

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 attributable 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.