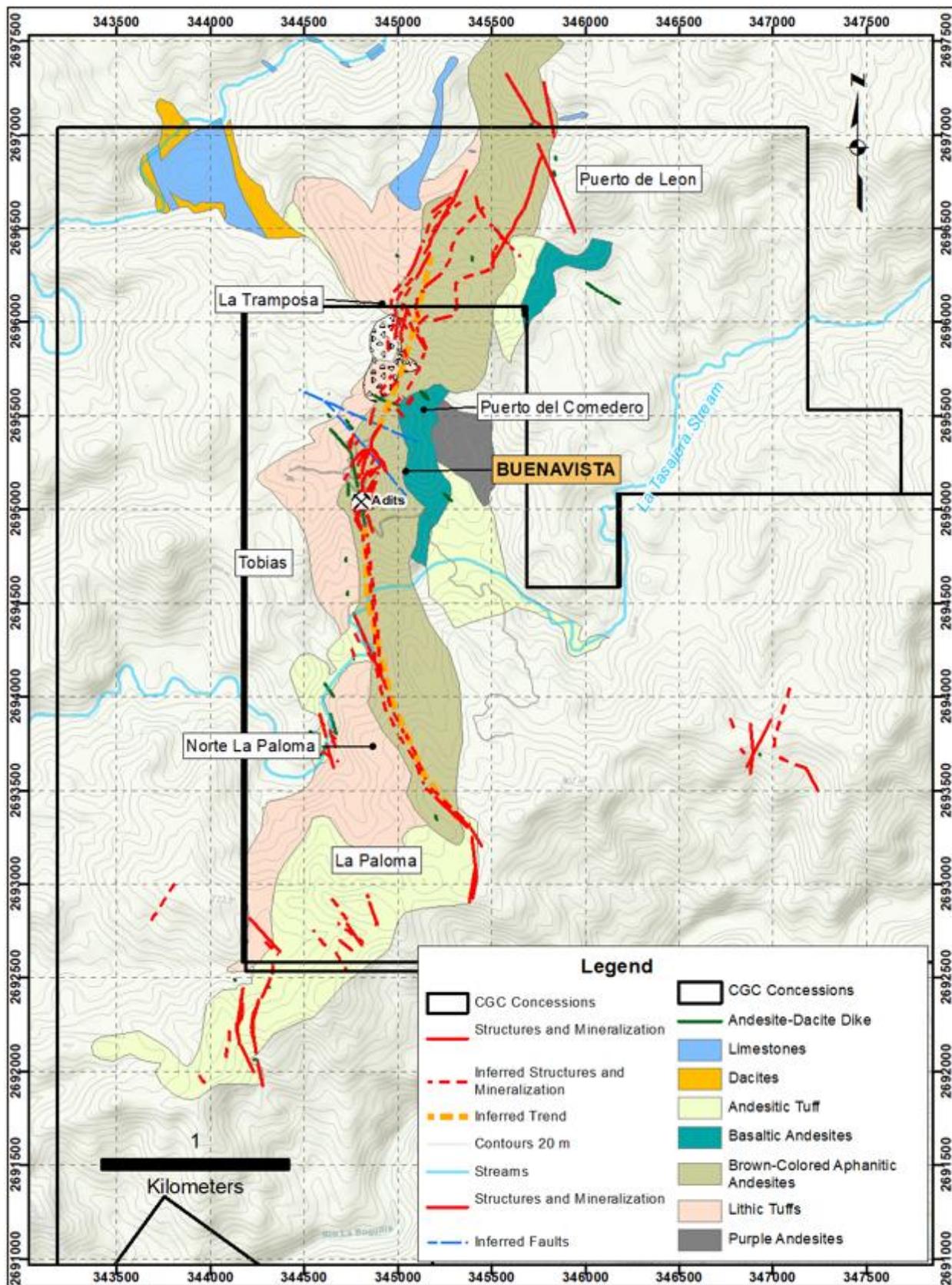


Figure 21: Mapping Geology



## Deposit Types

The mineral deposit type the Company is investigating and exploring for at the Eden Property is epithermal, low-sulfidation, gold-silver mineralized quartz veins. The mineralized system found at the Eden Property consists of a north-N20°E oriented group of fracture filling veins and breccias with varying potentially economic grades of gold and silver.

The mineralized zone is characterized by a low sulphide epithermal system containing silica stockwork veins. These zones are generally formed in felsic subaerial complexes in extensional strike slip structural settings. Low sulphidation gold deposits are associated with magmas where ore deposition occurs several kms above the intrusion and display certain alteration assemblages. The intrusions are likely the result of tectonic activity, such as plate subduction and extension. Deep hydrothermal fluid flow systems comprised of meteoric water, as well as near surface systems such as hot springs, are the sites of mineralization. Mineral deposition takes place as the fluids undergo cooling by fluid mixing, boiling and decompression.

## Exploration

AADirection Capital Corp. has not undertaken an exploration program on the Property. Any exploration undertaken on the Property is in the History section above. Centenario Gold Corp. has undertaken exploration on the Property and that information is also captured in the History section above.

## Drilling

AADirection Capital Corp. has not performed any drilling on the Eden Property to date.

## Sampling Preparation, Analyses, And Security

AADirection Capital Corp. has not undertaken an exploration program as of the effective date of this Filing Statement and thus their sampling methodology and quality control does not apply.

## **Centenario Gold Corp Rock Sampling.**

The surface and underground rock sampling program undertaken on the Eden Property was supervised by a senior professional geologist. The samples consisted of rock chips, < 5cm in diameter, collected across rock outcrops with the use of a chisel and hammer. Samples weighted between 1.5 kg and 2.0 kg. The length of the sample cuts varied from 0.3m to 3.0m and were usually oriented across a possibly mineralized structure such as veins, veinlets, and fracture zones. The sample chips were collected in a cotton cloth bag, labelled, and tied with a string.

At the end of the day, the rock samples were transferred to larger corn bags, labelled, sealed with a zip-tie and stored in a locked room at the Centenario Gold Corp. basecamp in the town of Tasajeras. Every 2 to 3 weeks, when the chief geologist and his crew would go out on break, they would drive to either Mazatlán or Culiacan with the rock samples and then transfer them to SGS Geochemical Laboratory or ALS-Chemex representative. Each corn bag, containing 10 to 12 samples, was labelled and photographed before being transferred to the Laboratory's pick-up service agent.

The first rock samples (ED-01 to ED-116) were analyzed by the accredited laboratory SGS Laboratories of Mexico located at Calle Antimonio #121, Cd. Industrial, Durango, DGO, CP 34208, Mexico (ISO/IEC 17025 accredited Laboratory) see Table 10 for analytical techniques. The remaining rock samples (ED-117 to ED-254) were analyzed by ALS Chemex de Mexico S.A., de C.V. in Hermosillo, Sonora, Mexico (ISO/IEC 17025:2017 accredited Laboratory). See Table 11 for analytical techniques. Both at SGS and ALS Chemex, sample preparation included high temperature drying, crushing and pulverizing.

Table 10. SGS Labs analytical procedures

<b>Code</b>	<b>Description</b>
GE_ICP40B (GE_ICP40Q12)	0.5g sample. Four Acid Digestion / ICP-OES Package (33 Elements)
GO_FAG313 (GO_FAG32V)	30g sample. Ore grade. Ag Fire assay, gravimetric finish. Limits 10-10,000 ppm
GO_FAG313 (GO_FAG32V)	30g sample. Ore grade. Au Fire assay, gravimetric finish. Limits 0.005-10 ppm
GO_FAG303 (GO_FAG30V)	30g sample. Ore grade. Au Fire assay, gravimetric finish. Limits 0.5-10,000 ppm

Table 11. ALS Chemex Labs analytical procedures

<b>Code</b>	<b>Description</b>
ME-ICP61	0.25g sample; Acid Digestion With ICP-AES Finish. 33 elements.
Ag-OG62	0.4g sample; Ore grade. Ag by HF-HNO3-HClO4 digestion with HCl leach, ICP-AES or AAS finish
Au-AA26	50g sample; Ore grade. Au by fire assay and AA finish

### **Soil sampling program**

A program of soil sampling was completed by Centenario Gold Corp during 2022, in the same area of the IP ground geophysics survey. Soil samplers could take advantage of the same lines and stations. The sampling was performed over an area of 1500 x 1500 m with 11 lines and 50-meter stations.

The B horizon of the soil was sampled with rock fragments removed. The soil was bagged in micropore paper bags and properly labeled, each sample on average consisted of 1 kg of material. Soil samples were sent to ALS Chemex de Mexico S.A., de C.V. in Hermosillo, Sonora, Mexico (ISO 9001), for "Super Trace Analysis" method CODE: ME-MS41L. When at the Laboratory they were entered into the tracking system, then dried, screened to -80 mesh, and both fractions were kept.

At this early prospective stage of the project quality control in the field was not undertaken by Centenario Gold Corp. ALS Chemex de Mexico S.A., de C.V. in Hermosillo, Sonora which was used for sample analysis is an accredited lab and has its own Quality Control and Quality Assurance protocols for sample preparation and assaying. The author is of the opinion that the QA/QC use by the laboratory is sufficient for the number of samples from the project. SGS Laboratories and ALS Chemex de Mexico S.A., de C.V. are independent of Company and the author.

### *Data Verification*

The author visited the Eden Property on April 12, 2023, during which time the author reviewed the geological setting. The author's sampling program was completed during the project site visit and was undertaken to test the repeatability of sample results obtained from Project. The author designed the program as a quality control measure.

The author is satisfied with adequacy of sample preparation and the analytical procedures used by Centenario Gold Corp. The author is of the opinion that the description of sampling methods and details of location, number, type, nature, and spacing or density of samples collected, and the size of the area covered are all adequate for the current stage of Eden Property. There appears that there was no bias in the sampling program completed on the Eden Property.

The author took samples from the visit from five locations and personally couriered these samples to ALS Chemex de Mexico S.A., de C.V. Chihuahua, Chihuahua, Mexico (ISO/IEC 17025:2017 accredited Laboratory), to undergo Au-GRA21 gold assay.

While on site the author observed the following:

- Two of the three underground workings,
- The Buenavista structure in historical workings in Level 2,
- Several locations of the recent sampling.
- Evidence of the grid for the soil sampling and Induced Polarization survey L2100 15.

The author randomly verified 15 assays in the database provided against ALS Chemex PDF certificates and no found discrepancies.

Table 13: Author Collected Samples

Orginal Sample No	Gold ppm	Author Sample	Gold ppm
ED67	24.61	TP23-01	24.8
ED41	0.7	TP23-02	32.6
ED20	29.87	TP23-03	19.7
ED09	2.65	TP23-04	4.31
ED40	4.45	TP23-05	8.27

The assay results for the samples collected by the author are concordant with the samples collected by Centenario Gold Corp. and well within the natural variability/

#### Mineral Processing And Metallurgical Testing

This is an early-stage project there is no reported metallurgical testing.

#### Mineral Resource Estimate

There are no current mineral resources on the Property.

#### Adjacent Properties

**Reader Caution: The qualified person has not verified the information on the adjacent properties nor mineralization found on adjacent and/or geologically similar properties which is not necessarily indicative of mineralization found on the Property.**

#### Prime Mining Corps Los Reyes Property

The southern boundary of the Eden Property coincides with the northern boundary of Prime Mining Corp Los Reyes property (Figure 2). The broad, E-W trending, epithermal system that hosts Au and Ag mineralization at Los Reyes is located in the southern portion of the Prime Mining property and consists of a series of E-W to N30°W trending vein-breccia structures, ranging from 3 to 10m in width. This mineralized corridor extends for more than 2 km and includes the historical Guadalupe, San Miguel and Zapote prospects (Turner and Hunter, 2020).

Below is from the NI 43-101 Technical Report on the Los Reyes Property, Sinaloa, Mexico, submitted to Prime Mining by Turner, W.A., P., and Hunter, A. C., April 15, 2020, for Prime Mining Corp. The table below is a In-Place Mineral Resource Summary, Pit Constrained at 0.50 g/t Gold Cutoff.

Table 14: Mineral Resource Summary

Deposit	Assurance Category	Tonnes ('000)	Average Gold	Contained Gold	Average Silver	Contained Silver
			Grade (g/t)	(ounces '000)	Grade (g/t)	(ounces '000)
Tahonitas - El Zapote (North & South)	Measured (M)	2,701	1.72	149	22.29	1,936
	Indicated (I)	3,108	1.13	113	20.35	2,033
	M+I	5,809	1.40	262	21.25	3,969
	Inferred	1,384	1.31	58	19.22	855
Noche Buena	Measured (M)	165	2.00	11	36.10	191
	Indicated (I)	1,249	1.05	42	26.61	1,068
	M+I	1,414	1.16	53	27.72	1,260
	Inferred	664	1.00	21	23.98	512
San Miguel East	Measured (M)	386	1.84	23	76.57	950
	Indicated (I)	1,068	1.18	40	70.00	2,403
	M+I	1,454	1.35	63	71.74	3,354
	Inferred	1,306	1.22	51	87.00	3,653
San Miguel West	Measured (M)	50	5.58	9	71.08	114
	Indicated (I)	297	1.82	17	24.18	231
	M+I	347	2.36	26	30.93	345
	Inferred	50	1.02	2	16.04	26
Guadalupe East	Measured (M)	1,518	1.92	94	53.06	2,589
	Indicated (I)	493	1.24	20	34.55	548
	M+I	2,011	1.75	113	48.52	3,137
	Inferred	318	0.86	9	28.60	292
Guadalupe West	Measured (M)	474	1.36	21	40.83	622
	Indicated (I)	313	0.78	8	22.40	225
	M+I	787	1.13	28	33.50	848
	Inferred	234	0.30	2	15.68	118
TOTAL	Measured (M)	5,294	1.80	306	37.62	6,403
	Indicated (I)	6,528	1.15	240	31.01	6,509
	M+I	11,822	1.44	546	33.97	12,912
	Inferred	3,956	1.13	144	42.90	5,456

1. Three year rolling gold price of US\$1,329 / Troy ounce and silver price of US\$16 / Troy ounce used.
2. Cutoff grade of 0.22 g/t gold applied.
3. Total mining and processing cost of US\$6.70 / tonne applied.
4. No NSR charges were applied in calculation of cutoff or mining costs.
5. In-place tonnages constrained to the LG pit solids using combined gold and silver revenue.

Resources are classified according to the confidence categories defined by CIM Mineral Exploration Best Practice Guidelines, which was published by the CIM Estimation Best Practice Committee on November 23, 2018. The assigned resource classification is currently constrained by a pit floor elevation determined visually from the down dip extent of blocks estimated in the first pass (inferred) and by the maximum search distance of each estimation pass.

#### Americas Gold & Silvers Nuestra Señora and San Rafael Resources

Americas Gold & Silvers Nuestra Señora and San Rafael Projects are directly north of the Eden Property (Figure 2).

Americas Gold & Silvers **Nuestra Señora** is a past producer is located approximately 20 km northwest of the Property boundary. The area was discovered and locally worked by the Spanish approximately 400 years ago with production of enriched silver ore from the upper levels of the Nuestra Señora mine. However, no records of any kind remain from their

activities. At the turn of the 19th century, French engineers through Negociación Minera La República reportedly developed and worked the Nuestra Señora mine with a 10- stamp mill that produced 800 to 1,000kg of silver per month. Activities in the area may have been halted after the 1910 Mexican Revolution

The Nuestra Señora deposit was mined by ASARCO in the mid-fifties and after many decades of dormancy the mining operations re-started with Scorpio Mining in 2008. Over the years, there have been numerous companies that have owned, operated and explored the property. Americas Silver acquired the property through its merger with Scorpio Mining Corporation (“Scorpio”) on December 23, 2014. During this time, the Nuestra Señora mine was in operation and processing ore at its Los Braceros plant. Production from the Nuestra Señora mine stopped in early 2018 and the mine is currently on care and maintenance.

The **San Rafael deposit** contains silver-copper mineralization within a garnet-pyroxene-calcite skarn. The strong metasomatic alteration and the close spatial relationship with a large dioritic intrusion suggest that Zone 120 represents a proximal skarn deposit. Silver-lead-zinc mineralization, in the form of massive sulphide replacements in the Main Zone and, to a lesser extent, in the Upper Zone is associated with quartz-sericite-pyrite alteration. This alteration and mineralization type is believed to be a more distal phase of the skarn system. El Cajón is a proximal silver-copper skarn related to an adjacent nearly cylindrical diorite intrusive body. Mineralization at El Cajón is replacement type and occurs as horizons in recrystallized limestone which are connected by mineralized zones localized by steeply dipping contacts, faults and fractures. Each of these three deposits appears to be related to different intrusive bodies which served as the source of mineralization. (Americas Gold & Silver 43-101 Technical Report. (Del et al, 2019).

Americas Gold and Silver have developed a resource for the San Rafael Deposit. Below is from a Technical Report on the San Rafael Mine and the EC120 Preliminary Feasibility Study, Sinaloa, Mexico (the “San Rafael Technical Report”) for Americas Gold and Silver. Buy Dell, D., Wilson, S., de Bruin, N. and Stonehouse, J.(2019)

Table 15: Summary of San Rafael Mineral Resources

Category	Tonnes	Grades			Contained Metal		
	(000)	Ag (g/t)	Pb (%)	Zn (%)	Ag oz (000)	Pb lbs (M)	Zn lbs (M)
Measured	1,310	100	0.98	2.30	4,207	28.4	66.3
Indicated	1,774	82	0.91	2.12	4,692	35.7	83.0
<b>Total M+I</b>	<b>3,084</b>	<b>90</b>	<b>0.94</b>	<b>2.20</b>	<b>8,899</b>	<b>64.1</b>	<b>149.3</b>
<b>Total Inferred</b>	<b>452</b>	<b>167</b>	<b>2.23</b>	<b>0.39</b>	<b>2,421</b>	<b>22.2</b>	<b>3.8</b>

**Notes:**

- (1) CIM (2014) Definition Standards were followed for Mineral Resources.
- (2) Mineral Resources are estimated at a net smelter return (“NSR”) cut-off value of US\$34 per tonne.
- (3) Mineral Resources are estimated using a silver price of US\$18.00 per ounce, lead price of \$1.05 per pound and zinc price of \$1.05 per pound.
- (4) Mineral Resources are reported exclusive of Mineral Reserves and as such these Mineral Resources do not have demonstrated economic viability.
- (5) Numbers may not add or multiply accurately due to rounding.

Table 16: Summary of San Rafael Resources

Category	Tonnes	Grades			Contained Metal		
	(000)	Ag (g/t)	Pb (%)	Zn (%)	Ag oz (000)	Pb lbs (M)	Zn lbs (M)
Proven	1,155	127	1.80	3.97	4,722	45.9	101.1
Probable	1,757	98	1.59	3.99	5,563	61.8	154.7
<b>Proven and Probable</b>	<b>2,912</b>	<b>110</b>	<b>1.68</b>	<b>3.98</b>	<b>10,285</b>	<b>107.7</b>	<b>255.7</b>

**Notes:**

- (1) CIM (2014) Definition Standards were followed for Mineral Reserves.
- (2) Mineral Reserves are estimated at a net smelter return (“NSR”) cut-off value of US\$50 per tonne.

- (3) Mineral Reserves are estimated using a silver price of US\$16.00 per ounce, lead price of US\$0.90 per pound and a zinc price of US\$0.90 per pound.
- (4) A mining recovery of 80% and dilution factor of 5% at zero grade were used for estimating Mineral Reserves to reflect the mining method (post-pillar cut and fill) used at the operation.
- (5) Numbers may not add or multiply accurately due to rounding.

### **The La Republicana Prospect**

The La Republicana prospect internal to the Property is located 400 m east of the La Provedora prospect along the same access road (Figure 2). This prospect is within a 50-hectare mineral concession named Republicana that is not part of the Eden Property. There is a small 20-30 tons/day mining operation that is ongoing on the main showing. Contrary to the other structures found on the Eden Property, the La Republicana vein strikes W-north-west and dips moderately (25 degrees) to the north-north-east (Figure Figure 5).

The structure varies from 0.3 m to 2.0 m in width and is composed of a central core of quartz-rich breccias with patches of sphalerite, argentite and chalcopyrite. The base metal contents are high suggesting that this epithermal system is a different event that the type of veins found at Eden where base metals are uncommon.

### **El Eden-Guadalupana Prospect**

The El Eden-Guadalupana prospect internal to the Property is located along the main access road, at the SW corner of the El Eden mineral concession (Figure 2). The prospect is centered across an area of old mine workings on two sub-parallel vein structures that partially outcrop 50m apart (Figure 5).

The Guadalupana vein, located 50 m west of the El Eden vein, strikes N10°W and dips 75° to the East. The fracture-filling breccia-vein varies from 0.2m to 1.0m in width and can be traced for about 180 m on surface.

Both mineralized structures occasionally display sugary and drusy quartz textures and are mainly composed of andesitic breccias with quartz amethyst fragments. The breccia-vein system is hosted in chlorite and manganese-oxide altered andesites.

The old workings at Guadalupana consist of a two-level tunnel operation that mined the structure for 20 m and 40 m length from the portals towards the north. These small-scale operations were mined along two sub-parallel, 0.6 m o 1.0 m wide, north-N10°W trending veins, spaced approximately 50 m apart.

The north-south trending El Eden structure dips 60° to the East and can be traced for about 180 m on surface. The vein displays amethyst and drusy quartz features and is hosted in chlorite and manganese-oxide altered andesites. The core structure ranges from 1.5 m to 3.0 m in width. The extension of the vein to the north was not observed due to thick overburden. Two other small showings of sub-parallel quartz veinlets and oxide-filled fracture zones were found just west of the old mine area.

**Reader Caution: The qualified person has not verified the information on the adjacent properties nor mineralization found on adjacent and/or geologically similar properties which is not necessarily indicative of mineralization found on the Property.**

### **Other Relevant Data And Information**

There is no additional information applicable to this project.

### **Interpretation And Conclusion**

The Property hosts gold and silver bearing structures that are hosted in a system of north-north-east trending, easterly dipping, fissure-filling, quartz-rich veins and breccias. 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 Sierra Madre Occidental and visible gold in most of the oxidized veins in old mine workings that have been examined and sampled, suggest that these structures may contain high-grade zones.

There appears to be a structural corridor that connects the Buenavista sub-prospects described above. This assumption is based on the location, orientation, and topography around the mineralized veins and quartz veinlets found to the south and north of the Buenavista prospect. Based on what has been mapped to date, this corridor, centered on the Buenavista mine workings, extends for more than 2.8 km along an arcing north-south strike, initially trending N35°W at La Paloma in the south and ending at N20°E in the north at La Tramposa.

The four vein-breccia structures vary from 0.5 m to 3.0 m in width and can extend for more than 1km along trend. The initial exploration program outlined the extent of the mineralized structures along strike (mapping and sampling). Three different underground channel rock samples collected by Centenario Gold Corp contained values greater than 25 g/t gold that are all associated with silver over 390 g/t. One rock (0.6m) channel sample taken in a Buenavista adit returned 239 g/t gold and 1390 g/t silver.

Anomalous to high values of gold and silver have been obtained in rock samples from locations along the structural trend. An ongoing exploration program is warranted to evaluate the known mineralized occurrences in the Buenavista corridor and to continue reconnaissance investigations throughout the property. Based on the data derived to date the Eden Property is at the drill ready stage.

#### Recommendations

In the qualified persons opinion, the character of the Property is sufficient to merit the following work program:

Complete a core drilling program using man-portable diamond drill during the wet season. This initial drilling program of up to 10 drill holes totaling 1,500 m. The current drill plan developed by Centenario Gold Corp. is focus should be on testing the Buenavista vein structure at depth. is the

Complete a revision and analysis of the new targets defined by the geophysical and soil sampling surveys and follow-up with a field. The estimated cost of this drill program, all-in, is expected to be \$491,180 (see below).

Table 17: – Proposed Budget for the Drill Program

Item	Unit	Cost per unit (USD\$)	Number of Units	Total Cost (USD)
Pre-planning & Mob & Demob	Amount	\$30,000	1	\$30,000
Project Manager	Day	\$475	15	\$7,125
Senior Geologist	Day	\$175	45	\$7,875
Junior Geologist	Day	\$125	45	\$5,625
Technician Assistants (3)	Day	\$240	45	\$10,800
Accommodation, Meals	Man days	\$60	240	\$14,400
Travel		\$10,000		\$10,000
Exploration Field Supplies	Amount	\$15,000		\$15,000
Backhoe, Cat Rental	Day	\$500	10	\$5,000
Vehicles x 2	Day	\$200	45	\$9,000
Assaying rock samples/soils	Sample	\$60	500	\$30,000
Drilling 1,500 m	Per Meter	\$150	1,500	\$225,000
Ejidos community relations	Amount	\$5,000		\$5,000
Reports & Maps	Amount	\$15,000		\$15,000
Subtotal				\$389,825
IVA TAX 16%				\$62,372
Conttingency 10%				\$38,983
<b>Total USD</b>				<b>\$491,180</b>

### *Significant Acquisitions and Dispositions*

Centenario has not made any acquisitions in the past three years.

### *Selected Consolidated Financial Information for the years ending December 31, 2022 and December 31, 2021 and Management's Discussion and Analysis*

	<b>Year Ended December 31, 2022 (audited) (\$)</b>	<b>Year Ended December 31, 2021 (audited) (\$)</b>
Total revenue	Nil	Nil
Total expenses	\$856,894	\$650,688
Net income (loss)	(\$855,212)	(\$650,688)
Per share (basic) - weighted average	(\$0.05)	(\$0.08)
Per share (diluted) <sup>(1)</sup>	(\$0.05)	(\$0.08)
Total assets	\$335,813	\$434,441
Total liabilities	\$387,165	\$64,331
Share capital	\$1,347,999	\$1,103,749
Deficit	\$1,588,851	\$733,639

**Note:**

(1) The calculation of weighted average shares outstanding for the diluted loss per share calculation excludes the impact of warrants outstanding at December 31, 2022 and 2021 as the effect is anti-dilutive.

### *Management Discussion and Analysis*

The management discussion and analysis of Centenario for the year ending December 31, 2022 is attached to this Filing Statement.

### *Description of the Securities*

Centenario is authorized to issue an unlimited number of Centenario Shares without nominal or par value of which, as at the date of this Filing Statement, 23,138,818 Centenario Shares are issued and outstanding as fully paid and non-assessable Centenario Shares in the capital of Centenario.

### *Description of the Centenario Securities that are being Distributed in connection with the Transaction*

Centenario will complete, prior to Closing, a non-brokered Financing of Subscription Receipts at \$0.15 per Subscription Receipt for gross proceeds of the greater of (a) \$1,750,000 or (b) such dollar amount as set out in the Conditional Acceptance of the Exchange. Each Subscription Receipt is convertible into a Centenario Unit consisting of one Centenario Share and one-half of one Centenario Warrant, each whole Centenario Warrant entitling the holder to purchase one Centenario Share at a price of \$0.30 for 24 months following the date of issuance of the Centenario Warrants subject to adjustment in certain events (which Centenario Units are expected, on the same day of issuance, to be exchanged for Resulting Issuer Units on the same terms and conditions as the Centenario Units pursuant to closing of the Transaction). The Subscription Receipts will not be converted unless a Release Notice is delivered to the Escrow Agent by Centenario.

The proceeds from the Subscription Receipt Financing will be held in escrow by the Escrow Agent until the Escrow Agent has either (a) received a Release Notice from Centenario which will confirm that all regulatory conditions contained in the Conditional Acceptance of the Exchange have been satisfied, other than the Financing condition, or (b) the parties to the Amalgamation Agreement have terminated the Transaction, in which latter case the escrowed proceeds will be returned to the holders of the Subscription Receipts on a pro rata basis and the Subscription Receipts will be cancelled without further action on the part of the subscribers.

The Release Notice will confirm the satisfaction of the following escrow release conditions:

- (a) approval of the Amalgamation by the Centenario Shareholders and Other Securityholders (if applicable);
- (b) the conditions precedent in the Amalgamation Agreement for completion of the Qualifying Transaction, other than the financing condition;
- (c) receipt of written Conditional Acceptance of the Qualifying Transaction by the Exchange and, other than the financing condition, the satisfaction of all material conditions precedent of the Exchange contained in its Conditional Acceptance; and
- (d) receipt of any other required regulatory approval.

Finder's fees will be payable by Centenario equal to (a) 7% of funds raised from subscribers in the Financing introduced by qualified finders and (b) Finder's Warrants equal in number to 7% of the Subscription Receipts sold that are attributable to each such finder, such Finder's Warrants exercisable into a Resulting Issuer Share at \$0.15 per Resulting Issuer Share for a period of two (2) years from conversion of the Subscription Receipts. Finder's fees will only become payable on conversion of the Subscription Receipts and Closing of the Transaction.

The net proceeds raised from the Financing will be used to fund a first phase program on the Resulting Issuer's primary resource exploration mining property located in Mexico known as the "Eden Property" wherein the Centenario's subsidiary, Durango Gold Corp. S.A. de C.V., holds an option to acquire a 100% interest subject to a 1% net smelter returns royalty. The program is set out in the Technical Report on the Eden Property that has been filed on SEDAR. The remainder of the Financing proceeds will be used to cover the expenses of the Mexican geological support team, 2023 Eden Property concession taxes, the 2024 Eden Property Option Agreement cash payment, general & administrative expenses, with the balance added to working capital.

#### *Centenario Shares*

Holders of Centenario Shares are entitled to vote at all meetings of shareholders of Centenario, to receive dividends if, as and when declared by the directors and to participate rateably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of Centenario.

#### *Centenario Warrants*

Centenario has issued a number of Centenario Warrants exercisable into Centenario Shares as further itemized in this Filing Statement. See "Prior Sales" below.

#### *Consolidated Capitalization*

The following table summarizes Centenario's capitalization as at the year ended December 31, 2022 and as of the date of this Filing:

Description	Outstanding as at December 31, 2022 <sup>(3)</sup>	Outstanding as at the date of this Filing Statement on an undiluted basis <sup>(1)(2)</sup>
Centenario Shares	19,287,492 (\$1,588,851)	23,138,818 (\$1,925,698) <sup>(2)</sup>

#### **Notes:**

- (1) Centenario closed a private placement in January 2023 of 3,851,326 units at a price of \$0.15 per unit for gross proceeds of \$576,699. Each unit consists of one common share and one half of one common share purchase warrant exercisable at a price of \$0.20 until January 30, 2025. Of the total proceeds raised, \$189,500 was recorded in share subscriptions received as at December 31, 2022.
- (2) Assumes additional issuance costs estimated of \$nil associated with the 2023 private placement.
- (3) The current deficit and contributed surplus of Centenario as at December 31, 2022 is \$1,588,851.

## Debt

There was \$233,430 owing to related parties as at December 31, 2022 (December 31, 2021 - \$Nil). These amounts are unsecured, non-interest bearing, and due on demand. As at the date of this Filing Statement, there was \$82,363 owing to related parties. These amounts are unsecured, non-interest bearing, and due on demand.

## Prior Sales

Date	Type of Security	Price per Security	Number of Securities	Reason for Issuance
June 18, 2021	Common Shares	\$0.02	7,437,500	Private Placement
June 22, 2021	Units <sup>(1)</sup>	\$0.05	3,785,000	Private Placement
July 26, 2021	Units <sup>(2)</sup>	\$0.10	2,242,500	Private Placement
August 30, 2021	Common Shares	\$0.15	3,534,992	Private Placement
November 9, 2021	Common Shares	\$0.15	75,000	Exercise of share purchase warrants
February 14, 2022	Common Shares	\$0.10	800,000	Exercise of share purchase warrants
February 14, 2022	Common Shares	\$0.15	450,000	Exercise of share purchase warrants
June 22, 2022	Common Shares	\$0.10	952,500	Exercise of share purchase warrants
June 22, 2022	Common Shares	\$0.15	10,000	Exercise of share purchase warrants
February 1, 2023	Units <sup>(3)</sup>	\$0.15	3,851,326	Private Placement
			<b>23,138,818</b>	

### Notes:

- (1) Each Unit consisted of one Share and one-half Private Placement Warrant. Each Private Placement Warrant is exercisable for one additional Share at an exercise price of \$0.10 on or before June 22, 2022.
- (2) Each Unit consisted of one Share and one-half Private Placement Warrant. Each Private Placement Warrant is exercisable for one additional Share at an exercise price of \$0.15 on or before January 26, 2023.
- (3) Each Unit consisted of one Share and one-half Private Placement Warrant. Each Private Placement Warrant is exercisable for one additional Share at an exercise price of \$0.20 on or before January 30, 2025.

## STATEMENT OF DIRECTOR AND EXECUTIVE OFFICER COMPENSATION

Executive compensation is required to be disclosed for (i) each chief executive officer (or individual who served in a similar capacity during the most recently completed financial year), (ii) each chief financial officer (or individual who served in a similar capacity during the most recently completed financial year), (iii) each of the three most highly compensated executive officers (other than the chief executive officer and the chief financial officer) who were serving as executive officers at the end of the most recently completed fiscal year (or three most highly compensated individuals) and whose total compensation was, individually, more than \$150,000; and (iv) each individual who would meet the definition set forth in (iii) but for the fact that the individual was neither an executive officer of Centenario, nor acting in a similar capacity, at the end of that financial year (the "Named Executive Officers" or "NEOs").

Compensation of the Named Executive Officers of Centenario is reviewed annually by Centenario's Board. The Board's objective in setting compensation levels is that the aggregate compensation received by a Named Executive Officer be generally competitive with the compensation received by persons with similar qualifications and responsibilities who are employed by other companies of corresponding size and stage of development. In setting such levels, the Board relies primarily on its own experience and knowledge of the marketplace, supplemented by independent advisors, as required.

Centenario's view of salaries and fees is that they should be competitive with industry peers, to the extent that can be determined, and with other public companies at similar stages of development and having similar assets, number of employees, market capitalization and profit margin. In addition to the salary, the Board may from time to time pay a bonus to a Named Executive Officer for either the accomplishment of specific performance criteria or for exceptional performance, as may be applicable in accordance with their respective agreements with Centenario.

#### Compensation of Directors

The Board sets the compensation received by its members. Centenario does not currently compensate its members in their capacities as directors of Centenario.

#### Summary Compensation Table

The following table sets forth information concerning the total compensation paid to the Named Executive Officers within the three most recently completed years.

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES							
Name and Position	Fiscal Year Ended December 31	Salary, Consulting Fee, Retainer or Commission <sup>(1)</sup> (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all Other Compensation (\$)	Total Compensation <sup>(1)(2)(3)</sup> (\$)
Douglas Fulcher <i>Director, and President<sup>(1)</sup></i>	2022 2021	\$60,000 \$45,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	\$60,000 \$45,000
Alain Charest <i>Director and Chief Executive Officer<sup>(2)</sup></i>	2022 2021	\$88,864 \$78,988	\$27,500 Nil	Nil Nil	Nil Nil	Nil Nil	\$116,364 \$78,988
Jonathan Younie <i>Chief Financial Officer<sup>(1)</sup></i>	2022 2021	\$30,000 \$22,500	Nil Nil	Nil Nil	Nil Nil	Nil Nil	\$30,000 \$22,500

#### Notes:

- (1) During the year ended December 31, 2022, the President, the Chief Executive Officer and the Chief Financial Officer received indirect payments to their respective privately held companies as fees for providing executive services pursuant to separate contracts. The fees paid to a private company controlled by Douglas Fulcher, providing the services of President to Centenario were at the initial fee rate of \$5,000 per month that commenced April 1, 2021; and the fees paid to a private company controlled by Jonathan Younie, providing the services of Chief Financial Officer were at the initial fee rate of \$2,500 per month that commenced April 1, 2021. All amounts paid pursuant to the Contracts are included in Management Consulting Fees.
- (2) Alain Charest provides the services of Chief Executive Officer under a consulting agreement at the initial fee rate of \$7,500 per month that commenced on April 1, 2021. All amounts paid to Mr. Charest are included in exploration and evaluation expenditures.

### *Stock Options and Other Compensation Securities*

Centenario has the Option Plan described above, however does not have any other plan for the issuance of compensation or performance securities.

### *Pension Plan Benefits*

Centenario does not have any defined benefit or defined contribution pension plans in place that provide for payments or benefits at, following, or in connection with retirement.

### *Employment, Consulting and Management Agreements*

There are no management functions of Centenario that are to any substantial degree performed by a person or company other than the directors or executive officers (or private companies controlled by them).

### *Non-Arm's Length Party Transaction*

Except as otherwise disclosed herein, the directors and senior officers of Centenario and Affiliates thereof have not had any direct or indirect material interest in any transaction or proposed transaction since its date of incorporation to the date of this Filing Statement that has materially affected or will materially affect Centenario or the Resulting Issuer other than as disclosed below.

### *Arm's Length Transaction*

The Transaction is not a Non-Arm's Length Transaction.

### *Legal Proceedings*

Centenario has not been, and is not presently involved in, any legal proceedings material to it, and insofar as it is aware, no such proceedings are contemplated.

## **AUDITOR, TRANSFER AGENT AND REGISTRAR**

### *Auditor*

Centenario's current auditors are De Visser Gray LLP, whose principal office is located at 401, 905 West Pender St., Vancouver, BC V6C 1L6.

### *Transfer Agent and Registrar*

The transfer agent and registrar for the Centenario Shares is Keystone Corporate Services Inc. at its North Vancouver office located at #214 – 257 12<sup>th</sup> Street East, North Vancouver BC V7L 2J8.

## **MATERIAL CONTRACTS**

Centenario, including its wholly owned subsidiary Durango Gold, has not entered into any material contracts, outside of the ordinary course of business, prior to the date hereof, other than:

- (a) Effective as of March 24, 2021, Durango Gold, a wholly owned Mexican subsidiary of Centenario, entered into the Option Agreement with Dr. Eduardo Alfonso Navarro Contreras, Ing. Antonio Bonifacio Flores Martinez and Ing. Ignacio Martinez Dominguez as optionors, who collectively optioned a 100% interest in the Property to CGC, subject to certain payments and conditions and subject to a 1% NSR;
- (b) On April 1, 2021, Centenario entered into the CEO Agreement with the CEO of Centenario which pays the CEO \$7,500 per month. The term of the CEO agreement is indeterminate. The CEO agreement may be terminated by Centenario by giving the CEO three (3) months' notice;

- (c) On April 1, 2021, Centenario entered into the Centenario Executive Agreement with Digga Holdings Ltd., a private company controlled by the President of Centenario, which pays Digga Holdings Ltd. \$5,000 per month for the services of the President. The term of the Centenario Executive Agreement is indeterminate. The Centenario Executive Agreement may be terminated by Centenario by giving Digga Holdings Ltd. three (3) months' notice;
- (d) On April 1, 2021, Centenario entered into the CFO Agreement with Copsewood Capital Corp., a private company controlled by the CFO of Centenario, which pays Copsewood Capital Corp. \$2,500 per month to provide the services of the CFO and administration services. The term of the CFO Agreement is indeterminate. The CFO Agreement may be terminated by Centenario by giving Copsewood Capital Corp. three (3) months' notice;
- (e) On June 2, 2021, Centenario entered into a share purchase and sale agreement for the acquisition of 99 out of 100 issued and outstanding shares in the capital of Durango Gold, with the one remaining share registered in the name of a Mexican citizen as required by Mexican law;
- (f) On January 20, 2023, Centenario entered into the Letter Agreement with AADirection;
- (g) On January 26, 2023, Durango Gold, a wholly owned Mexican subsidiary of Centenario, entered into the Amendment to the Option Agreement which extended the deadline for Centenario to incur a cumulative minimum of US\$1,000,000 in expenditures on the Eden Property from March 24, 2023 to March 24, 2024;
- (h) On February 24, 2023, Centenario entered into the Loan Agreement with AADirection, to borrow \$150,000;
- (i) On February 24, 2023, Centenario entered into the Security Agreement with AADirection, to provide security to AADirection with respect to its loan of \$150,000 to Centenario; and
- (j) On March 21, 2023, Centenario entered into the Amalgamation Agreement with AADirection and SubCo.

## **INFORMATION CONCERNING THE RESULTING ISSUER**

### *Corporate Structure*

On or after Closing, the Resulting Issuer will (subject to the requisite approvals from the TSXV and in accordance with applicable law) change its name to "Centenario Gold Corp." or such other name that may be approved by the TSXV and the applicable regulatory authorities.

The head office will be at 615, 800 West Pender St., Vancouver, BC V6C 2V6 and the registered office of the Resulting Issuer will be at 2110 28<sup>th</sup> Street, West Vancouver, BC V7V 4M3. The Resulting Issuer will continue to be a reporting issuer in each of the Provinces of British Columbia, and Alberta.

Amalco, the direct wholly owned subsidiary of the Resulting Issuer will be named **Centenario Resources Inc.** and its wholly owned Mexican operating subsidiary will be Durango Gold.

### *Description of the Business*

The Resulting Issuer will carry on business as a mineral resource exploration mining company. See "Information Concerning Centenario - Narrative Description of the Business"

### *Stated Business Objectives*

The immediate objective of the Resulting Issuer following Closing of the Transaction is to complete the first phase core drilling program on the Eden Property as set out in the Technical Report. The program is designed to consist of 10 holes totaling approximately 1,500 meters with the detailed budget as follows:

Item	Unit	Cost per unit (USD)	Number of Units	Total Cost (USD)
Pre-planning, mobilization & demobilization	Amount	\$30,000	1	\$30,000
Project Manager	Day	\$475	15	\$7,125
Senior Geologist	Day	\$175	45	\$7,875
Junior Geologist	Day	\$125	45	\$5,625
Technician Assistants (3)	Day	\$240	45	\$10,800
Accommodation and meals	Man days	\$60	240	\$14,400
Travel	Amount	\$10,000		\$10,000
Exploration Field Supplies	Amount	\$15,000		\$15,000
Backhoe, Cat Rental	Day	\$500	10	\$5,000
Vehicles x 2	Day	\$200	45	\$9,000
Drilling	Per Metre	\$150	1,500	\$225,000
Assays	Sample	\$60	500	\$30,000
Community relations	Amount			\$5,000
Reports & Maps	Amount	\$15,000		\$15,000
Sub-Total				\$389,825
IVA Tax 16%				\$62,372
Contingency (10%)				\$38,983
<b>TOTAL</b>				<b>\$491,180</b>

The Canadian dollar equivalent of the drill budget converted at an exchange rate of 1 USD = 1.35 CAD is \$663,092.

#### *Description of the Securities*

The Resulting Issuer's authorized capital will be identical to AADirection's immediately prior to Closing. See "[Information Concerning AADirection - Description of the Securities](#)".

#### *Pro Forma Consolidated Capitalization*

The following table summarizes the pro forma capital of the Resulting Issuer on a consolidated basis as at December 31, 2022 after giving effect to the Transaction.

Designation of Security	Amount Authorized or to be Authorized	Amount Outstanding prior to the Transaction as at the date of this Filing Statement	Amount Outstanding after giving effect to the Transaction Assuming \$1,750,000 Financing
Resulting Issuer Shares	Unlimited Common Shares	6,000,000	40,805,485

#### *Fully Diluted Share Capital*

The following table summarizes the number and percentage of the Resulting Issuer Shares proposed to be outstanding on a fully diluted basis after giving effect to the Transaction:

Category of Resulting Issuer Shares	After Giving Effect to the Transaction and Assuming Gross Proceeds of \$1,750,000 under the Financing
	Number of Resulting Issuer Shares Assuming \$1,750,000 Financing (% of Resulting Issuer Shares)
Resulting Issuer Shares held by Centenario Shareholders pursuant to the Transaction	23,138,818 (44.26%)
Resulting Issuer Warrants to be issued to Centenario holders in connection with the Transaction <sup>(1)</sup>	1,925,663 (3.68%)
Resulting Issuer Shares held by AADirection Shareholders	6,000,000 (11.48%)
Resulting Issuer Agent's Warrants held by AADirection holders	400,000 (0.77%)
Resulting Issuer Shares to be issued pursuant to the Financing	11,666,667 (22.32%)
Resulting Issuer Warrants to be issued pursuant to the Financing	5,833,333 (11.16%)
Resulting Issuer Finders' Warrants to be issued pursuant to the Financing <sup>(5)</sup>	466,666 (0.89%)
Existing Stock Options held by AADirection Insiders	600,000 (1.15%)
Stock Options to be issued to directors, officers & consultants of the Resulting Issuer <sup>(3)</sup>	2,250,000 (4.30%)
<b>Total</b>	<b>52,281,147</b>

**Notes:**

- (1) These include the Centenario Warrants issued on February 1, 2023.
- (2) These include AADirection Agent's Warrants issued on August 17, 2021
- (3) The Resulting Issuer intends to reserve for grant and grant after Closing to directors, officers, and consultants a total of 2,250,000 stock options at a reservation price of \$0.15 to be granted for a period of 5 years and subject to the Resulting Issuer's stock option plan.
- (4) The Resulting Issuer consolidated shareholder equity as at December 31, 2022 in addition to share capital would consist of contributed surplus of Centenario of \$nil after adjustment of nil. The consolidated deficit of the Resulting Issuer as at December 31, 2022 is \$2,176,881 after elimination of AADirection's deficit on consolidation and inclusive of managements estimate of the fair value of the equity instruments deemed to be exchanged and received by AADirection. The fair value of the 6,000,000 common shares of AADirection was estimated at \$900,000, and is a non-cash listing expense. Legal and transaction costs are estimated at \$171,500 less the net assets acquired from AADirection estimated at \$346,488 resulting in a Resulting Issuer transaction expense of \$725,012.
- (5) Finders' fees are expected to be payable on \$1,000,000 of the concurrent financing.

*Available Funds and Principal Purposes*

Funds Available

The following table reflects the Resulting Issuer's estimated available funds as at April 30, 2023:

<b>Source of Funds</b>	<b>Amount with \$1,750,000 Financing (\$)</b>
Working capital of AADirection as at April 30, 2023	\$130,000 <sup>(1)</sup>
Net proceeds of the Financing	\$1,658,500 <sup>(2)</sup>
Working capital deficit of Centenario as at April 30, 2023	(\$160,957)
<b>Total available funds</b>	<b>\$1,628,343</b>

**Notes:**

- (1) Assumes April 30, 2023 working capital inclusive of accrued administrative expenses, meeting costs, regulatory fees and legal expenses and disbursements.
- (2) Assumes aggregate gross proceeds from the Financing of \$1,750,000 and estimated offering expenses of \$91,500.

*Principal Purposes of Funds*

Upon completion of the Transaction, the Resulting Issuer expects to use its available funds over the following twelve months as follows:

<b>Principal Uses</b>	<b>Allocation with \$1,750,000 Financing (\$)</b>
<b>First Phase Work Program on the Eden Property</b>	<b>\$663,092</b>
<b>Mexico Exploration Support Team</b>	<b>\$84,669</b>
<b>2023 Eden Property Concession Taxes</b>	<b>\$45,982</b>
<b>2024 Eden Property Option Agreement Cash Payment</b>	<b>\$149,400<sup>(1)</sup></b>
<b>General &amp; Administrative Expenses</b>	<b>\$437,196</b>
<b>Unallocated working capital</b>	<b>\$248,004</b>
<b>Total</b>	<b>\$1,628,343</b>

**Note:**

- (1) The cash payment due on or before March 24, 2024 is US\$100,000 plus 16% IVA tax.

While it is anticipated that the Resulting Issuer's available funds following completion of the Transaction will be used as set forth above, the Resulting Issuer may re-allocate funds from time to time depending upon its growth strategy and other conditions in effect at the time.

*Dividends*

The Resulting Issuer does not currently have a dividend policy in place. The holders of Resulting Issuer Shares will be entitled to receive such dividends as may be declared by the Resulting Issuer Board from time to time.

*Principal Securityholders*

To the knowledge of the directors and management of AADirection, no Person or Company is anticipated to own of record or beneficially, or exercise control or direction, directly or indirectly, over more than 10% of any class of voting securities of the Resulting Issuer upon completion of the Transaction.

*Directors, Officers and Promoters*

Name, Address, Occupation and Security Holdings

The following table sets forth the name and municipality of residence, position held, principal occupation, and date of election or appointment as a director or officer, as the case may be, and the number of Resulting Issuer Shares beneficially owned by each director and executive officer of the Resulting Issuer on completion of the Transaction.

<b>Name and Municipality of Residence</b>	<b>Proposed Position with Resulting Issuer</b>	<b>Principal Occupation and Position Held During the Past Five Years<sup>(1)</sup></b>	<b>Director/ Officer of AADirection Since</b>	<b>Number and Percentage of Resulting Issuer Shares to be Held Directly or Indirectly<sup>(3)</sup></b>
Douglas Fulcher <sup>(2)</sup> Vancouver, British Columbia	President, Corporate Secretary, Director and Promoter	Businessman. Owner of Digga Holdings Ltd. since December 2009; President and Corporate Secretary of Centenario since August 17, 2020. Currently, President and CEO of One World Lithium Inc. Former Chief Executive Officer and Chief Financial Officer of Centenario from August 17, 2020 to April 1, 2021. Former President and CEO of Maritime Resources Corp from March 2014 to January 2019.	Nominee	1,150,000 Resulting Issuer Shares (2.82%)
Alain Charest, Chihuahua, Mexico	Chief Executive Officer, VP Exploration and Director	Geological Engineer. Previously VP of Exploration of Evrim Resources SA de CV from January 2015 to December 2019, VP of Exploration of AGSA Minerals SA de CV from December 2008 to January 2020.	Nominee	1,608,333 Resulting Issuer Shares (3.94%)
Pablo Mendez <sup>(2)</sup> Chihuahua, Mexico	Director	Lawyer. Partner at Ec Rubio law firm since March 2010. Director of Centenario since October 15, 2021.	Nominee	412,500 Resulting Issuer Shares (1.01%)
Kevin Milledge <sup>(2)</sup> Burnaby, British Columbia	Director	Businessman. Director of Centenario since March 24, 2022. Director and Chairman of the Audit Committee of One World Lithium Inc. since May 2018.	Nominee	563,333 Resulting Issuer Shares (1.38%)
Mary Ma Vancouver, British Columbia	Director	CPA & Businesswoman. CEO, & CFO of AADirection since Nov. 10, 2021. CEO, CFO and a director of Hanwei Energy Services Corp., a company listed on the TSXV; CFO of OOOOO Entertainment Commerce Limited listed on the TSXV; a former director and CFO of P&P Ventures Inc., a company listed on the TSXV from 2010 to 2018.	November 10, 2021	100,000 Resulting Issuer Shares (0.25%)

Name and Municipality of Residence	Proposed Position with Resulting Issuer	Principal Occupation and Position Held During the Past Five Years <sup>(1)</sup>	Director/ Officer of AADirection Since	Number and Percentage of Resulting Issuer Shares to be Held Directly or Indirectly <sup>(3)</sup>
Jonathan Younie Vancouver, British Columbia	CFO	Businessperson; Chief Financial Officer of Centenario since April 1, 2021. Principal of Copsewood, a corporate finance and accounting firm since 2020. Former Manager, Corporate Finance and Accounting of New Dawn Holdings Ltd. from July 2006 until May 2021.	Nominee (Officer only)	750,000 Resulting Issuer Shares (1.84%)

**Notes:**

- (1) Please see "Directors and Executive Officers" below for a more fulsome description of principal occupations within the five years preceding the date of this Filing Statement.
- (2) Member of the Audit Committee of the Resulting Issuer.
- (3) Based on 40,805,485 Resulting Issuer Shares issued and outstanding as of the Filing Statement date.

*Directors and Executive Officers*

The following are brief biographies of the directors, executive officers and senior management of the Resulting Issuer.

***Douglas Fulcher (Age: 67) – President, Corporate Secretary and Director***

Mr. Fulcher has over 45 years of mineral exploration experience. He has worked with numerous senior and junior mining companies, domestically and at an international level, both public and private. Mr. Fulcher is currently the President of Centenario and the President and CEO of One World Lithium Inc. Previously, he was the President and CEO of Maritime Resources Corp from March 2014 to January 2019. He was the President and CEO of Abacus Mining and Exploration from 2003 until 2010 where he was instrumental in the development of the Afton Ajax project. Mr. Fulcher also served on the Boards of True Grit Resources Ltd. and previously was the President of Burnstone Ventures Inc., Skygold Ventures Ltd and a director of Redstar Gold Corp. and Niblack Mining Corp which was formed as a spin out company of Abacus Mining. Mr Fulcher has a business degree from Capilano University.

Mr. Fulcher has entered into the Digga Holdings Consulting Agreement and is thereby an independent contractor of the Corporation. Mr. Fulcher has not entered into any non-competition or non-disclosure agreements with Centenario; however, pursuant to the Digga Holdings Consulting Agreement, he is subject to confidentiality provisions and is bound to not engage in any other business activities that could create a conflict of interest with Mr. Fulcher's services and duties to the Corporation without the prior written consent of the Board.

***Alain Charest (Age: 66) – Chief Executive Officer, VP Exploration and Director***

Mr. Charest is a geological engineer with more than 40 years in major and junior company exploration worldwide. He has spent the past 27 years based in Mexico exploring and developing mining operations. Mr. Charest was VP Exploration for Francisco Gold Corp. and Chesapeake Gold Corp., both operating in Mexico. Mr. Charest studied Geological Engineering at the University of British Columbia.

Mr. Charest has entered into the Charest Consulting Agreement and is thereby an independent contractor of Centenario. Mr. Charest has not entered into any non-competition or non-disclosure agreements with the Corporation; however, pursuant to the Charest Consulting Agreement, he is subject to confidentiality provisions and is bound to not engage in any other business activities that could create a conflict of interest with Mr. Charest's services and duties to Centenario without the prior written consent of the Board.

***Pablo Mendez (Age: 43) – Director***

Pablo Méndez joined legal firm Ec Rubio in October 2004 and became partner in March 2010. In 2007, he opened the Mining Area of the Ec Rubio and has been its director since. In 2017, he was appointed Managing Director of the Chihuahua office. From 2002 to 2004, he worked for the Ministry of Foreign Affairs at the Consulate of Mexico in Albuquerque, New Mexico, US. His areas of expertise are civil, commercial and banking litigation, mining, international affairs, amparo and immigration. Mr Mendez earned a law degree at Instituto Panamericano de Alta Dirección de Empresas.

Mr. Mendez is not an independent contractor or employee of Centenario and has not entered into non-competition or non-disclosure agreements with the Corporation.

***Kevin Milledge (Age: 67) – Director & Chair of the Audit Committee***

Mr. Milledge has over 45 years' experience as a businessman and entrepreneur in the mineral exploration field. Mr. Milledge is president of Pamicon Developments Ltd., which is a full-service geological consulting firm with global experience. He has held management and executive positions and has extensive experience in project planning, development, and budgeting. Mr. Milledge has served on the boards and committees of several public companies trading on both the TSX Venture Exchange and Canadian Securities Exchange. Mr. Milledge is currently on the board of One World Lithium Inc. and is the Chairman of the Audit Committee.

Mr. Milledge is not an independent contractor or employee of Centenario and has not entered into non-competition or non-disclosure agreements with Centenario.

***Jonathan Younie (Age: 54) – Chief Financial Officer***

Mr. Younie has been the Principal of Copsewood Capital Corp., a Corporate Finance and Accounting firm since 2020. From December 2006 until May 2021, he was Manager, Corporate Finance and Accounting of New Dawn Holdings Ltd., an investment and financial consulting firm providing administration and financial advisory services to private and public companies. Mr. Younie has been the Chief Financial Officer of Centenario since April 1, 2021.

Mr. Younie is a Director of Kelly Ventures Ltd., a CPC company listed on the TSXV, the Chief Financial Officer of Condor Resources Inc., a junior natural resource company listed on the TSXV, and Chief Financial Officer of Galaxy Ventures Inc., a CPC company listed on the TSXV. From April 2019 to November 2021, he was Chief Financial Officer of RooGold Inc. (formerly JNC Resources Inc. and now named Metalite Resources Inc.), a junior natural resource company listed on the CSE. Mr. Younie has also served as a director and/or officer of a number of other public companies listed on the TSXV/NEX. See "Other Reporting Issuer Experience" below for details.

Mr. Younie has entered into the Copsewood Consulting Agreement and is thereby an independent contractor of Centenario. Mr. Younie has not entered into any non-competition or non-disclosure agreements with Centenario; however, pursuant to the Copsewood Consulting Agreement, he is subject to confidentiality provisions and is bound to not engage in any other business activities that could create a conflict of interest with Mr. Younie's services and duties to Centenario without the prior written consent of the Board.

***Mary Ma (Age 50) – Director***

Ms. Ma, CPA, CGA has been involved with publicly listed companies since 2009. She has advised a few companies on going public in Canada and China and played a significant role which led to a successful completion of such transactions including merger, acquisition and project financing. She also has been a Chief Financial Officer, Director and Corporate Secretary in a couple of public companies listed on the TSX and TSX Venture Exchange since 2009. Ms. Ma is a senior financial and accounting professional with acute business sense, and she has more than 20 years of experience in accounting, finance, and the operating fields of private, international, and public companies.

***Management***

Proposed members of management of the Resulting Issuer will be the same as the directors and officers described above under "*Information Concerning the Resulting Issuer - Directors, Officers and Promoters*".

### *Promoters*

Douglas Fulcher would be considered promoters of the Resulting Issuer.

### *Corporate Cease Trade Orders or Bankruptcies*

Except as set out below, no proposed director or officer of the Resulting Issuer or a security holder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, within ten years before the date of this Filing Statement, has been, a director, officer or promoter of any Person that, while that Person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under applicable securities law, for a period of more than 30 consecutive days; or
- (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Fulcher was CEO and a director of and Mr. Milledge was a director of One World Lithium Inc. when, on application by management, it became subject to a management cease trade order issued by the British Columbia Securities Commission on:

- (a) June 16, 2020, for failure to file annual audited financial statements and management discussion and analysis for the year ended December 31, 2019. Such filings were subsequently filed and the British Columbia Securities Commission revoked the management cease trade order on July 31, 2020; and
- (b) May 1, 2018, for failure to file annual audited financial statements and management discussion and analysis for the year ended December 31, 2017. Such filings were subsequently filed and the British Columbia Securities Commission revoked the management cease trade order on June 15, 2018.

### *Penalties or Sanctions*

No proposed director or officer of the Resulting Issuer, or a security holder anticipated to hold sufficient securities of the Resulting Issuer to materially affect the control of the Resulting Issuer, has:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body that would be likely to be considered important to a reasonable security holder making a decision about the Transaction.

### *Personal Bankruptcies*

No proposed director or officer of the Resulting Issuer or a security holder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding company of any such Person has, within the 10 years before the date of this Filing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

### *Conflicts of Interest*

The directors of the Resulting Issuer will be required by law to act honestly and in good faith with a view to the best interests of the Resulting Issuer and to disclose any interests, which they may have in any project or opportunity of the Resulting Issuer. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. To the best of the knowledge of Centenario, and other than as disclosed herein, there are no known existing or potential conflicts of interest between the Resulting Issuer and its proposed promoters, directors and

officers or other proposed members of management of the Resulting Issuer as a result of their outside business interests except that certain directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Resulting Issuer and their duties as a director or officer of such other companies.

*Other Reporting Issuer Experience*

The following table sets out the proposed directors and officers of the Resulting Issuer that are, or have been within the last five years, directors, officers or promoters of other reporting issuers:

*Other Reporting Issuer Experience*

<b>Other Reporting Issuer Experience</b>					
<b>Name</b>	<b>Name and Jurisdiction of Reporting Issuer</b>	<b>Name of Trading Market</b>	<b>Position</b>	<b>From</b>	<b>To</b>
Douglas Fulcher	One World Lithium Inc. (Canada)	CSE	CEO, President & Director	Sep 23, 2015	Present
Kevin Milledge	One World Lithium Inc.	CSE	Director	May 1, 2018	Present
Mary Ma	Hanwei Energy Services Corp. (Canada)	TSXV	CEO, CFO Director	Jan 1, 2021	Present
	OOOOO Entertainment Commerce Limited (Canada)	TSXV	CFO	Dec. 16, 2022	Present
Jonathan Younie	Kelly Ventures Ltd. (Canada)	TSXV	Director	November, 2018	Present
	Galaxy Ventures Inc. (Canada)	TSXV	CFO	October, 2021	Present
	Condor Resources Inc. (Canada)	TSXV	CFO	February 2015	Present
	Tyner Resources Inc. (Canada)	NEX (TSXV)	CFO	November, 2010	March, 2023
	Gstaad Capital Corp. (Canada)	NEX (TSXV)	CFO	December, 2014	October, 2022
	Earl Resources Limited (Canada)	NEX (TSXV)	CFO	November, 2017	June, 2022
	Metalite Resources Inc. (formerly RooGold Inc.) (Canada)	CSE	CFO	April 2019	October, 2021
	RE Royalties Ltd.	TSXV	CEO	December, 2017	November, 2018

### *Executive Compensation*

The statement of executive compensation contained in this section relates only to the proposed executive compensation of the Resulting Issuer assuming completion of the Transaction and should be read and interpreted as though the Transaction have been completed. For information relating to the executive compensation practices of Centenario for periods prior to the date of this Filing Statement, see "*Information Concerning AADirection - Executive Compensation*".

### *Compensation Discussion and Analysis*

The Resulting Issuer's compensation philosophy for NEOs is designed to attract well-qualified individuals by paying modest base salaries plus short and long-term incentive compensation in the form of stock options or other suitable long-term incentives. In making its determinations regarding the various elements of executive compensation, the Resulting Issuer Board will have access to and will rely on published studies of compensation paid in comparable businesses.

The duties and responsibilities of the CEO are typical of those of a business entity of the Resulting Issuer's size in a similar business and include direct reporting responsibility to the Resulting Issuer's Board, overseeing activities of all other executives of the Resulting Issuer, representing the Resulting Issuer, providing leadership and responsibility for achieving corporate goals, and implementing corporate policies and initiatives.

The objectives of the Resulting Issuer's executive compensation program are as follows:

- to attract, retain and motivate talented executives who create and sustain the Resulting Issuer's continued success;
- to align the interests of the Resulting Issuer's executives with the interests of the Resulting Issuer's shareholders; and
- to provide total compensation to executives that is competitive with that paid by other companies of comparable size engaged in a similar business in appropriate regions.

Overall, the executive compensation program aims to design executive compensation packages that mirror executive compensation packages for executives with similar talents, qualifications and responsibilities at companies with similar financial, operating and industrial characteristics. The Resulting Issuer expects to undergo rapid growth and is committed to retaining its key executives for the next several critical years, while at the same time ensuring that executive compensation is tied to specific corporate goals and objectives. The Resulting Issuer's executive compensation program has been designed to reward executives for reinforcing the Resulting Issuer's business objectives and values, for achieving the Resulting Issuer's performance objectives, and for their individual performance.

The executive compensation program consists of a combination of base salary, performance bonus and stock option incentives. The base salary of a NEO is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

The Resulting Issuer will adopt procedures to ensure that all employment, consulting, or other compensation arrangements between the Resulting Issuer and any Director or senior officer of the Resulting Issuer or between any subsidiary of the Resulting Issuer and any Director or senior officer of the Resulting Issuer are considered and approved by independent Directors, in accordance with TSXV policies.

### *Base Salary*

In addition to a fixed base salary, a NEO is eligible to receive a performance-based bonus meant to motivate the NEO to achieve short-term goals. Awards under the plan will be made by way of cash payments only, which payments will be made at the end of the relevant fiscal year. Each NEO will be measured against the financial targets within his or her control and, while overall company performance is part of the plan, individual targets will represent the highest percentage of the plan payout.

### *Stock Options*

The Resulting Issuer believes that equity-based compensation in the form of stock options will link the interests of its

executive officers with the long-term interests of the Resulting Issuer's shareholders. Stock option awards to executive officers (including NEOs) will typically be subject to time-based vesting provisions. The Resulting Issuer believes that such awards will encourage NEOs to focus on long-term company performance and increasing long-term shareholder value and will serve as a useful retention mechanism by encouraging NEOs to remain employed with the Resulting Issuer.

The Resulting Issuer does not have any formal policy regarding when stock options are to be granted or the size of any given grant, and the Resulting Issuer does not intend to tie such grants directly to any pre-established corporate or individual goals. The Resulting Issuer Board or a committee thereof will, however, consider and evaluate the total compensation package, including base salary and cash bonuses, received or to be received by a particular executive officer, and will seek to ensure that such total compensation package is fair, reasonable and competitive. When considering an award of options to an executive officer, consideration of the number of options previously granted to the executive may be taken into account.

#### *Broad-Based Benefits Programs*

All full-time employees, as well as the Resulting Issuer's NEOs, may participate in the Resulting Issuer's health and welfare benefit programs, including medical, dental and vision care coverage, disability insurance and life insurance. The Resulting Issuer does not intend to provide perquisites or personal benefits to its NEOs that are not otherwise generally available to other employees.

#### *Determination of the Amount of Each Element of the Executive Compensation Program*

##### Base Salary

The base salary review of any NEO takes into consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of the NEO. Base salary is not evaluated against a formal "peer group".

##### Performance Bonuses

The Resulting Issuer Board will oversee the operation of the Resulting Issuer's bonus plan by evaluating and approving the targets and the objectives to be met by the NEO and the amount of bonus payable at specific levels of attainment of those targets and objectives. The bonus for any individual NEO varies dependent upon the position and financial performance of the related business unit or corporate activity.

Each element of the executive compensation program has been designed to meet one or more objectives of the overall program.

The fixed base salary of any NEO, combined with the granting of stock options, has been designed to provide total compensation which the Resulting Issuer Board believes is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

##### Option-Based Awards

The Resulting Issuer Stock Option Plan will be administered by the Resulting Issuer Board or a committee thereof, in accordance with such terms and conditions as the Resulting Issuer Board may prescribe.

The value of option-based awards will be based on grant date fair value using the Black-Scholes option-pricing model.

Amendments to the terms of previously granted options are subject to regulatory approval, if required. If required by the TSXV, disinterested shareholder approval will be required for any reduction in the option price of a previously granted stock option if the optionee is an Insider of Centenario at the time of the proposed reduction in the option price.

#### *Summary Compensation Table*

Following Closing, the Resulting Issuer will have the following NEOs, whose names and positions held are set out in the summary compensation table below. The Resulting Issuer may grant options to the NEOs upon completion of the Transaction.

There is no existing or agreed upon annual incentive plan for the NEOs at this time; this is expected to be reviewed and an annual incentive plan implemented after the Resulting Issuer Board is constituted and has had adequate time to review any

such plan. As described earlier, it is expected that the annual incentive plan will be based on overall company performance and meeting individual financial targets.

Name and Principal Position	Salary (\$)	Share based award (\$)	Option based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
				Annual incentive plans	Long term incentive plans			
Douglas Fulcher President	\$60,000	N/A	\$46,939 <sup>(1)</sup>	N/A <sup>(2)</sup>	N/A <sup>(1)</sup>	N/A	N/A <sup>(3)</sup>	\$106,939
Alain Charest Chief Executive Officer, VP Exploration	\$90,000	N/A	\$67,056 <sup>(1)</sup>	N/A <sup>(1)</sup>	N/A <sup>(2)</sup>	N/A	N/A <sup>(3)</sup>	\$157,056
Jonathan Younie Chief Financial Officer	\$30,000	N/A	\$33,528 <sup>(1)</sup>	N/A <sup>(1)</sup>	N/A <sup>(2)</sup>	N/A	N/A <sup>(3)</sup>	\$63,528

**Notes:**

- (1) The Resulting Issuer intends to issue up to 2,250,000 stock options at an exercise price of \$0.15 per share to directors, officers and consultants after completion of the Transaction.
- (2) Cash bonuses, if any, for fiscal 2023 will be determined by the Resulting Issuer Board or a committee thereof. See "Executive Compensation- Compensation Discussion and Analysis".
- (3) Any additional compensation to be paid to the NEOs for fiscal 2023 will be determined by the Resulting Issuer Board or a committee thereof. See "Executive Compensation - Compensation Discussion and Analysis".

*Termination and Change of Control Benefits*

Following Closing, the Resulting Issuer will not have any contracts, agreements, plans or arrangements that provide for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Resulting Issuer or a change in an NEO's responsibilities.

*Director Compensation*

The remuneration payable to directors of the Resulting Issuer will be determined following Closing. It is anticipated that the directors will be issued Resulting Issuer Stock Options.

*Indebtedness of Directors and Officers*

There is not currently, nor has there been since the beginning of the most recently completed financial year of the Resulting Issuer any outstanding indebtedness owing to the Resulting Issuer or, in each case, any subsidiary thereof, by: (i) any director, executive officer or employee of the Resulting Issuer, as the case may be; (ii) any former director, executive officer or employee of the Resulting Issuer, as the case may be; (iii) any proposed nominee for election as a director of the Resulting Issuer; or (iv) any Affiliate of any current or former director, executive officer or proposed nominee for election as a director of the Resulting Issuer, either pursuant to an employee stock purchase program of the Resulting Issuer, as the case may be, or otherwise, and no individual is or has been indebted to any other entity where the indebtedness is the subject of a guarantee, support agreement, letter of credit, or similar arrangement or understanding by the Resulting Issuer, as the case may be.

### Investor Relations Arrangements

No written or oral agreement or understanding has been reached with any Person to provide any promotional or investor relations services for the Resulting Issuer. See "Information Concerning the Resulting Issuer- Directors, Officers and Promoters".

### Options to Purchase Securities

The following table sets out information of the Resulting Issuer with respect to compensation plans under which equity securities of the Resulting Issuer are authorized for issuance.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, and rights (a)</b>	<b>Weighted average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuances under equity compensation plan (excluding securities reflected in column (a) (c)</b>
Equity compensation plans approved by security holders	600,000 <sup>(1)</sup>	\$0.10 <sup>(1)</sup>	3,480,548 <sup>(3)</sup>
<b>Total</b>	<b>600,000</b>		<b>3,480,548</b>

#### Notes:

- (1) There are 600,000 stock options currently outstanding that have been granted under AADirection's Stock Option Plan.
- (2) The Resulting Issuer intends to issue up to 2,250,000 stock options at an exercise price of \$0.15 per share to directors, officers, employees and consultants after completion of the Transaction.
- (3) Based on Financing of \$1,750,000.

### Stock Option Plan

The Resulting Issuer is proposing the following stock options be granted following completion of the Transaction.

<b>Name</b>	<b>Position</b>	<b>Number of Options</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
Alain Charest	Director/CEO	500,000	\$0.15	Five years from date of grant
Douglas Fulcher	Director/President	350,000	\$0.15	Five years from date of grant
Pablo Mendez	Director	200,000	\$0.15	Five years from date of grant
Kevin Milledge	Director	200,000	\$0.15	Five years from date of grant
Jonathan Younie	CFO	250,000	\$0.15	Five years from date of grant
Steven McGuire	Consultant	200,000	\$0.15	Five years from date of grant
Almendra Lechuga	Employee	150,000	\$0.15	Five years from date of grant
Hermilo Mendoza	Employee	150,000	\$0.15	Five years from date of grant
Gabriel Gomez	Employee	100,000	\$0.15	Five years from date of grant
Gustavo Cota	Employee	100,000	\$0.15	Five years from date of grant
Jesus Aragn	Employee	50,000	\$0.15	Five years from date of grant

## Escrowed Securities

### Principals

The following table summarizes information concerning escrowed securities held by principals of the Resulting Issuer prior to and after giving effect to the Transaction Assuming a Financing of \$1,750,000:

Name and Municipality of Residence of Securityholder	Designation of class	Prior to Giving Effect to the Transaction		After Giving Effect to the Transaction and the Financing <sup>(1)(2)</sup>	
		Number of securities held in escrow	Percentage of class	Number of securities to be held in escrow <sup>(4)</sup>	Percentage of class
Douglas Fulcher North Vancouver, BC	Common	Nil	N/A	1,150,000	2.82%
Alain Charest Zihuatanejo, Mexico	Common	Nil	N/A	1,608,333	3.94%
Pablo Mendez Chihuahua, Mexico	Common	Nil	N/A	412,500	1.01%
Kevin Milledge Burnaby, BC	Common	Nil	N/A	450,000	1.10%
Pamicon Developments Ltd. <sup>(6)</sup> Vancouver, BC	Common	Nil	N/A	113,333	0.28
Jonathan Younie Vancouver, BC	Common	Nil	N/A	550,000	1.35%
Copsewood Capital Corp. <sup>(7)</sup> Vancouver, BC	Common	Nil	N/A	200,000	0.49
Steven McGuire Duncan, BC	Common	Nil	N/A	995,000	2.44%
Robin Fulcher North Vancouver, BC	Common	Nil	N/A	650,000	1.59%
Ariana Martinez Carbajal Zihuatanejo, Mexico	Common	Nil	N/A	450,000	1.10%
Mary Ma Vancouver, BC	Common	100,000 <sup>(5)</sup>	1.6%	100,000	0.25%

#### Notes:

- (1) Assumes no principals participate in the Financing
- (2) Assumes the issuance of 11,666,667 Resulting Issuer Shares pursuant to a \$1,750,000 Financing.
- (3) Odyssey Trust Company will be the escrow agent
- (4) Resulting Issuer Shares will be released from escrow as set forth in the Escrow Release table below.
- (5) These Shares are subject to a CPC escrow agreement as further described below with 25% released as of the date of the Final Exchange Bulletin and 25% are released every 6 months thereafter until all Shares are released after 18 months.

- (6) Pamicon is controlled by Kevin Milledge, Director.  
(7) Copewood is controlled by Jonathan Younie, CFO.

Name and Municipality of Residence of Securityholder	Designation of class	Prior to Giving Effect to the Transaction		After Giving Effect to the Transaction	
		Number of securities held in escrow	Percentage of class	Number of securities to be held in escrow <sup>(2) (3)</sup>	Percentage of class
Douglas Fulcher North Vancouver, BC	Warrants	Nil	N/A	175,000 <sup>(1)</sup>	2.03%
Alain Charest Zihuatanejo, Mexico	Warrants	Nil	N/A	266,666 <sup>(1)</sup>	3.09%
Pamicon Developments Ltd. Vancouver, BC	Warrants	Nil	N/A	56,666 <sup>(1)</sup>	0.66%
Copewood Capital Corp. Vancouver, BC	Warrants	Nil	N/A	100,000 <sup>(1)</sup>	1.16%
Steven McGuire Duncan, BC	Warrants	Nil	N/A	147,500 <sup>(1)</sup>	1.71%

**Notes:**

- (1) These warrants are exercisable at \$0.20 per share and expire January 1, 2025.  
(2) Odyssey Trust Company will be the escrow agent.  
(3) Resulting Issuer warrants will be released from escrow as set forth in the Escrow Release table below.

The release from escrow of the incoming principals escrowed securities is as follows:

Percentage	Release Date
10%	At the time of TSXV Bulletin
15%	6 months from TSXV Bulletin
15%	12 months from TSXV Bulletin
15%	18 months from TSXV Bulletin
15%	24 months from TSXV Bulletin
15%	30 months from TSXV Bulletin
15%	36 months from TSXV Bulletin

If the number of Resulting Issuer Shares issued under the Financing does not equal at least 20% of the issued and outstanding shares of the Resulting Issuer upon completion of the Transaction, the principals of the Resulting Issuer will be subject to a Tier 2 Surplus Security Escrow Agreement with release provisions as set out below:

Percentage	Release Date
5%	At the time of TSXV Bulletin
5%	6 months from TSXV Bulletin
10%	12 months from TSXV Bulletin
10%	18 months from TSXV Bulletin

Percentage	Release Date
15%	24 months from TSXV Bulletin
15%	30 months from TSXV Bulletin
40%	36 months from TSXV Bulletin

With respect to the existing CPC escrowed securities, the release from escrow of the CPC principal's escrowed securities is as follows:

Name and Municipality of Residence of Securityholder	Designation of class	Prior to Giving Effect to the Transaction		After Giving Effect to the Transaction and the Financing <sup>(1)</sup>	
		Number of securities held in escrow	Percentage of class	Number of securities to be held in escrow <sup>(3)</sup>	Percentage of class
Joanne Yan West Vancouver, BC	Common	850,000	14.17%	850,000	2.1%
Jackie Cheung Vancouver, BC	Common	850,000	14.17%	850,000	2.1%
Michael Woods West Vancouver, BC	Common	200,000	3.33%	200,000	0.5%
Mary Ma Vancouver, BC	Common	100,000	1.6%	100,000	0.25%

**Notes:**

- (1) Assumes the issuance of 11,666,667 Resulting Issuer Shares pursuant to a \$1,750,000 Financing.
- (2) Odyssey Trust Company is the escrow agent.
- (3) Resulting Issuer Shares will be released from escrow as set forth in the Escrow Release table below.

*Auditor(s), Transfer Agent(s) and Registrar(s)*

**Auditor**

The auditor of the Resulting Issuer will be De Visser Gray LLP, whose principal office is located at 401, 905 West Pender St., Vancouver, BC V6C 1L6.

**Transfer Agent and Registrar**

The Resulting Issuer's transfer agent and registrar will be Odyssey Trust Company, at its Vancouver office located at United Kingdom Building #323 – 409 Granville Street Vancouver BC V6C 1T2.

**GENERAL MATTERS**

**Sponsorship and Agent Relationship**

*Sponsor*

Neither AADirection or Centenario have entered into any agreement with a registrant to provide sponsorship with respect to the Transaction or Financing. AADirection is applying to the Exchange for a waiver of sponsorship in connection with the proposed Qualifying Transaction.

*Relationships*

Neither AADirection or Centenario have entered into any agreement with a registrant to provide sponsorship or corporate finance services.

*Other Material Facts*

There are no other material facts about Centenario, the Resulting Issuer or the Transaction that have not been disclosed in this Filing Statement.

*Board Approval*

The contents and filing of this Filing Statement have been approved by AADirection Board and the Centenario Board.

*Additional Information*

If readers have any questions about the information contained in the Filing Statement, please contact: Centenario Gold Corp. at 615 - 800 West Pender St., Vancouver BC V6C 2V6. Attention: Jonathan Younie, Chief Financial Officer.

## CERTIFICATES

### Certificate of AADirection Capital Corp.

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities of AADirection Capital Corp. assuming Completion of the Qualifying Transaction.

*"Mary Ma"*

\_\_\_\_\_  
**Mary Ma, Chief Executive Officer**

*"Mary Ma"*

\_\_\_\_\_  
**Mary Ma, Chief Financial Officer**

*"Joanne Yan"*

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**Joanne Yan, Director**

*"Jackie Cheung"*

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**Jackie Cheung, Director**

### Certificate of Centenario

The foregoing, as it relates to Centenario constitutes full, true and plain disclosure of all material facts relating to the securities of Centenario.

*"Alain Charest"*

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**Alain Charest, Chief Executive Officer**

*"Jonathan Younie"*

\_\_\_\_\_  
**Jonathan Younie, Chief Financial Officer**

*"Douglas Fulcher"*

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**Douglas Fulcher, Director**

*"Kevin Milledge"*

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**Kevin Milledge, Director**

## ACKNOWLEDGEMENT

### Acknowledgement – Personal Information

Personal Information” means any information about an identifiable individual, and includes information contained in any Items in the attached filing statement/information circular that are analogous to Items 4.2, 11, 12.1, 15, 17.2, 18.2, 23, 24, 26, 31.3, 32, 33, 34, 35, 36, 37, 38, 40 and 41 of this Filing Statement, as applicable.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- (a) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B) pursuant to [this Form]; and
- (b) the collection use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.

*“Jonathan Younie”*

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**Jonathan Younie,**  
**Chief Financial Officer**

**Appendix A**

**AADirection Capital Corp.**

**Financial Statements for the Year Ended December 31, 2022**  
(Audited)

(Expressed in Canadian Dollars)

# **AADIRECTION CAPITAL CORP.**

## **FINANCIAL STATEMENTS**

Years ended December 31, 2022 and 2021

# Mao & Ying LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **AADirection Capital Corp.**

### Opinion

We have audited the financial statements of AADirection Capital Corp. (the "Company"), which comprise the statements of financial position as at December 31, 2022 and 2021, and the statements of loss and comprehensive loss, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years ended December 31, 2022 and 2021 in accordance with International Financial Reporting Standards (IFRSs).

### Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Other than the matter described in the "Material Uncertainty Related to Going Concern" section of this report, we determined there are no other key audit matters to be communicated in our auditor's report.

### Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Linda Zhu.

Vancouver, Canada  
March 31, 2023

*Mao & Ying LLP*  
Chartered Professional Accountants

**AADIRECTION CAPITAL CORP.**Statements of Financial Position  
(Expressed in Canadian dollars)

	December 31, 2022	December 31, 2021
	\$	\$
<b>Assets</b>		
Cash	42,902	369,311
Short-term investment (note 4)	300,000	-
Other receivables	3,839	-
	<u>346,741</u>	<u>369,111</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	253	4,895
<b>Equity</b>		
Share capital (note 5)	375,922	375,922
Contributed surplus	85,405	85,045
Accumulated deficit	(114,479)	(96,551)
	<u>346,488</u>	<u>364,416</u>
	<u>346,741</u>	<u>369,311</u>

*Gong concern (Note 2)**Subsequent event (Note 10)*

The accompanying notes are an integral part of these financial statements.

On behalf of the Board:

“Michael Woods”

Michael Woods, director

“Mary Ma”

Mary Ma, director

**AADIRECTION CAPITAL CORP.**  
 Statements of Loss and Comprehensive Loss  
 (Expressed in Canadian dollars)

	For the year ended December 31, 2022	For the year ended December 31, 2021
	\$	\$
<b>Expenses</b>		
Listing and filing fees	8,206	26,915
Office and administration	-	270
Professional fees	7,642	12,724
Share-based compensation	-	51,027
Annual shareholders' meeting fees	4,340	-
Transfer agent fees	3,215	4,062
	23,403	94,998
<b>Loss before other items</b>	<b>(23,403)</b>	<b>(94,998)</b>
<b>Other items</b>		
Net interest income	5,475	-
<b>Net loss and comprehensive loss</b>	<b>(17,928)</b>	<b>(94,998)</b>
<b>Net loss per share (Basic and Diluted)</b>	<b>(0.00)</b>	<b>(0.03)</b>
<b>Weighted average number of shares outstanding (basic and diluted)</b>	<b>6,000,000</b>	<b>3,490,411</b>

The accompanying notes are an integral part of these financial statements.

**AADIRECTION CAPITAL CORP.**

## Statements of Cash Flow

(Expressed in Canadian dollars)

	For the year ended December 31, 2022	For the year ended December 31, 2021
	\$	\$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net loss	(17,928)	(94,998)
Items not involving cash:		
Share-based compensation	-	51,027
Non-cash working capital items:		
Other receivables	(3,839)	-
Accounts payable and accrued liabilities	(4,642)	3,342
Net cash used in operating activities	(26,409)	(40,629)
<b>Investing activities</b>		
<i>Short-term investment</i>	(300,000)	-
Net cash used in investing activities	(300,000)	-
<b>Financing activities</b>		
Proceeds from issuance of shares	-	400,000
Share issue costs	-	(90,060)
Net cash from financing activities	-	309,940
<b>Change in cash</b>	(326,409)	269,311
<b>Cash, beginning of year</b>	369,311	100,000
<b>Cash, end of year</b>	42,902	369,311

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

**AADIRECTION CAPITAL CORP.**Statements of Changes in Equity  
(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Contributed Surplus	Accumulated deficit	Shareholders' Equities
		\$	\$	\$	\$
Balance, January 1, 2021	2,000,000	100,000	-	(1,553)	98,447
Common shares issued	4,000,000	400,000	-	-	400,000
Share issuance cost (cash)	-	(90,060)	-	-	(90,060)
Share issuance cost (agent warrants)	-	(34,018)	34,018	-	-
Share-based compensation	-	-	51,027	-	51,027
Net loss	-	-	-	(94,998)	(94,998)
<b>Balance, December 31, 2021</b>	<b>6,000,000</b>	<b>375,922</b>	<b>85,045</b>	<b>(96,551)</b>	<b>364,416</b>
Balance, January 1, 2022	6,000,000	375,922	85,045	(96,551)	364,416
Net loss	-	-	-	(17,928)	(17,928)
<b>Balance, December 31, 2022</b>	<b>6,000,000</b>	<b>375,922</b>	<b>85,045</b>	<b>(114,479)</b>	<b>346,488</b>

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

# **AADIRECTION CAPITAL CORP.**

## **Notes to the Financial Statements**

For the years ended December 31, 2022 and 2021

(Expressed in Canadian dollars)

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### **1. NATURE OF OPERATIONS**

AADirection Capital Corp. (the "**Company**") was incorporated under the Business Corporations Act of British Columbia on December 1, 2020 and is a capital pool company as defined by TSX Venture Exchange ("**TSXV**") Policy 2.4 (the "**Policy**"). The Company's principal business is to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction ("**QT**") as defined in the Policy. The Company is listed on the TSX Venture Exchange under the symbol "AAD.P".

Until the completion of a QT, the proceeds raised from the issuance of share capital may only be used for the identification and evaluation of assets or businesses for acquisition and amalgamation with the exception that not exceeding \$3,000 per month may be used for reasonable general and administrative expenses of the Company.

The Company's head office, principal address and registered and records office is 2110 – 28 Street, West Vancouver, BC, V7V 4M3.

### **2. BASIS OF PRESENTATION**

#### ***Statement of Compliance***

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial statements were authorized for issue by the Board of Directors on March 31, 2023.

#### ***Going Concern Assumption***

The Company has not generated any revenues or cash flows from operations and relies on financing for its activities, and its continuation as a going concern is dependent upon its ability to complete a QT and raise additional financing if required. The financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

For the year ended December 31, 2022, the Company incurred a loss of \$17,928 (2021 – a loss of \$94,998). The Company had working capital of \$346,488 and a cumulative deficit of \$114,479 as at December 31, 2022, as compared to working capital of \$364,416 and an accumulated deficit of \$96,551 as at December 31, 2021.

In assessing whether the going concern assumption is appropriate, the management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt upon the Company's ability to continue as a going concern as described above, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These annual financial statements do not include any adjustments relating to the realization of assets and liquidation of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

## **AADIRECTION CAPITAL CORP.**

### **Notes to the Financial Statements**

For the years ended December 31, 2022 and 2021

(Expressed in Canadian dollars)

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#### ***Judgements and estimates***

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. 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 judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may materially differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. The effect of changes in such estimates on the financial statements in future periods could be significant.

#### ***Basis of measurement***

The financial statements have been prepared under the historical cost basis except for those as explained in the accounting policies below.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

#### ***Cash***

Cash consists of balances held at a large Canadian financial institution.

#### ***Short-term Investment***

Short-term investments consist of investments with market values closely approximating book values and original maturities between thirty days and twelve months at the time of purchase.

#### ***Income taxes***

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded by providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled.

Deferred tax assets are recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

#### ***Share Capital***

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

#### ***Earnings (loss) per share***

Basic earnings (loss) per share is computed by dividing the net earnings (loss) attributable to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional

## **AADIRECTION CAPITAL CORP.**

### **Notes to the Financial Statements**

For the years ended December 31, 2022 and 2021

(Expressed in Canadian dollars)

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shares for the assumed exercise of stock options, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

#### ***Financial instruments***

Financial assets and financial liabilities are recognized when the Company becomes party to the contractual provisions of the instruments. Financial assets and liabilities are initially measured at fair value, plus transaction costs.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments for principal and interest. Financial assets and liabilities are classified into one of the following categories based on the purpose for which they were acquired:

- Amortized cost
- Fair value through profit or loss ("FVTPL")
- Fair value through Other Comprehensive Income ("FVTOCI")

Financial assets are classified at FVTPL when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

The Company classifies the fair value of these financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Cash is classified under Level 1.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.

Level 3 – Valuations in the level are those with inputs for the asset or liability that are not based on observable market data.

The Company has classified its cash as fair value through profit or loss. The Company's accounts payable and accrued liabilities are classified as amortized cost.

#### **4. SHORT-TERM INVESTMENT**

On November 4, 2022, the Company invested \$300,000 in a 1-year cashable GIC with Bank of Montreal at a rate of 4.0% per annum. The investment had a 30-day lock period such that the GIC

## **AADIRECTION CAPITAL CORP.**

### **Notes to the Financial Statements**

For the years ended December 31, 2022 and 2021

(Expressed in Canadian dollars)

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with accrued interest can be cashed in at any time after the 30 day lock period without penalty.

## **5. SHARE CAPITAL**

### ***Authorized***

Unlimited common shares without par value.

### ***Issued***

Shares issued and outstanding as at December 31, 2022 were 6,000,000 (December 31, 2021 – 6,000,000).

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.

The Company completed its Initial Public Offering (“IPO”) and commenced trading as a capital pool company with TSXV on August 17, 2021. The Company issued a total of 4,000,000 common shares at a price of \$0.10 per share for gross proceeds of \$400,000. In connection with this IPO, the Company paid cash commissions of \$40,000 and corporate finance fee of \$15,000 and issued 400,000 broker warrants with a fair value of \$34,018. The fair value of broker warrants was \$0.085 per warrant estimated using the Black Scholes option pricing model with the risk-free interest rate of 0.81%, dividend yield of 0%, expected volatility of 127.90% and expected life of 5 years. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.10 until August 17, 2026. In addition to the above costs, the Company paid legal fees and expenses of \$35,060.

### ***Escrowed shares***

Under the requirements of the TSXV, the 2,000,000 common shares issued as seed shares are held in escrow pursuant to the terms of a CPC Escrow Agreement and will be released from escrow in tranches over a period of 18 months from the date of the Final QT Exchange Bulletin as follows:

- 25% on the date of Final QT Exchange Bulletin;
- 25% on the date 6 months following Final QT Exchange Bulletin;
- 25% on the date 12 months following Final QT Exchange Bulletin; and
- 25% on the date 18 months following Final QT Exchange Bulletin.

### ***Options***

The Company has a stock option plan under which directors and officers are eligible to receive grants. Under the stock option plan, the granted stock options are exercisable over periods of up to ten years as determined by the Company’s Board of Directors. The maximum number of outstanding stock options under the plan is limited to 10% of the number of common shares outstanding. The number of stock options, the vesting periods, and the exercise price is set by the Company’s Board of Directors based on the market value at the time of granting.

On August 17, 2021, the Company granted 600,000 incentive stock options to directors and officers of the Company. These options vested immediately and are exercisable at \$0.10 per share for a period of five years, expiring on August 17, 2026. The fair value was \$0.085 per option, estimated by using the Black-Scholes Option Pricing Model with risk-free interest rate of 0.81%, dividend yield of 0%, expected volatility of 127.9% and expected life of 5 years. For the year ended December 31, 2021, the Company recognized \$51,027 in share-based compensation relating to these grants. For the year ended December 31, 2021, the volatility was estimated by using the

## AADIRECTION CAPITAL CORP.

### Notes to the Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in Canadian dollars)

historical volatility of other companies in the same industry during the similar period.

A summary of the share option transactions is listed below.

	Number of options	Weighted average exercise price	Remaining contractual life
		\$	(years)
Outstanding, January 1, 2021	-	-	-
Granted to directors	600,000	0.10	
Outstanding, December 31, 2021	600,000	0.10	4.63
Outstanding, December 31, 2022	600,000	0.10	3.63

Details of the share options outstanding and exercisable as at December 31, 2022 are as follows:

Expiry Date	Exercise price	Number of options Outstanding	Number of options exercisable	Remaining contractual life
August 16, 2026	\$0.10	600,000	600,000	3.63 years
	\$0.10	600,000	600,000	3.63 years

### **Warrants**

As at December 31, 2022, the following warrants were outstanding:

Expiry Date	Exercise price	Number of warrants outstanding	Number of warrants vested	Remaining contractual life
August 16, 2026	\$0.10	400,000	400,000	3.63 years
	\$0.10	400,000	400,000	3.63 years

## **6. RELATED PARTY TRANSACTIONS**

The related party balances and transactions not disclosed elsewhere in these financial statements are listed below. Related party transactions in normal course of operations are measured at the exchange amount.

The Company incurred legal fees of \$2,568 for the year ended December 31, 2022 (2021 - \$21,815) to a law firm controlled by a director of the Company, and incurred accounting fees of \$2,800 for the year ended December 31, 2021 (2021 - \$700) to a consulting firm controlled by a director and officer of the Company. As at December 31, 2021, \$4,616 recorded in accounts payable and accruals was due to the companies controlled by an officer and a director for the services rendered to the Company, while no amount recorded in accounts payable and accruals was due to such companies as at December 31, 2022.

Key management personnel comprise the Company's Board of Directors and executive officers. The Company incurred stock-based compensation expense related to directors valued at \$51,027 during the year ended December 31, 2021. No stock options were granted during the year ended December 31, 2022. Key management personnel were not paid post-employment benefit,

## AADIRECTION CAPITAL CORP.

### Notes to the Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in Canadian dollars)

termination fees or other long-term benefits during the years ended December 31, 2022 and 2021.

## 7. INCOME TAXES

A reconciliation of income taxes at statutory rates is as follows:

	For the year ended December 31 2022	For the year ended December 31 2021
	\$	\$
Loss before income tax	(17,928)	(94,998)
Statutory tax rate	27%	27%
Expected income tax recovery at the statutory tax rate	(4,841)	(25,649)
Adjustments resulting from:		
Non-deductible items	-	13,777
Tax loss not utilized	4,841	11,872
Income tax expense	-	-

The Company's deferred income tax assets not recognized due to the uncertainty associated with the ultimate realization are as follows:

	December 31 2022	December 31 2021
	\$	\$
Non-capital losses carry-forward	17,132	12,291
	17,132	12,291

As at December 31, 2022, the Company has non-capital losses of approximately \$63,452 which may be carried forward to apply against future year's income for Canadian income tax purposes, subject to final determination by taxation authorities, expiring between 2040 and 2042.

## 8. CAPITAL MANAGEMENT

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company defines capital to include all the components of equity.

The Company is in the stage of identifying and evaluating potential acquisitions, and its primary objective in respect of capital management is to ensure it has sufficient cash resources to fund the identification and evaluation of businesses or assets for future investment.

Under the Policy, the proceeds raised from the issuance of share capital may only be used to cover its reasonable expenses as a public company and expenses to operate its business of identifying and evaluating assets or businesses with a view to completing a QT. These restrictions apply until the completion of a QT.

## **AADIRECTION CAPITAL CORP.**

### **Notes to the Financial Statements**

For the years ended December 31, 2022 and 2021

(Expressed in Canadian dollars)

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#### **9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

As at December 31, 2022, the Company's financial instruments consist of cash, other receivable, short-term investments 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.

It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

#### **10. SUBSEQUENT EVENT**

On January 20, 2023, the Company entered into a binding letter agreement ("Agreement") to acquire Centenario Gold Corp. ("Centenario"), a British Columbia incorporated mineral resource exploration company that holds Mexican property interests through a 99% owned subsidiary, Durango Gold Corp. S.A. de C.V. (the "Qualifying Transaction"). The Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction and is subject to Exchange approval. On January 22, 2023, trading in the shares of the Company was halted and will remain halted pending receipt and review of acceptable documentation regarding the Qualifying Transaction pursuant to Listing Policy 2.4.

Subject to Exchange approval, and as a sign of its commitment to the listing of Centenario, the Company has agreed to loan to Centenario a total of \$150,000 to fund Centenario's second cash payment of US\$75,000 with respect to a resource exploration property named the Eden Property, to fund near-term tax obligations in connection with the Eden Property and for expenses incurred in connection with its due diligence and the approval process with respect to the Qualifying Transaction. The loan was secured by way of a general security agreement and was advanced to Centenario as of March 10, 2023.

On March 2, 2023, 1403285 B.C. Ltd., a wholly owned subsidiary of the Company (the "AAD Subco") was incorporated. On March 21, 2023, the Company, AAD Subco and Centenario signed a Definitive Agreement, and pursuant to the Definitive Agreement, Centenario and AAD Subco have agreed to amalgamate pursuant to section 275 of the Business Corporations Act (British Columbia), and for such purpose the Company has agreed to issue certain of its securities to the securityholders of Centenario in order for Centenario and AAD Subco to amalgamate to continue as a wholly owned subsidiary of the Company (the "Amalgamation").

Pursuant to the Definitive Agreement, the Company will acquire 100% of the outstanding common shares of 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 Centenario to the shareholders of Centenario on the closing date of the Qualifying Transaction.

Pursuant to the Definitive Agreement, the Company and Centenario have agreed to complete a private placement financing (the "Concurrent Financing") for aggregate gross proceeds of not less than \$1.75 million to close concurrent with the Closing of the Qualifying Transaction following receipt of conditional Exchange acceptance of the Qualifying Transaction. The Concurrent Financing is expected to be carried out by way of subscription receipts at \$0.15 per Subscription Receipt, convertible into units of Centenario, each Unit consisting of a common share and one-half of a share purchase warrant exercisable at \$0.30 per warrant share for a 2-year period, that through the amalgamation are immediately exchanged for the Company's securities on a 1:1 basis.

**AADIRECTION CAPITAL CORP.**

**Notes to the Financial Statements**

For the years ended December 31, 2022 and 2021

(Expressed in Canadian dollars)

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The closing of the Definitive Agreement and completion of the Amalgamation is subject to the following conditions:

- a. the Company will have received Conditional Acceptance from the Exchange with respect to the Qualifying Transaction that includes this Amalgamation and satisfy all material conditions of the Exchange contained in its Conditional Acceptance; and
- b. Centenario will have raised the Minimum Dollar Amount specified by the Exchange in its Conditional Acceptance through the Subscription Receipt Offering, with such funds held in escrow, subject to the Triggering Notice.

**Appendix B**

**AADirection Capital Corp.**

**Management's Discussion and Analysis**

**For the Year Ended December 31, 2022**

**AADIRECTION CAPITAL CORP.**  
(the "Company")

**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the year ended December 31, 2022**

The following management discussion and analysis ("MD&A") has been prepared by management of the Company as of March 31, 2023 and should be read in conjunction with the audited annual financial statements and related notes of the Company for the years ended December 31, 2022 and 2021. 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.

**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.

**Business Overview**

AADirection Capital Corp. (the "Company") was incorporated under the Business Corporations Act of British Columbia on December 1, 2020 and is a capital pool company as defined by TSX Venture Exchange ("TSXV") Policy 2.4 (the "Policy"). The Company's principal business is to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction ("QT") as defined in the Policy. The Company is listed on the TSX Venture Exchange 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. The Company completed its Initial Public Offering ("IPO") and commenced trading as a capital pool company on August 17, 2021 with TSXV. The Company issued a total of 4,000,000 common shares at a price of \$0.10 per share for gross proceeds of \$400,000. In connection with this IPO, the Company paid cash commissions of \$40,000 and corporate finance fee of \$15,000 and issued 400,000 broker warrants with a fair value of \$34,018. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.10 until August 17, 2026. In addition to the above costs, the Company paid legal fees and expenses of \$35,060.

On August 17, 2021, the Company granted 600,000 incentive stock options to directors and officers of the Company. These options vest immediately and are exercisable at \$0.10 per share

for a period of five years, expiring August 17, 2026. The Company recognized \$51,027 in share-based compensation relating to these grants in the quarter ended September 30, 2021.

Until the completion of a QT, the proceeds raised from the issuance of share capital may only be used for the identification and evaluation of a QT with the exception that not exceeding \$3,000 per month may be used for reasonable general and administrative expenses of the Company as defined under the Policy.

On March 2, 2023, 1403285 B.C. Ltd., a wholly owned subsidiary of the Company (the "AAD Subco") was incorporated. On March 21, 2023, the Company, AAD Subco and Centenario signed a Definitive Agreement, Pursuant to the Definitive Agreement, the Company will acquire 100% of the outstanding common shares of Centenario by way of a one for one (1:1) share exchange which will result in the shareholders of Centenario taking control of the Company upon closing. More details are disclosed under Subsequent Event.

### Summary of Quarterly Results (Unaudited)

In Canadian dollars (\$)	Quarter ended						
	Dec. 31 2022	Sep. 30 2022	Jun. 30 2022	Mar. 31 2022	Dec. 31 2021	Sep. 30 2021	Jun. 30 2021
Revenues	Nil						
Net income(loss)	1,918	(22)	(12,975)	(6,849)	(5,263)	(55,354)	(12,655)
Net loss per share (Basic and Diluted)	0.00	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)
Total assets	346,741	345,811	347,979	358,634	369,311	370,745	61,703
Total shareholders' equity	346,488	344,570	344,592	357,567	364,416	369,679	42,346

### Result of Operations

The Company had a net loss of \$ 17,928 for the year ended December 31, 2022, as compared to a net loss of \$94,998 of the prior year. The loss was mainly due to the following expense items:

- Listing and filing fees were \$8,206 for the year ended December 31, 2022, in relation to ongoing regulatory activities, as compared to \$26,915 attributive to the initial listing on the TSXV of the prior year.
- Professional fees were \$7,642 for the year ended December 31, 2022 as compared to 12,724 the prior year, respectively, with the breakdown as follows:

In Canadian dollars (\$)	For the year ended December 31, 2022	For the year ended December 31, 2021
Accounting fees	2,800	2,842
Audit fees	3,500	2,627
Legal fees	342	7,255
Tax fees	1,000	-
	7,642	12,724

- Transfer agent fee was \$3,215 for the year ended December 31, 2022 as compared to \$4,062 of the prior year.
- On June 1, 2022, the Company's annual meeting of shareholders was held at an expense of \$4,340.
- For the year ended December 31, 2021, the Company recognized \$51,027 share-based compensation with respect to the grant of stock options.

## **Liquidity and Capital Management**

For the year ended December 31, 2022, cash outflow of \$26,409 was used in operating activities which was primarily attributed to expenditures relating to listing and filing fees, professional fees and expenditure on annual meeting of shareholders and \$300,000 cash was invested in short-term investment, as compared to cash outflow of \$40,629 used in operating activities of the prior year mainly due to the result of the payment of \$26,001 listing and filing fees and \$9,442 professional fees, and \$400,000 cash inflow provided by the issuance of common shares, partially offset by the share issue costs of \$90,060.

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 has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

Under the Policy, until the completion of a QT, the proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for the purpose of completing a QT, with the exception that no more than the lesser of 30% of the gross proceeds from the sale of the Company's securities or \$210,000, may be used for purposes other than evaluating businesses or assets.

## **Outstanding Share Data**

The Company is authorized to issue an unlimited number of common shares. As of March 31, 2023, there were 6,000,000 common shares issued and outstanding. As of March 31, 2023, the Company also had issued 600,000 unexercised options and 400,000 unexercised warrants to purchase 1,000,000 common shares.

## **Results of the Fourth Quarter (unaudited)**

For the quarter ended December 31, 2022, the Company incurred a net income of \$1,918, including interest income from its one-year cashable GIC investment of \$3,362, partially offset by professional fees and transfer agent fees, while a loss of \$5,263 incurred in the same quarter of the prior year.

## **Off-Balance Sheet Arrangements**

The Company has not had any off-balance sheet arrangements for the years ended December 31, 2022 and 2021.

## **Related Party Transactions**

The Company incurred legal fees of \$2,568 for the year ended December 31, 2022 (2021 - \$21,815) to a law firm controlled by a director of the Company, and incurred accounting fees of \$2,800 for the year ended December 31, 2021 (2021 - 700) to a consulting firm controlled by a director and officer of the Company. As at December 31, 2021, \$4,616 recorded in accounts payable and accruals was due to the companies controlled by an officer and a director for the services rendered to the Company, while no amount recorded in accounts payable and accruals was due to such companies as at December 31, 2022.

The Company incurred stock-based compensation expense related to directors valued at \$51,027 during the year ended December 31, 2021.

These related party transactions are in the normal course of business.

## **Critical Accounting Estimates**

The Company's significant accounting policies and estimates are summarized in Note 2&3 of the audited consolidated financial statements for the years ended December 31, 2022 and 2021.

## **FINANCIAL INSTRUMENTS**

The Company classifies its financial instruments as follows: cash and cash equivalents as fair value through profit or loss and measured at fair value; and account payables and accruals as financial liabilities and measured at amortized cost.

As at December 31, 2022, the Company's financial instruments consisted of cash, other receivables, short-term investment 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.

## **SUBSEQUENT EVNET**

On January 20, 2023, the Company entered into a binding letter agreement ("Agreement") to acquire Centenario Gold Corp. ("Centenario"), a British Columbia incorporated mineral resource exploration company that holds Mexican property interests through a 99% owned subsidiary, Durango Gold Corp. S.A. de C.V. (the "Qualifying Transaction"). The Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction and is subject to Exchange approval. On January 22, 2023, trading in the shares of the Company was halted and will remain halted pending receipt and review of acceptable documentation regarding the Qualifying Transaction pursuant to Listing Policy 2.4.

Subject to Exchange approval, and as a sign of its commitment to the listing of Centenario, the Company has agreed to loan to Centenario a total of \$150,000 to fund Centenario's second cash payment of US\$75,000 with respect to a resource exploration property named the Eden Property, to fund near-term tax obligations in connection with the Eden Property and for expenses incurred in connection with its due diligence and the approval process with respect to the Qualifying Transaction. The loan was secured by way of a general security agreement and was advanced to Centenario as of March 10, 2023.

On March 2, 2023, 1403285 B.C. Ltd., a wholly owned subsidiary of the Company (the "AAD Subco") was incorporated. On March 21, 2023, the Company, AAD Subco and Centenario signed a Definitive Agreement, and pursuant to the Definitive Agreement, Centenario and AAD Subco have agreed to amalgamate pursuant to section 275 of the Business Corporations Act (British Columbia), and for such purpose the Company has agreed to issue certain of its securities to the securityholders of Centenario in order for Centenario and AAD Subco to amalgamate to continue as a wholly owned subsidiary of the Company (the "Amalgamation").

Pursuant to the Definitive Agreement, the Company will acquire 100% of the outstanding common shares of 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 Centenario to the shareholders of Centenario on the closing date of the Qualifying Transaction.

Pursuant to the Definitive Agreement, the Company and Centenario have agreed to complete a private placement financing (the "Concurrent Financing") for aggregate gross proceeds of not less than \$1.75 million to close concurrent with the Closing of the Qualifying Transaction following receipt of conditional Exchange acceptance of the Qualifying Transaction. The Concurrent Financing is expected to be carried out by way of subscription receipts at \$0.15 per Subscription Receipt, convertible into units of Centenario, each Unit consisting of a common share and one-half of a share purchase warrant exercisable at \$0.30 per warrant share for a 2-year period, that

through the amalgamation are immediately exchanged for the Company's securities on a 1:1 basis.

The closing of the Definitive Agreement and completion of the Amalgamation is subject to the following conditions:

- a. the Company will have received Conditional Acceptance from the Exchange with respect to the Qualifying Transaction that includes this Amalgamation and satisfy all material conditions of the Exchange contained in its Conditional Acceptance; and
- b. Centenario will have raised the Minimum Dollar Amount specified by the Exchange in its Conditional Acceptance through the Subscription Receipt Offering, with such funds held in escrow, subject to the Triggering Notice.

### **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 pursuing a 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 year ended December 31, 2022 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.sedar.com](http://www.sedar.com).

**Appendix C**

**Centenario Gold Corp.**

**Financial Statements for the Year Ended December 31, 2022**

**(Audited)**

(Expressed in Canadian Dollars)



**CENTENARIO GOLD CORP.**

**Consolidated Financial Statements**

(Expressed in Canadian dollars)

**For the Years Ended December 31, 2022 and December 31, 2021**

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## INDEPENDENT AUDITOR'S REPORT

**To the Shareholders of Centenario Gold Corp.**

**Report on the Audit of the Consolidated Financial Statements**

### Opinion

We have audited the consolidated financial statements of Centenario Gold Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2022 and 2021 and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has not generated any revenue and has incurred losses since inception. As stated in Note 1, the Company's ability to continue as a going concern is dependent upon its ability to obtain additional capital. These matters, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there is the following key audit matter to communicate in our auditor's report.

<b>Key audit matter:</b>	<b>How our audit addressed the key audit matter:</b>
Assessment of impairment indicators of Exploration and evaluation assets.	Our approach to addressing the matter included the following procedures, among others:
<i>Refer to note 2(c) – Use of judgements and estimates, note 4(b) – Accounting policy Exploration and evaluation assets and note 6 Exploration and evaluation assets</i>	Evaluated the reasonableness of management's assessment of impairment indicators, which included the following:
Management assesses at each reporting period whether	<ul style="list-style-type: none"><li>Assessed the Company's market capitalization in</li></ul>

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there is an indication that the carrying value of exploration and evaluation assets may not be recoverable. Management applies significant judgement in assessing whether indicators of impairment exist that necessitate impairment testing. Internal and external factors, such as (i) a significant decline in the market value of the Company's share price; (ii) changes in the Company's assessment of whether commercially viable quantities of mineral resources exist within the property; and (iii) changes in metal prices, capital and operating costs, are evaluated by management in determining whether there are any indicators of impairment.

We considered this a key audit matter due to (i) the significance of the exploration and evaluation asset balance and (ii) the significant audit effort and subjectivity in applying audit procedures to assess the factors evaluated by management in its assessment of impairment indicators, which required significant management judgement.

comparison to the Company's net assets, which may be an indication of impairment.

- Assessed the completeness of the factors that could be considered indicators of impairment, including consideration of evidence obtained in other areas of the audit.
- Confirmed that the Company's right to explore the property had not expired.
- Obtained management's written representations regarding the Company's future plans for the exploration and evaluation assets.
- Assessed the reasonability of the Company's financial statement disclosure regarding their exploration and evaluation assets.

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### **Other Information**

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis" but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is James Roxburgh.

The image shows a handwritten signature in black ink that reads "De Visser Gray LLP". The signature is written in a cursive, flowing style.

**Chartered Professional Accountants**

Vancouver, BC, Canada  
March 29, 2023

**CENTENARIO GOLD CORP.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian Dollars)

	As at December 31, 2022	As at December 31, 2021
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 115,033	\$ 240,044
Prepaid expenses	3,834	17,138
Amounts receivable	2,864	3,009
<b>Total Current Assets</b>	<b>121,731</b>	<b>260,191</b>
<b>Non-Current Assets</b>		
Equipment (Note 4)	4,395	16,460
Exploration and evaluation assets (Note 6)	131,899	65,496
Right-of-Use Asset (Note 7)	7,086	49,598
Value added tax receivable (Note 5)	70,702	42,696
<b>Total Non-Current Assets</b>	<b>214,082</b>	<b>174,250</b>
<b>TOTAL ASSETS</b>	<b>\$ 335,813</b>	<b>\$ 434,441</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 379,313	\$ 13,249
Lease liability (Note 7)	7,852	43,230
<b>Total Current Liabilities</b>	<b>387,165</b>	<b>56,479</b>
<b>Non-Current liabilities</b>		
Lease liability (Note 7)	-	7,852
<b>TOTAL LIABILITIES</b>	<b>387,165</b>	<b>64,331</b>
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>		
Share subscriptions received (Note 8)	189,500	-
Share capital (Note 8)	1,347,999	1,103,749
Deficit	(1,588,851)	(733,639)
<b>TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)</b>	<b>(51,352)</b>	<b>370,110</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 335,813</b>	<b>\$ 434,441</b>

**Nature and continuance of operations** (Note 1)  
**Subsequent events** (Notes 6, 8 and 14)

"Doug Fulcher"

Director

"Alain Charest"

Director

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

**CENTENARIO GOLD CORP.****CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

(Expressed in Canadian Dollars)

	<b>Number of Shares</b>	<b>Share Capital</b>	<b>Share Subscriptions Received</b>	<b>Deficit</b>	<b>Total Equity (Deficiency)</b>
Balance, December 31, 2020	100	\$ 1	\$ 102,500	\$ (82,951)	\$ 19,550
Return of the incorporator's shares to treasury	(100)	(1)	-	-	(1)
Private placement financings	16,999,992	1,092,499	(102,500)	-	989,999
Share purchase warrants exercised	75,000	11,250	-	-	11,250
Loss and comprehensive loss for the year	-	-	-	(650,688)	(650,688)
Balance, December 31, 2021	17,074,992	1,103,749	-	(733,639)	370,110
Share purchase warrants exercised	2,212,500	244,250	-	-	244,250
Share subscriptions received	-	-	189,500	-	189,500
Loss and comprehensive loss for the year	-	-	-	(855,212)	(855,212)
Balance, December 31, 2022	19,287,492	\$ 1,347,999	\$ 189,500	\$ (1,588,851)	\$ (51,352)

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

**CENTENARIO GOLD CORP.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
(Expressed in Canadian Dollars)

	<b>For the Years Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Operating expenses</b>		
Exploration and evaluation	\$ 475,400	\$ 389,578
Depreciation (Note 3 and 6)	46,570	26,713
Management fees and consulting fees (Note 8)	185,375	137,884
Office and administration (Note 8)	25,446	34,475
Professional fees	85,510	3,638
Project generation	17,171	55,521
Transfer agent and filing fees	18,372	-
Travel and business development	11,316	314
Foreign exchange (gain) loss	(8,266)	2,565
<b>Loss from operations</b>	<b>(856,894)</b>	<b>(650,688)</b>
<b>Other items</b>		
Gain on sale of equipment	1,682	-
<b>Loss and Comprehensive Loss for the Year</b>	<b>\$ (855,212)</b>	<b>\$ (650,688)</b>
<b>Basic And Diluted Loss Per Share Outstanding</b>	<b>\$ (0.05)</b>	<b>\$ (0.08)</b>
<b>Weighted Average Number Of Shares Outstanding</b>	<b>18,681,585</b>	<b>8,179,956</b>

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

**CENTENARIO GOLD CORP.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian Dollars)

	<b>For the Years Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
Cash and cash equivalents provided by (used in):		
<b>Operating Activities</b>		
Net loss for the year	\$ (855,212)	\$ (650,688)
<b>Items not affecting cash:</b>		
Depreciation	46,570	26,713
Gain on sale of equipment	(1,682)	-
<b>Changes in non-cash operating working capital items:</b>		
(Increase) decrease in prepaid expenses	13,304	(17,138)
(Increase) decrease in accounts receivable	145	(2,994)
Increase in value added tax receivable	(28,006)	(36,686)
Increase in accounts payable and accrued liabilities	366,064	9,368
<b>Cash used in operating activities</b>	<b>(458,817)</b>	<b>(671,425)</b>
<b>Investing Activities</b>		
Exploration and evaluation assets	(66,403)	(65,496)
Proceeds on disposition of equipment	9,689	-
Purchase of equipment	-	(18,374)
<b>Cash used in investing activities</b>	<b>(56,714)</b>	<b>(83,870)</b>
<b>Financing Activities</b>		
Share capital issued	244,250	1,001,248
Share subscriptions received	189,500	-
Principal portion of office lease	(43,230)	(23,315)
<b>Cash provided by financing activities</b>	<b>390,520</b>	<b>977,933</b>
Increase (decrease) in cash and cash equivalents during the year	(125,011)	222,638
Cash and cash equivalents - beginning of the year	240,044	17,406
<b>Cash and cash equivalents - end of the year</b>	<b>\$ 115,033</b>	<b>\$ 240,044</b>

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

## **CENTENARIO GOLD CORP.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

For the Years Ended December 31, 2022 and December 31, 2021

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#### **1. NATURE AND CONTINUANCE OF OPERATIONS**

On August 17, 2020, Centenario Gold Corp. ("Centenario" or the "Company") was incorporated under the laws of the province of British Columbia. The Company acquires, explores, and develops interests in mineral projects in Mexico.

The Company's head office address and registered office address is Suite 615 – 800 West Pender Street, Vancouver, BC, V6C 2V6.

The financial statements of the Company are presented in Canadian dollars, which is the functional and reporting currency of the Company.

##### Going concern of operations

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. As of December 31, 2022, the Company has not generated any revenues and has incurred losses of \$1,588,851 (December 31, 2021 - \$733,639) since inception. The Company's continued existence and plans for future growth depend on its ability to obtain additional capital.

During March 2020, the World Health Organization declared covid-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

In late February 2022, a conflict commenced in Ukraine. In response, various countries, including Canada, issued broad-ranging economic sanctions against Russia. The ramifications of the sanctions may not be limited to Russia and Ukraine and may spill over to and negatively impact other regional and global economic markets, sectors, industries and markets for securities and commodities globally. The current circumstances are dynamic and the duration of the conflict and related impact of imposed sanctions on the business cannot be reasonably estimated at this time. While the company expects any direct impacts of the conflict in Ukraine to the business to be limited, the direct impacts on the economy may negatively affect the business and future operations.

The above material uncertainties raise significant doubt about the Company's ability to continue as a going concern. Although these financial statements have been prepared on a going concern basis, the Company's continuing operations are dependent upon its ability to obtain adequate financing through debt or equity issuance.

## **2. BASIS OF PREPARATION**

### **(a) Statement of compliance**

These consolidated financial statements of the Company for the years ended December 31, 2022 and December 31, 2021 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements were authorized for issue by the Board of Directors on March 29, 2023.

### **(b) Financial Statement Presentation**

These financial statements include the accounts of the Company and its 99% owned Mexican subsidiary, Durango Gold Corp S.A. de C.V. whose principal business is the exploration of the Eden project in Mexico. All significant inter-company transactions and balances have been eliminated on consolidation. All amounts are stated in Canadian dollars unless otherwise indicated.

### **(c) Use of judgments and estimates**

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

Significant areas requiring the use of management estimates include impairment of exploration and evaluation assets; provision of reclamation and environmental obligations, if any; and inputs used in accounting for share-based payments in profit or loss.

The Board of Directors has considered the Company’s current activities, funding position and projected funding requirements for the period of at least twelve months from the date these financial statements, in determining the ability of the Corporation to adopt the going concern basis in preparing the financial statements for the year ended December 31, 2022. The assessment of the Company’s ability to execute its strategy to meet its future funding requirements involves judgment.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

#### **(a) Cash and cash equivalents**

Cash includes deposits held at call with financial institutions.

#### **(b) Exploration and evaluation assets (“E&E”)**

Costs relating to the acquisition and claim maintenance of exploration and evaluation assets (including option payments and annual fees to maintain the property in good standing) are capitalized and deferred by property until the project to which they relate is sold, abandoned, impaired or placed into production.

The Company expenses all exploration, evaluation and development expenditures until management concludes that a future economic benefit is more likely than not to be realized.

Once the Company considers that a future economic benefit is more likely than not of being realized, all subsequent costs directly relating to the advancement of the related area of interest are capitalized.

Capitalized exploration and evaluation costs are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If an indicator is identified, the asset’s recoverable amount is calculated and compared to the carrying amount. For the purpose of measuring recoverable amounts, assets are grouped into CGUs. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to exploration costs. Exploration and evaluation acquisition costs that are capitalized are included as part of cash flows from investing activities whereas exploration and evaluation expenditures that are expensed are included as part of cash flows from operating activities.

#### **(c) Leases**

At inception of a contract, the Company must assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset over a period of time in exchange for consideration. The Company must assess whether the contract involves the use of an identified asset, whether it has the right to obtain substantially all of the economic benefits from the use of the asset during the term of the contract and if it has the right to direct the use of the asset.

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of the lease.

**CENTENARIO GOLD CORP.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

For the Years Ended December 31, 2022 and December 31, 2021

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**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

*Right-of-use asset*

The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made and any initial direct costs incurred at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

*Lease liability*

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted by the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method.

Lease payments included in the measurement of the lease liability comprise: fixed payments; variable lease payments that depend on an index or a rate; amounts expected to be payable under any residual value guarantee; the exercise price under any purchase option that the Company would be reasonably certain to exercise; lease payments in any optional renewal period if the Company is reasonably certain to exercise an extension option; and penalties for any early termination of a lease unless the Company is reasonably certain not to terminate early. The Company has not included non-lease components related to premises leases in the determination of the lease liability.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to income on a straight-line basis over the lease term.

**CENTENARIO GOLD CORP.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

For the Years Ended December 31, 2022 and December 31, 2021

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**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**(d) Decommissioning liabilities**

An obligation to incur decommissioning and site rehabilitation costs occurs when environmental disturbance is caused by exploration, evaluation, development or ongoing production.

Decommissioning and site rehabilitation costs arising from the installation of plant and other site preparation work, discounted to their net present value, are provided when the obligation to incur such costs arises and are capitalized into the cost of the related asset. These costs are charged against operations through amortization of the asset and unwinding of the discount on the provision.

Amortization is included in operating costs while the unwinding of the discount is included as a financing cost. Changes in the measurement of a liability relating to the decommissioning or site rehabilitation of plant and other site preparation work are added to, or deducted from, the cost of the related asset and charged against operating profit or loss. The discount rate used to measure the net present value of the obligations is the pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation.

The costs for the restoration of site damage, which arises during production, are provided at their net present values and charged against operations as extraction progresses.

**(e) Share capital**

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in private placements to be the more easily measurable component of unit offerings and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to any attached warrants or other features. Any fair value attributed to warrants is recorded as contributed surplus.

When unit warrants are exercised, the amounts previously recognized in contributed surplus are transferred to share capital.

**CENTENARIO GOLD CORP.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

For the Years Ended December 31, 2022 and December 31, 2021

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**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**(f) Foreign currency translation**

The Company's functional and reporting currency is the Canadian dollar. The functional currency of the Company's subsidiary is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at each reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign currency translation differences are recognized in profit or loss, except for differences on the retranslation of fair value through other comprehensive income instruments which are recognized in other comprehensive income.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Company's subsidiary are translated into the Canadian dollar using exchange rates prevailing at the end of the period. Income and expense items are translated at the average rate for the period. Exchange differences are recognized in the statement of comprehensive loss.

**(g) Share-based payments**

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is expensed over the vesting terms. The Company estimates a forfeiture rate and adjusts the corresponding expense each period based on an updated forfeiture estimate.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the Company as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments to non-employees are measured at the fair value of goods or services received.

When stock options are exercised, the amounts previously recognized in contributed surplus are transferred to share capital.

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**(h) Warrants**

The Company accounts for warrants including warrants issued to brokers in connection with the issuance of shares ("broker warrants") using the fair value method. Under this method, the fair value of broker warrants is first determined based on the value of goods or services received. In situations where some or all of the goods or services received by the Company as consideration cannot be specifically identified, the fair value of broker warrants is then determined using the Black-Scholes valuation model.

When broker warrants are exercised, the amounts previously recognized in contributed surplus are transferred to share capital.

**(i) Income taxes**

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**(j) Financial instruments**

The following is the Company's accounting policy for financial instruments:

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company classifies its financial instruments as follows:

<b>Financials Assets</b>	<b>Classification</b>
Cash and cash equivalents	Amortized cost
Amounts receivables (excluding sales tax receivable)	Amortized cost
<b>Financial Liabilities</b>	
Accounts payable and accrued liabilities	Amortized cost
Lease liability	Amortized cost

(ii) Measurement

*Financial assets and liabilities at amortized cost*

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

*Financial assets and liabilities at FVTPL*

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of loss in the period in which they arise.

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**(j) Financial instruments (cont'd...)**

(iii) Impairment of financial assets at amortized cost.

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss.

**(k) Loss per share**

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

**(l) Related Party Transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

**(m) New accounting standards and interpretations issued but not yet effective:**

There are no new standards issued, but not yet effective, that are anticipated to have a material impact on the Company's consolidated financial statements.

**CENTENARIO GOLD CORP.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Expressed in Canadian Dollars)  
For the Years Ended December 31, 2022 and December 31, 2021

**4. EQUIPMENT**

	<b>Motor Vehicles</b>
<b>COST</b>	
<b>Balance, December 31, 2020</b>	\$ -
Additions	18,374
<b>Balance, December 31, 2021</b>	\$ 18,374
Disposals	(8,007)
<b>Balance, December 31, 2022</b>	<u>\$ 10,367</u>
<b>AMORTIZATION</b>	
<b>Balance, December 31, 2020</b>	\$ -
Amortization	1,914
<b>Balance, December 31, 2021</b>	\$ 1,914
Amortization	4,058
<b>Balance, September 30, 2022</b>	<u>\$ 5,972</u>
<b>CARRYING AMOUNTS</b>	
<b>As at December 31, 2021</b>	<u>\$ 16,460</u>
<b>As at December 31, 2022</b>	<u>\$ 4,395</u>

**5. VALUE ADDED TAX RECEIVABLE**

Value added tax ("VAT") receivable represents a tax payment paid by the Company in Mexico which are refundable from the Mexican government. During the year ended December 31, 2022, the Company recorded VAT of \$28,006 paid on Eden Project expenditures charged to exploration and evaluation expense (see Note 6) and project generation expenses. During the year ended December 31, 2021, the Company recorded VAT of \$36,686 paid on Eden Project expenditures charged to exploration and evaluation expense (see Note 6) and project generation expenses.

The recoverability of the December 31, 2022 balance of VAT incurred in Mexico is subject to the Company qualifying to offset these VAT credits against VAT charged and collected when the Eden Property commences production. Any future impairment charges in respect to the related deferred exploration and evaluation assets would trigger an impairment of the related capitalized VAT receivable.

**CENTENARIO GOLD CORP.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

For the Years Ended December 31, 2022 and December 31, 2021

**6. EXPLORATION AND EVALUATION ASSETS**

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, titles to all of its properties are in good standing.

A summary of the changes in cumulative exploration and evaluation asset costs for the years ended December 31, 2022 and December 31, 2021 is as follows:

	<b>Eden Property</b>
Balance, December 31, 2020	\$ -
Additions	65,496
Balance, at December 31, 2021	65,496
Additions	66,403
Balance, at December 31, 2022	\$ 131,899

Exploration expenditures for the years ended December 31, 2022 and December 31, 2021 were as follows:

	<b>For the Years Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<b>Eden</b>	<b>Eden</b>
Geological costs	\$ 296,983	\$ 275,703
Geophysics	57,575	44,526
Mineral property tenure	28,202	-
General and administrative	92,640	69,349
<b>Total</b>	<b>\$ 475,400</b>	<b>\$ 389,578</b>

**Eden Property, 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 in Sinaloa, 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.

**CENTENARIO GOLD CORP.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

For the Years Ended December 31, 2022 and December 31, 2021

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**6. EXPLORATION AND EVALUATION ASSETS (cont'd...)**

**Eden Property, Sinaloa, Mexico** (cont'd...)

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 subsequent to December 31, 2022);
- 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.

**CENTENARIO GOLD CORP.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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For the Years Ended December 31, 2022 and December 31, 2021

**7. RIGHT-OF-USE ASSET/LEASE LIABILITY**

*Right-of-Use Asset*

The following tables summarize the Company's right-of-use asset as at December 31, 2022 and December 31, 2021:

	ROU Asset
<b>COST</b>	
<b>Balance, December 31, 2020</b>	\$ -
Additions	74,397
<b>Balance, December 31, 2021 and December 31, 2022</b>	<u>\$ 74,397</u>
<b>AMORTIZATION</b>	
<b>Balance, December 31, 2020</b>	\$ -
Amortization	24,799
<b>Balance, December 31, 2021</b>	\$ 24,799
Amortization	42,512
<b>Balance, December 31, 2022</b>	<u>\$ 67,311</u>
<b>CARRYING AMOUNTS</b>	
<b>As at December 31, 2021</b>	<u>\$ 49,598</u>
<b>As at December 31, 2022</b>	<u>\$ 7,086</u>

*Lease liability*

Effective June 1, 2021, the Company entered into an office sublease agreement (the "rental agreement") with Pamicon Developments Ltd. ("Pamicon"), a private company partially controlled by the President of the Company. The Company will pay Pamicon \$4,000 per month, with the sublease expiring on February 28, 2023. The rental agreement may be terminated by the Company at any time by giving Pamicon three (3) months' notice.

**CENTENARIO GOLD CORP.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

For the Years Ended December 31, 2022 and December 31, 2021

**7. RIGHT-OF-USE ASSET/LEASE LIABILITY (cont'd...)**

Minimum lease payments in respect of lease liabilities and the effect of discounting are as follows:

	December 31, 2022	December 31, 2021
Undiscounted minimum lease payments		
Less than one year	\$ 8,000	\$ 48,000
Two years	-	8,000
	8,000	56,000
Effect of discounting	(148)	(4,918)
Present value of minimum lease payments	7,852	51,082
Current portion	(7,852)	(43,230)
Non-current portion	\$ -	\$ 7,852

The net changes in the lease liability were as follows:

	December 31, 2022	December 31, 2021
Balance, beginning of the year	\$ 51,082	\$ -
Lease acquired	-	74,397
Cash flows:		
Principal repayments	(43,230)	(23,315)
Balance, end of the year	\$ 7,852	\$ 51,082

During the year ended December 31, 2022, interest of \$4,770 (2021 - \$4,685) is included in Office and administration expense in the statement of comprehensive loss.

**8. SHARE CAPITAL**a) Authorized share capital

As a December 31, 2022, the authorized share capital of the Company is an unlimited number of common shares without par value.

**CENTENARIO GOLD CORP.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

For the Years Ended December 31, 2022 and December 31, 2021

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**8. SHARE CAPITAL (cont'd...)**

b) Issued share capital

During the year ended December 31, 2022:

- i. The Company issued, by way of share purchase warrants exercised, an aggregate of 2,212,500 common shares for gross proceeds of \$244,250; and
- ii. The Company received \$189,500 in subscription receipts which will be converted into units upon closing of a private placement financing. Each unit is priced at \$0.15 and will consist of one common share and one half of one common share purchase warrant exercisable at a price of \$0.20 until 24 months after closing of the private placement financing. (See Note 14)

During the year ended December 31, 2021:

- iii. On June 18, 2021, the Company closed a private placement of 7,437,500 common shares at a price of \$0.02 per share for gross proceeds of \$148,750;
- iv. On June 22, 2021, the Company closed a private placement of 3,785,000 units at a price of \$0.05 per unit for gross proceeds of \$189,250. Each unit consists of one common share and one half of one common share purchase warrant exercisable at a price of \$0.10 until June 22, 2022;
- v. On July 26, 2021, the Company closed a private placement of 2,242,500 units at a price of \$0.10 per unit for gross proceeds of \$224,250. Each unit consists of one common share and one half of one common share purchase warrant exercisable at a price of \$0.15 until January 26, 2023;
- vi. On August 30, 2021, the Company closed a private placement of 3,534,992 common shares at a price of \$0.15 per share for gross proceeds of \$530,249; and
- vii. On November 9, 2021, the Company issued 75,000 common shares, by way of share purchase warrants exercised, at \$0.15 per common share for gross proceeds of \$11,250.

**CENTENARIO GOLD CORP.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Expressed in Canadian Dollars)  
For the Years Ended December 31, 2022 and December 31, 2021

**8. SHARE CAPITAL (cont'd...)**

c) Warrants

A summary of the status of warrants as of December 31, 2022 and December 31, 2021 and changes during the years then ended is presented below:

	Number of Warrants	Weighted Average Exercise Price
Outstanding at December 31, 2020	-	\$ -
Issued	3,013,750	0.12
Exercised	(75,000)	0.15
Outstanding at December 31, 2021	2,938,750	\$ 0.12
Exercised	(2,212,500)	0.11
Expired	(140,000)	0.10
Outstanding at December 31, 2022	586,250	\$ 0.15

Share purchase warrants outstanding at December 31, 2022 are as follows:

Number of Warrants	Exercise Price	Expiry Date
586,250	\$0.15	January 26, 2023 **

\*\* these warrants expired unexercised subsequent to December 31, 2022.

**9. RELATED PARTY TRANSACTIONS**

The Company incurred the following transactions with officers, directors and companies controlled by officers and directors of the Company:

	For the Years Ended December 31	
	2022	2021
Management fees	\$ 90,000	\$ 67,500
Exploration costs	116,279	78,988
Office rent and expenses** (Note 7)	52,836	26,752
	\$ 259,115	\$ 173,240

\*\* Office rent and expenses consists of cash payments to a related party in the aggregate of \$52,836 during the year ended December 31, 2022 (2021 - \$45,150). Of this total, \$43,230 (2021 - \$23,315) was principal repayments (Note 7), and the remainder of \$9,606 (2021 - \$21,835) has been included in Office and administration expense in the statement of comprehensive loss.

**CENTENARIO GOLD CORP.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

For the Years Ended December 31, 2022 and December 31, 2021

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**9. RELATED PARTY TRANSACTIONS (cont'd...)**

These transactions were measured by the exchange amount that is the amount agreed upon by the transacting parties.

There was \$233,430 owing to related parties as at December 31, 2022 (December 31, 2021 - \$Nil). These amounts are unsecured, non-interest bearing, and due on demand.

**10. FINANCIAL INSTRUMENTS**

**Fair value**

The carrying value of cash and cash equivalents, accounts payable and accrued liabilities and lease liability approximate their fair value because of the short-term nature of these instruments. These financial instruments are carried at amortized cost. The Company does not have any financial instruments carried at fair value.

**Financial risk factors**

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

*Credit risk*

Credit risk is the risk that a counter party will be unable to pay any amounts owed to the Company. The Company is not exposed to any credit risk at this time.

*Liquidity risk*

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at December 31, 2022, the Company's working capital deficit is \$265,434. The Company will have to seek additional financing through equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2022, the Company had cash of \$115,033 and total liabilities of \$387,165.

Contractual undiscounted cash flow requirements for financial liabilities as at December 31, 2022 are as follows:

- i. Accounts payable and accrued liabilities are due within 90 days; and
- ii. See Note 7 for payments due over the lease term.

**CENTENARIO GOLD CORP.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

For the Years Ended December 31, 2022 and December 31, 2021

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**10. FINANCIAL INSTRUMENTS (cont'd...)**

*Foreign currency risk*

The Company is exposed to foreign currency risk on fluctuations related to cash that is denominated in Mexican Pesos. As at December 31, 2022, the Company has cash of \$3,120 (2021 - \$40,911) that is denominated in Mexican Pesos.

**11. CAPITAL MANAGEMENT**

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, such that it can explore and develop its projects for the benefit of its shareholders and other stakeholders. The Company manages its capital structure and makes adjustments to it based upon changes in economic conditions and the risk characteristics of its assets. The Company may issue new shares through private placements and public offerings in order to maintain or adjust its capital structure. The Company is not subject to any externally-imposed capital requirements.

**12. COMMITMENTS**

- i. On April 1, 2021, the Company entered into a consulting agreement (the "CEO agreement") with the CEO of the Company which will pay the CEO \$7,500 per month. The term of the CEO agreement is indeterminate. The CEO agreement may be terminated by the Company by giving the CEO three (3) months' notice;
- ii. On April 1, 2021, the Company entered into a consulting agreement (the "executive agreement") with Digga Holdings Ltd. ("Digga"), a private company controlled by the President of the Company, which will pay Digga \$5,000 per month. The term of the executive agreement is indeterminate. The executive agreement may be terminated by the Company by giving the Digga three (3) months' notice; and
- iii. On April 1, 2021, the Company entered into a consulting agreement (the "CFO agreement") with Copsewood Capital Corp. ("Copsewood"), a private company controlled by the CFO of the Company, which will pay Copsewood \$2,500 per month to provide Chief Financial Officer and administration services. The term of the CFO agreement is indeterminate. The CFO agreement may be terminated by the Company by giving the Copsewood three (3) months' notice.

**CENTENARIO GOLD CORP.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

For the Years Ended December 31, 2022 and December 31, 2021

**13. INCOME TAX**

A reconciliation of income taxes at statutory rates is as follows:

	2022	2021
Net loss before income taxes	\$ (855,212)	\$ (650,688)
Statutory tax rate	28.77%	29.09%
Expected income tax recovery	(246,000)	(189,000)
Effect of current items	45,000	19,000
Effect of changes in statutory rate	-	(3,000)
Tax asset not recognized	201,000	173,000
Income tax recovery	\$ -	\$ -

The significant component of the Company's deferred income tax asset is as follows:

	2022	2021
Deferred tax assets:		
Non-capital loss carryforwards	\$ 397,000	\$ 196,000
Equipment	1,000	1,000
	398,000	197,000
Valuation allowance	(398,000)	(197,000)
Net deferred income tax assets	\$ -	\$ -

The Company's Canadian non-capital losses will expire as follows:

2040	\$ 21,000
2041	199,000
2042	368,000
	<u>\$ 588,000</u>

The Company also has Mexican non-capital losses of approximately \$774,000 that may be applied against future taxable income in Mexico.

#### **14. SUBSEQUENT EVENTS**

Subsequent to December 31, 2022:

- i. the Company closed a private placement of 3,851,326 units at a price of \$0.15 per unit for gross proceeds of \$576,699. Each unit consists of one common share and one half of one common share purchase warrant exercisable at a price of \$0.20 until January 30, 2025. Of the total proceeds raised, \$189,500 was recorded in share subscriptions received as at December 31, 2022;
- ii. the Company entered into a Definitive Agreement (the “Agreement”) whereby the Company will be acquired by AADirection Capital Corp. (“AAD”) by way of a three-cornered amalgamation. Pursuant to the Agreement, AAD will acquire 100% of the issued and outstanding common shares of the Company by way of a one for one (1:1) share exchange issuing such number of common shares as are issued and outstanding in the capital of the Company on the closing date. AAD will also issue share purchase warrants on a one for one (1:1) basis in exchange for all of the issued and outstanding share purchase warrants of the Company upon closing on the same terms as were issued by the Company. On closing, it is agreed that the name of AAD will be changed to Centenario Gold Corp. or such other name as determined by the Company’s management and is acceptable to the TSX Venture Exchange (the “Exchange”).

The acquisition will be accounted for as a reverse takeover (the “RTO”), with the Company being treating as the acquiror for accounting purposes, and AAD, the legal parent, being treated as the accounting acquiree in the consolidated financial statements.

AAD has agreed to loan to the Company a total of \$150,000.

Pursuant to the Agreement, the Company and AAD agree to complete a private placement unit financing in the capital of AAD for aggregate gross proceeds of not less than \$1,750,000 to close concurrent with the closing of the RTO.

The completion of the transaction is subject to Exchange approval.

**Appendix D**

**Centenario Gold Corp.**

**Management's Discussion and Analysis for the Year Ended December 31, 2022**

# **CENTENARIO GOLD CORP.**

(the “Company” or “Centenario”)

## **MANAGEMENT’S DISCUSSION AND ANALYSIS**

**For the Year Ended December 31, 2022**

### **Introduction**

This management’s discussion and analysis (“MD&A”) focuses on significant factors that affected Centenario Gold Corp. and its subsidiaries (collectively, “Centenario” or the “Company”) during the relevant reporting period and to the date of this report. The MD&A supplements, but does not form part of, the audited consolidated financial statements of the Company and the notes thereto for the year ended December 31, 2022. Consequently, the following discussion and analysis should be read in conjunction with the audited consolidated financial statements, and the notes thereto, for the year ended December 31, 2022. All amounts presented in this MD&A are in Canadian dollars unless otherwise indicated.

The information contained within this MD&A is current to March 29, 2023.

### **Company Overview**

On August 17, 2020, Centenario Gold Corp. (“Centenario” or the “Company”) was incorporated under the laws of the province of British Columbia. The Company acquires, explores, and develops interests in mineral projects in Mexico.

The Company’s head office address and registered office address is Suite 615 – 800 West Pender Street, Vancouver, BC, V6C 2V6.

### **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 in Sinaloa, 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 subsequent to December 31, 2022);
- 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 Company'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 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-Guadalupeana', '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, Centenario Gold Corp 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 'Buena Vista' 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 'Buena Vista' mineralized corridor where 35 samples (or 22%) returned gold grades greater than 1.0 g/t.

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

<u>Sample No.</u>	<u>Prospect</u>	<u>Collected on:</u>	<u>Width (m)</u>	<u>Au (ppm)</u>	<u>Ag (ppm)</u>
ED-08	Buena Vista	surface	1.3	<b>6.64</b>	<b>159.4</b>
ED-09	Buena Vista	surface	1.3	2.65	63
ED-10	Buena Vista	surface	1.3	<b>6.78</b>	<b>110.77</b>
ED-19	Buena Vista	underground	1.2	<b>25.03</b>	<b>664.93</b>
ED-20	Buena Vista	underground	1.7	<b>29.87</b>	<b>396.16</b>
ED-22	Buena Vista	underground	1.3	<b>8.34</b>	<b>166.81</b>
ED-40	Buena Vista	surface	0.65	<b>4.45</b>	<b>97.28</b>
ED-41	Buena Vista	underground	0.7	<b>4.53</b>	<b>245.98</b>
ED-44	Buena Vista	underground	0.6	<b>8.91</b>	<b>211.4</b>
ED-47	Buena Vista	underground	0.65	2.87	77
ED-50	Buena Vista	underground	0.6	<b>239.94</b>	<b>1389.91</b>
ED-52	Buena Vista	underground	0.5	<b>13.72</b>	<b>240.11</b>
ED-54	Buena Vista	underground	0.4	2.4	58
ED-56	Buena Vista	underground	0.8	3.91	45
ED-57	Buena Vista	underground	0.5	<b>5.32</b>	<b>168.97</b>
ED-66	Buena Vista	underground	0.6	<b>9.85</b>	<b>220.21</b>
ED-67	Buena Vista	surface	0.3	<b>24.61</b>	<b>548.96</b>
ED-72	Buena Vista	surface	1.2	4.74	92
ED-86	Buena Vista	underground	1.2	<b>6.22</b>	<b>218.32</b>
ED-90	Buena Vista	surface	80	3.24	149.27

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 Buena Vista's old mine workings area. Results confirm that the 'Buena Vista' 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 'Buena Vista' 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 'Buena Vista'. 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 are pending for the remaining portion of the 'Buenavista' soil sampling grid and the 'La Provedora' prospect.

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 k along trend. 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-2023 which will consist of 10-12 drill holes, totalling 2,000m, 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.

Another 35 drill holes, covering the N-NE and S-SE extensions of the Buenavista corridor were included in the Drilling Permit Report. The drill permit is expected to be received in April 2023.

### **Amalgamation with AADirection Capital Corp.**

The Company entered into a Definitive Agreement (the "Agreement") whereby the Company will be acquired by AADirection Capital Corp. ("AAD") by way of a three-cornered amalgamation. Pursuant to the Agreement, AAD will acquire 100% of the issued and outstanding common shares of the Company by way of a one for one (1:1) share exchange issuing such number of common shares as are issued and outstanding in the capital of the Company on the closing date. AAD will also issue share purchase warrants on a one for one (1:1) basis in exchange for all of the issued and outstanding share purchase warrants of the Company upon closing on the same terms as were issued by the Company. On closing, it is agreed that the name of AAD will be changed to Centenario Gold Corp. or such other name as determined by the Company's management and is acceptable to the TSX Venture Exchange (the "Exchange").

The acquisition will be accounted for as a reverse takeover (the "RTO"), with the Company being treating as the acquiror for accounting purposes, and AAD, the legal parent, being treated as the accounting acquiree in the consolidated financial statements.

AAD has agreed to loan to the Company a total of \$150,000.

Pursuant to the Agreement, the Company and AAD agree to complete a private placement unit financing in the capital of AAD for aggregate gross proceeds of not less than \$1,750,000 to close concurrent with the closing of the RTO.

The completion of the transaction is subject to Exchange approval.

## Financing activity during the year ended December 31, 2022

The Company issued, by way of share purchase warrants exercised, an aggregate of 2,212,500 common shares for gross proceeds of \$244,250.

The Company received \$189,500 in subscription receipts which were converted into units upon closing of a private placement financing on February 1, 2023. The private placement financing consisted of 3,851,326 units at a price of \$0.15 per unit for gross proceeds of \$570,699. Each unit consisted of one common share and one half of one common share purchase warrant exercisable at a price of \$0.20 until January 30, 2025.

## Incentive Stock Options

At December 31, 2022, no incentive stock options were issued or outstanding.

## Share Purchase Warrants

At December 31, 2022, the Company had the following share purchase warrants outstanding enabling holders to acquire the following common shares of the Company:

Number of Warrants	Exercise Price	Expiry Date
586,250	\$0.15	January 26, 2023 **

\*\*These warrants expired unexercised subsequent to December 31, 2022.

## Selected Annual Information

The summary of historical financial information for the last three fiscal years is presented below:

STATEMENT OF OPERATIONS AND DEFICIT DATA	Year Ended		Year Ended		For the period	
	December 31, 2022		December 31, 2021		from Incorporation on August 20, 2020 to December 31, 2020	
Revenues	\$	NIL	\$	NIL	\$	NIL
Total expenses	\$	856,894	\$	650,688	\$	82,951
Net loss	\$	855,212	\$	650,688	\$	82,951
Basic and diluted net loss per share	\$	0.05	\$	0.08	\$	830
Weighted average number of shares outstanding		18,681,585		8,179,956		100

BALANCE SHEET DATA	Year Ended		Year Ended		For the period	
	December 31, 2022		December 31, 2021		from Incorporation on August 20, 2020 to December 31, 2020	
Cash	\$	115,033	\$	240,044	\$	17,406
Working capital surplus (deficit)	\$	(265,434)	\$	203,712	\$	13,540
Total assets	\$	335,813	\$	434,441	\$	23,431
Shareholders' equity (deficiency)	\$	(51,352)	\$	370,110	\$	19,550

## Results of Operations

### Summary of Quarterly Results (unaudited)

Three months ended:	31-Dec-22	30-Sep-22	30-Jun-22	31-Mar-22	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21
Basis of preparation	IFRS							
Revenue	\$ Nil							
Loss for the period	(154,754)	(212,850)	(239,127)	(248,481)	(214,145)	(206,460)	(159,825)	(70,258)
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.12)	\$ (703)

## **Financial Results of Operations - For the year ended December 31, 2022**

The Company incurred a net loss of \$855,212 during the year ended December 31, 2022. In the 2021, the Company incurred a net loss of \$650,688. The loss was mainly due to exploration expenditures of \$475,400 (2021 - \$389,578) incurred on the Eden Property, management and consulting fees of \$185,375 (2021 - \$137,884), professional fees of \$85,510 (2021 - \$3,638) which increased due to higher legal and audit fees. The Company also incurred depreciation expense of \$46,570 (2021 - \$26,713) due to amortization of equipment and office lease. Project generation decreased to \$17,171 (2021 - \$55,521) as the Company focused its exploration activities on the Eden Property.

During the year ended December 31, 2022, cash decreased by \$125,011 (2021 – increase of \$222,638). Cash used by operations during the year ended December 31, 2022 was \$458,817 (2021 – \$671,425). This was mainly due to the net loss of \$855,212 (2021 - \$650,688) which was partially offset by an increase in accounts payable of \$366,064 (2021 - \$9,368) and by depreciation of \$46,570 (2021 - \$26,713), a non-cash expense.

Cash used in investing activities was \$56,714 (2021 - \$83,870). This was comprised of the annual option payment due per the Eden Property option agreement and the proceeds received on the disposition of equipment (2021 – cash outflows on the purchase of equipment).

Cash provided by financing activities was \$390,520 (2021 - \$977,933). This was comprised of \$244,250 received upon the exercise of 2,212,500 share purchase warrants, \$189,500 in subscription receipts related to a private placement financing that closed in early 2023 and \$43,230 in principal payments paid towards the office lease. In 2021, the Company received \$989,998 upon the completion of four private placement financings, \$11,250 received upon the exercise of 75,000 share purchase warrants and \$23,315 in principal payments paid towards the office lease.

## **Financial Results of Operations - For the three months ended December 31, 2022**

The Corporation incurred a net loss of \$154,754 during the three months ended December 31, 2022. In the same period of 2021, the Company incurred a net loss of \$214,145. The loss was mainly due to exploration expenditures of \$84,929 (2021 - \$141,748) incurred on the Eden Property. Exploration activity on the Eden property was reduced while management focused on raising additional funds and on completing a go public transaction. The loss was also due to management and consulting fees of \$37,862 (2021 - \$40,562), and professional fees of \$7,450 (2021 - \$2,300). The Company expects exploration expenditures to increase significantly in 2023 upon completion of the amalgamation with AADirection and the concurrent financing which will all the Company the initiate the phase 1 drill program on the Eden Property.

## Liquidity and Capital Resources

As at December 31, 2022, the Company had cash of \$115,033 and a working capital deficit of \$265,434. As the Company will not generate funds from operations for the foreseeable future, the Company is primarily reliant upon the sale of equity securities in order to fund operations. Since inception, the Company has funded operations through the issuance of equity securities on a private placement basis.

The Company is expected to experience negative cash flows indefinitely. The Company cannot offer any assurances that expenses will not exceed management's expectations. The Company will require additional funds and will be dependent upon its ability to secure equity and/or debt financing, the availability of which cannot be assured.

## Contractual Obligations

The Corporation is subject to certain contractual obligations associated with the Eden Property Option Agreement as described in the Mineral Property section above. The future cash obligations related to the agreement are summarized as follows:

1. US\$50,000 plus US\$8,000 in IVA Taxes for a total of US\$58,000 on or before March 24, 2022 (paid in March 2022);
2. US\$75,000 plus US\$12,000 in IVA Taxes for a total of US\$87,000 on or before March 24, 2023;
3. US\$100,000 plus US\$16,000 in IVA Taxes for a total of US\$116,000 on or before March 24, 2024; and
4. US\$425,000 plus US\$68,000 in IVA Taxes for a total of US\$493,000 on or before March 24, 2025.

In addition to the cash payments, the Corporation must incur US\$1,000,000 in cumulative expenditures on or before March 24, 2024 and US\$3,000,000 in cumulative expenditures on or before March 24, 2025.

## Related Party Transactions

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

The Corporation had the following transactions with related parties during the year ended December 31, 2022:

1. Paid or accrued costs of \$116,279 (2021 - \$78,988) for management and geological services to Alain Charest, the CEO of the Corporation which were included in exploration costs and project generation expenses;
2. Paid or accrued management fees of \$60,000 (2021 - \$45,000) to Digga Holdings, a private company controlled by Douglas Fulcher, the President of the Corporation;
3. Paid or accrued management fees of \$30,000 (2021 - \$22,500) to Copsewood Capital Corp., a private company controlled by Jonathan Younie, CFO of the Corporation; and
4. Paid or accrued rent and office administration expenses of \$52,836 (2021 - \$26,752) to Pamicon Development Corp., a private company 50% owned by Douglas Fulcher, the President of the Corporation and 50% owned by Kevin Milledge, a director of the Corporation.

There was \$233,430 owing to related parties as at December 31, 2022 (December 31, 2021 - \$Nil). These amounts are unsecured, non-interest bearing, and due on demand.

## Off Balance Sheet Arrangements

The Corporation has not entered into any off balance sheet arrangements, other than previously disclosed, that have, or are reasonably likely to have, an impact on the current or future results of operations or the financial condition of our Corporation.

## Accounting Policies

The preparation of financial statements requires management to establish accounting policies, estimates and assumptions that affect the timing and reported amount of assets, liabilities, revenues and expenses. These estimates are based on historical experience and on various other assumptions that management believes to be reasonable under the circumstances and require judgement on matters which are inherently uncertain. Details of the significant accounting policies can be found in Note 3 of the audited financial statements for the year ended December 31, 2022.

## Outstanding Share Data – as at March 29, 2023

	Number	Price	Weighted Average Remaining Life in Years
Common shares, issued and outstanding	23,138,818		
Share purchase warrants	1,925,663	\$0.20	1.84
Fully Diluted	25,064,481		

586,250 share purchase warrants with an exercise price of \$0.15 expired unexercised in January 2023.

### Additional Disclosure for Junior Issuers

Additional disclosure concerning the Company's general and administrative expenses is provided in the Company's prospectus and financial statements, which are available on SEDAR ([www.sedar.com](http://www.sedar.com)) and the Company's website [www.centenariogold.com](http://www.centenariogold.com).

### Risks and Uncertainties

The Company's principal activity is mineral exploration. As such, the Company is exposed to a number of risks, including the financial risks associated with the fact that it has no operating cash flow and must access the capital markets to finance its activities. There can be no assurances the Company will continue to be able to access the capital markets for the funding necessary to acquire and maintain exploration properties and to carry out its desired exploration programs.

Other risks include, but are not limited to fluctuating metal prices, and environmental, political and economic issues. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practicable.

The Company has a small management team and the loss of a key individual or the inability to attract suitably qualified personnel in the future could materially and adversely affect the Company's business.

Although the Company has taken steps to verify the title to its mineral property, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

The Company has no significant source of operating cash flow and no revenues from operations. The Company has limited financial resources. Substantial expenditures are required to be made

by the Company to establish ore reserves. The Company's mineral property is in the exploration stage only, and has no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. Exploration of the Company's mineral property may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company. The risks and uncertainties described in this section are not inclusive of all the risks and uncertainties the Company may be subject to.

The Company will be subject to normal market risks including fluctuations in foreign exchange rates. While the Company expects to manage its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure.

## **Approval**

The Board of Directors of the Company has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

## **Going Concern of Operations**

The Company has prepared its financial statements in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

As of December 31, 2022, the Company has not generated any revenues and has incurred losses of \$1,588,851 since incorporation on August 17, 2020. The Company's continued existence and plans for future growth depend on its ability to obtain additional capital.

In March 2020, there was a global outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the regional economies in which the

Company operates and could continue to result in negative impacts on the stock market, including trading prices of the Company's shares, and the ability to raise capital and could impact the Company's operations.

In late February 2022, a conflict commenced in Ukraine. In response, various countries, including Canada, issued broad-ranging economic sanctions against Russia. The ramifications of the sanctions may not be limited to Russia and Ukraine and may spill over to and negatively impact other regional and global economic markets, sectors, industries and markets for securities and commodities globally. The current circumstances are dynamic and the duration of the conflict and related impact of imposed sanctions on the business cannot be reasonably estimated at this time. While the company expects any direct impacts of the conflict in Ukraine to the business to be limited, the direct impacts on the economy may negatively affect the business and future operations.

The above material uncertainties raise significant doubt about the Company's ability to continue as a going concern. Although the Company's financial statements have been prepared on a going concern basis, the Company's continuing operations are dependent upon its ability to obtain adequate financing through debt or equity issuance.

## **Forward-Looking Statements**

This report contains forward-looking statements, including statements regarding the future success of our business, exploration and development strategies and future opportunities. Forward-looking statements include, but are not limited to, statements concerning estimates of expected capital expenditures, statements relating to expected future production and cash flows, statements relating to the continued advancement of the Company's exploration, and development projects, and other statements which are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should", and similar expressions are forward-looking statements. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Important factors that can cause actual results to differ from these forward-looking statements include the potential that the Company's projects will experience technological and mechanical problems, changes in political conditions, changes in the availability to obtain project financings and other risks. Forward-looking statements are based on the opinions and estimates of management at the date that the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in forward-looking statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change. The reader is cautioned not to place undue reliance on forward-looking statements.

**Appendix E**

**Pro Forma Financial Statements**

**Consolidated Statement of Financial Position**

**AADirection Capital Corp.**  
**(to be continued as Centenario Gold Corp.)**  
**(unaudited)**

(Expressed in Canadian dollars)

**December 31, 2022**

**Introduction:**

In this sheet, the proforma consolidated balance sheet is prepared at December 31, 2022, on the basis that the RTO via tri-cornered amalgamation was completed as at the balance sheet date. All adjustments recorded are documented below in the relevant references.

**Resulting Issuer  
Pro Forma Balance Sheet  
As at December 31, 2022**

	AADirection December 31, 2022	Centenario December 31, 2022	Pro Forma Adjustments December 31, 2022	Reference	Pro Forma Resulting Issuer December 31, 2022
<b>ASSETS</b>					
<b>Current</b>					
Cash and cash equivalents	\$ 342,902	\$ 115,033	\$ 159,949	(a)	\$ 1,976,384
			1,680,000	(b)	
			(150,000)	(c)	
			(171,500)	(d)	
Receivables	3,839	2,864	-		6,703
Loan receivable	-	-	-	(c)	-
Prepaid expenses	-	3,834	-		3,834
	<u>346,741</u>	<u>121,731</u>	<u>1,518,449</u>		<u>1,986,921</u>
<b>Non-current</b>					
Equipment	-	4,395	-		4,395
Exploration and evaluation assets	-	131,899	115,482	(c)	247,381
Right-of-Use Asset	-	7,086	-		7,086
Value added tax receivable	-	70,702	-		70,702
	<u>-</u>	<u>214,082</u>	<u>115,482</u>		<u>329,564</u>
<b>TOTAL ASSETS</b>	<b>\$ 346,741</b>	<b>\$ 335,813</b>	<b>\$ 1,633,931</b>		<b>\$ 2,316,485</b>
<b>LIABILITIES</b>					
<b>Current</b>					
Accounts payable and accrued liabilities	\$ 253	\$ 379,313	\$ (228,250)	(a)	\$ 151,316
Lease liabilities	-	7,852	-		7,852
Loan payable	-	-	-	(c)	-
<b>TOTAL LIABILITIES</b>	<b>253</b>	<b>387,165</b>	<b>(228,250)</b>		<b>159,168</b>
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>					
Share subscription received	-	189,500	(189,500)	(a)	-
Capital stock	375,922	1,347,999	577,699	(a)	4,505,698
			1,680,000	(b)	
			900,000	(d)	
			(375,922)	(d)	
Contributed surplus	85,045	-	(85,045)	(d)	-
Deficit	(114,479)	(1,588,851)	(34,518)	(c)	(2,348,381)
			114,479	(d)	
			(725,012)	(d)	
<b>TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)</b>	<b>346,488</b>	<b>(51,352)</b>	<b>1,862,181</b>		<b>2,157,317</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)</b>	<b>\$ 346,741</b>	<b>\$ 335,813</b>	<b>\$ 1,633,931</b>		<b>\$ 2,316,485</b>

**Adjustments**

- (a) On February, 1, 2023, Centenario completed a private placement financing of 3,851,326 units at \$0.15 per unit. \$349,449 of the financing was in cash, of which \$189,500 was classified as share subscriptions received at December 31, 2022 and the balance of \$228,250 was settled in bona-fide debt).
- (b) A concurrent financing of 11,666,667 units at \$0.15 per unit for gross proceeds of \$1,750,000 will be completed as a condition of closing the qualifying transaction. Net proceeds after paying finders' fees is estimated to be \$1,680,000.
- (c) Subsequent to December 31, 2022, AAD Direction and Centenario entered into a secured loan agreement whereby AAD loaned Centenario \$150,000. The proceeds were used by Centenario to complete the Eden Property option payment of \$115,482 that was due on March 24, 2023 and for expenses related to the qualifying transaction. The loan is secured by way of a general security agreement against the assets of Centenario. Upon completion of the amalgamation, the loan will be extinguished.
- (d) Pursuant to the Definitive Agreement between AAD Direction and Centenario, AAD Direction acquired all of the issued and outstanding shares of Centenario. The transaction constituted a reverse take-over for accounting purposes, with Centenario being treated as the acquirer for accounting purposes, and AAD Direction, the legal parent, being treated as the accounting acquiree. The shareholders of AAD Direction retained 6,000,000 shares which were valued at \$900,000, based on the concurrent financing unit price (\$0.15). As a result of the transaction, a listing expense of \$725,012 has been recorded. This reflects the excess of the estimated fair value of Centenario common shares issued to shareholders of AAD Direction less the fair value of the net assets of AAD Direction acquired. In connection with the RTO, the Company incurred transactions costs of \$171,500.

**Resulting Issuer  
Pro Forma Share Capital**

	<b>Number of Common Shares</b>	<b>Amount</b>
<b>Balance, December 31, 2022</b>		
Issued and outstanding	19,287,492	\$ 1,347,999
February 2023 private placement	3,851,326	577,699
Issued pursuant to the RTO transaction	6,000,000	900,000
Concurrent private placement financing, net of finders' fees	11,666,667	1,680,000
<b>Proforma balance</b>	<b>40,805,485</b>	<b>\$ 4,505,698</b>
<b>Shares reserved</b>		
Stock option grants	2,850,000	
Agents' warrants	866,666	
Warrants	7,758,996	
	<u>11,475,662</u>	
<b>Fully diluted common shares</b>	<u>52,281,147</u>	