



CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED

OCTOBER 31, 2018 AND 2017

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company.

The Company's independent auditor has not performed a review of these financial statements.

Centurion Minerals Ltd.

Statements of Financial Position

As at October 31, 2018 and July 31, 2018

(Expressed in Canadian dollars)

	Notes	October 31, 2018	July 31, 2018
Current assets			
Cash		\$ 6,255	\$ 3,847
Amounts receivable	10	356,094	298,697
Gypsum inventory		5,527	5,527
Prepaid expenses and deposits		11,317	8,934
		<u>379,193</u>	<u>317,005</u>
Non-current assets			
Property, plant and equipment	4	710,751	710,921
Development costs	5	23,079	23,079
		<u>733,830</u>	<u>734,000</u>
Total assets		\$ 1,113,023	\$ 1,051,005
Current liabilities			
Accounts payable and accrued liabilities		\$ 553,885	\$ 595,706
Due to related parties	10	392,028	431,802
Short-term loans	6	553,212	547,286
Total liabilities		<u>1,499,125</u>	<u>1,574,794</u>
Shareholders' deficiency			
Share capital	7	14,552,130	14,552,130
Share subscriptions received		189,000	22,000
Share option reserve	8	2,447,015	2,447,015
Share warrant reserve	7	4,375,545	4,375,545
Deficit		(21,949,792)	(21,920,479)
		<u>(386,102)</u>	<u>(523,789)</u>
Total liabilities and shareholders' deficiency		\$ 1,113,023	\$ 1,051,005

SEE NOTE 1, NATURE OF OPERATIONS

SEE NOTE 11, COMMITMENTS

SEE NOTE 13, SUBSEQUENT EVENTS

Approved by the Board:

"David Tafel"

Director

"Kenneth A Cawkell"

Director

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

Centurion Minerals Ltd.

Statements of Comprehensive Loss

For the three-month period ended October 31, 2018 and 2017

(Expressed in Canadian dollars)

	Notes	October 31, 2018	October 31, 2017
Operating expenses			
Accounting	10	\$ 13,250	\$ 19,000
Administration	10	27,000	27,000
Consulting		-	14,300
Depreciation		170	4,987
Financing costs		21,675	17,007
Filing fees and communications		4,370	26,006
Foreign exchange (gain) loss		240	512
General exploration expenditures	5	-	1,312
Legal	10	7,500	4,809
Office and miscellaneous		2,533	3,122
Rent		11,030	8,253
Telephone		1,383	447
Travel		202	6,213
Wages		4,950	4,950
		<u>(94,303)</u>	<u>(137,918)</u>
Other income (expenses)			
Write-down of expenses		64,990	-
		<u>64,990</u>	<u>50,000</u>
Net loss and comprehensive loss		\$ (29,313)	\$ (137,918)
Basic and diluted earnings per common share		\$ -	\$ -
Weighted average number of common shares		<u>67,667,924</u>	<u>66,711,402</u>

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

Centurion Minerals Ltd.

Statements of Change in Deficiency

For the three-month period ended October 31, 2018 and 2017

(Expressed in Canadian dollars)

Note	Number of common Shares	Share capital	Share subscriptions received	Share option reserve	Share warrant reserve	Deficit	Total
Balance at August 1, 2017	65,667,924	\$ 14,488,611	\$ -	\$ 2,447,015	\$ 4,342,440	\$ (21,420,414)	\$ (142,348)
Comprehensive loss	-	-	-	-	-	(137,918)	(137,918)
Private placements	7 2,000,000	100,000	-	-	-	-	100,000
Value attributable to warrants issued in private placements	-	(60,000)	-	-	60,000	-	-
Share issue costs	-	(2,626)	-	-	-	-	(2,626)
Balance at October 31, 2017	67,667,924	\$ 14,525,985	\$ -	\$ 2,447,015	\$ 4,402,440	\$ (21,558,332)	\$ (182,892)
Balance at August 1, 2018	65,667,924	\$ 14,552,130	\$ 22,000	\$ 2,447,015	\$ 4,375,545	\$ (21,920,479)	\$ (523,789)
Comprehensive loss	-	-	-	-	-	(29,313)	(29,313)
Share subscriptions received	-	-	167,000	-	-	-	167,000
Balance at October 31, 2018	67,667,924	\$ 14,552,130	\$ 189,000	\$ 2,447,015	\$ 4,375,545	\$ (21,949,792)	\$ (386,102)

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

Centurion Minerals Ltd.

Statements of Cash Flows

For the three-month period ended October 31, 2018 and 2017

(Expressed in Canadian Dollars)

	Note	October 31, 2018	October 31, 2017
Cash flows from operating activities			
Net loss		\$ (29,313)	\$ (137,918)
Adjustments to non-cash items			
Depreciation	4	170	4,987
Changes in non-cash working capital			
Increase (decrease) in amounts receivable		-	(36,395)
Increase (decrease) in prepaid expenses and deposits		(59,780)	13,750
Increase (decrease) in accounts payable and accrued liabilities		(35,895)	8,372
Increase (decrease) in payable to related parties		(39,774)	29,972
Net cash flows used in operating activities		(164,592)	(117,232)
Cash flows from financing activities			
Proceeds from issuance of shares	7	-	100,000
Share subscriptions receivable received		167,000	-
Share issue costs		-	(2,626)
Net cash from financing activities		167,000	97,374
Increase (decrease) in cash		2,408	(19,858)
Cash, beginning of the year		3,847	20,350
Cash, end of the period		\$ 6,255	\$ 492
Interest paid		\$ -	\$ 13,290
Income taxes paid		\$ -	\$ -

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

Centurion Minerals Ltd.

Notes to financial statements

(Expressed in Canadian Dollars)

For the three-month period ended October 31, 2018 and 2017

1. NATURE OF OPERATIONS

Centurion Minerals Ltd. (the “Company” or “Centurion”) is in the business of mineral exploration and development, with its primary asset being its interest in the Ana Sofia Agri-Gypsum Project Joint Venture in Santiago Del Estero Province, Argentina. The Company was incorporated on March 11, 2005 under the laws of the Province of British Columbia as 0718918 B.C. Ltd. The Company changed its name to Centurion Minerals Ltd. on November 28, 2005. The address of the Company's corporate office and principal place of business is Suite 520, 470 Granville Street, Vancouver, British Columbia, Canada. The Company is listed on the TSX Venture Exchange, having the symbol CTN, as a Tier 2 mining issuer and is in the process of developing its primary mineral property.

The Company is primarily engaged in the acquisition, exploration and development of mineral properties.

Going Concern

These unaudited condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for at least the next twelve months and will be able to realize its assets and discharge its liabilities in the normal course of operations.

Several adverse conditions may cast significant doubt about the Company's ability to continue as a going concern. The Company is in the development stage and, accordingly, has not yet commenced commercial operations. At October 31, 2018, the Company has accumulated losses of \$21,949,792 since inception and will continue to incur further losses in the development of its business. The ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations, continue to raise adequate financing required to maintain its operations, and to ultimately attain future profitable commercial operations. Management expects the Company to continue as a going concern and plans to meet any financing requirements through equity financing and seeking other business opportunities to expand the Company's operations. The outcome of these matters cannot be predicted at this time and there are no assurances that the Company will be successful in achieving its goals. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

The application of the going concern concept is dependent upon the Company's ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the exploration and development of its mineral property interests, the attainment of profitable mining operations through its Joint Venture in Argentina, or the receipt of proceeds from the disposition of its mineral property interests. Management is actively engaged in the review and due diligence on opportunities of merit in the mining sector and is seeking to raise the necessary capital to meet its funding requirements. There is, primarily as a result of the conditions described above, significant doubt as to the appropriateness of the use of the going concern assumption.

The Company is not expected to be profitable during the ensuing twelve months and therefore must rely on securing additional funds from either equity financing or loan from shareholders or directors for cash consideration, and while the Company has been successful at raising funds in the past, there is no assurance that it will continue to generate sufficient funds for future operations.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards Board (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”).

Centurion Minerals Ltd.

Notes to financial statements

(Expressed in Canadian Dollars)

For the three-month period ended October 31, 2018 and 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

These unaudited condensed interim consolidated financial statements have been prepared on the basis of accounting policies consistent with those applied in the Company's July 31, 2018 annual financial statements and were approved by the Board of Directors on December 24, 2018.

The preparation of condensed interim financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the applications of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These condensed interim consolidated financial statements do not include all of the information required for full annual financial statements.

These unaudited condensed interim consolidated financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation; are presented on a historical cost basis; and have been prepared using the accrual basis of accounting except for cash flow information.

Functional Currency

The functional currency is the currency of the primary economic environment in which the Company operates, which is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the date of the transactions. At year-end, foreign currency denominated monetary assets and liabilities are translated to the functional currency using the prevailing rate of exchange at the year-end. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognized in profit and loss.

Assets and liabilities of operations having a functional currency other than the Canadian dollar are translated at the rate of exchange at the reporting date. Revenues and expenses are translated at average rates for the periods, unless exchange rates fluctuated significantly during the period, in which case the exchange rates at the dates of the transactions are used. The resulting foreign currency translation adjustments are recognized in other comprehensive income ("OCI").

3. RISK MANAGEMENT, CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support future business opportunities. The Company defines its capital as shareholders' equity and short-term loans. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to manage its capital to be able to sustain the future development of the Company's business.

The Company currently has no source of self-sustaining revenues, and therefore is dependent upon external financings to fund activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the three-month period ended October 31, 2018. The Company is not subject to externally imposed capital requirements.

General Objectives, Policies and Processes:

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimately responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

Centurion Minerals Ltd.

Notes to financial statements

(Expressed in Canadian Dollars)

For the three-month period ended October 31, 2018 and 2017

3. RISK MANAGEMENT, CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

Market Risk

Market risk is the risk that the fair value of future cash flows will fluctuate due to changes in market prices. Market prices are comprised of three types of risk: foreign currency risk, interest rate risk, and commodity price risk.

Foreign Currency Risk

Foreign currency risk is the risk that future cash flows will fluctuate as a result of changes in foreign currency rates.

The Company forwards, on an as-needed basis, pre-approved budgeted amounts for the Ana Sofia Agricultural Gypsum Project Operator, Demetra Fertilizantes S.A. (DFSA), the wholly owned Argentine subsidiary of Demetra Minerals Inc. ("Demetra"). Such funds are transferred in United States Dollars (USD) and are immediately converted to Argentine Peso (ARS) upon receipt by DFSA. Funds are deployed by DFSA on a weekly basis, as such; the Company is not exposed to significant foreign currency risk.

The Company receives revenue from sales of gypsum in USD and ARS. Costs of Goods Sold are paid in ARS. As a result the Company is exposed to foreign currency risk associated with its ongoing operations at the Ana Sofia Agri-Gypsum Project.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company's current policy is to invest excess cash in certificates of deposit or interest bearing accounts of major Canadian chartered banks. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its financial institutions.

Commodity Price Risk

The Company is exposed to price risk with respect to commodity prices of Gypsum used for agricultural purposes. As a result, commodity price risk may affect the Company's ability to operate the Ana Sofia Agri-Gypsum Project profitably, completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments, which are potentially subject to credit risk for the Company, consist primarily of cash. Cash is maintained with financial institutions of reputable credit and is redeemable upon demand.

As at October 31, 2018 the Company has \$Nil (2017 - \$10,943) outstanding receivable due from Falcon Gold Corp (TSX-V: FG) ("Falcon"). Falcon is a corporation sharing common management, directors and office space with the Company. Management assesses the credit risk associated with the Falcon receivable on an annual basis.

As at October 31, 2018 the Company has \$153,900 (2017 - \$105,900) due from Demetra. Demetra is the project partner and a corporation sharing common management and office space with the Company. Management assesses the credit risk associated with the Demetra receivable on an annual basis, and expects that Demetra will meet its payable requirements to the Company.

As at October 31, 2018 the Company has \$195,714 (2017 - \$112,920) due from DFSA. DFSA is the operator of a joint operation the Company is a partner of and a subsidiary of a corporation sharing common management and office space with the Company). Management assesses the credit risk associated with the DFSA receivable on an annual basis, and expects that DFSA will meet its payable requirements to the Company.

Centurion Minerals Ltd.

Notes to financial statements

(Expressed in Canadian Dollars)

For the three-month period ended October 31, 2018 and 2017

3. RISK MANAGEMENT, CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it has sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable.

Maturity Risk

- 1) The Company has trade payables, accounts payables that are due on normal commercial terms, and as at October 31, 2018 the Company had short-term loans of \$553,212.
- 2) As at October 31, 2018, the Company did not have derivative financial liabilities with contractual maturities.
- 3) Management of liquidity risk: Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses and commitments in (1) and (2) for a period of 90 days. To achieve this objective, the Company prepares annual capital expenditure budgets, which are regularly monitored and updated as considered necessary. Further, the Company utilizes authorizations for expenditures on exploration projects to further manage expenditure.

The following table summarizes the maturities of the Company's financial liabilities as at October 31, 2018 based on the undiscounted contractual cash flows:

	Carrying Amount	Contractual Cash Flows	Less than 1 year	1 – 3 years	4 – 5 years	After 5 years
Accounts payable	\$ 450,035	\$ 450,035	\$ 450,035	-	-	-
Due to related parties	392,028	354,223	354,223	-	-	-
Short-term loan	553,212	553,212	553,212	-	-	-
Total	\$ 1,357,470	\$1,357,470	\$1,357,470	-	-	-

4. PROPERTY, PLANT AND EQUIPMENT

The Company's capitalized expenses, by reporting segment, are summarized as follows:

	Argentina	Canada	Total
Balance at August 1, 2017	\$ 711,603	\$ 226	\$ 711,829
Accumulated depreciation	(4,959)	(28)	(4,987)
Balance at October 31, 2017	\$ 706,644	\$ 198	\$ 706,842
Balance at August 1, 2018	\$ 710,921	\$ -	\$ 710,921
Depreciation	(170)	-	(170)
Balance at October 31, 2018	\$ 710,751	\$ -	\$ 710,751

As at February 1, 2017, and subsequent to significant testing and adjustments, management determined the Ana Sofia Plant (Note 5) to be available for use and capable of operating in the manner intended by management. Assets capitalized relating to the Ana Sofia Project (the "Project") have been amortized from this date. However, as at October 31, 2018, the Project had not achieved Commercial Production, as defined in the Ana Sofia Joint Venture Agreement (the "Agreement").

Centurion Minerals Ltd.

Notes to financial statements

(Expressed in Canadian Dollars)

For the three-month period ended October 31, 2018 and 2017

5. EXPLORATION AND EVALUATION EXPENDITURE

Expenditures During the Year

The Company's exploration and evaluation expenses for the three-month period ended October 31, 2018 and 2017 are summarized as follows:

<u>Exploration and Evaluation Expenses for the three-month period ended October 31, 2018</u>	<u>Argentina</u>
<u>\$</u>	<u>Nil</u>

<u>Exploration and Evaluation Expenses for the three-month period ended October 31, 2017</u>	<u>Argentina</u>
Insurance	1,312
<u>\$</u>	<u>1,312</u>

Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects

Operating Segments

The Company operates in one industry segment, mineral exploration and development, within two geographic areas: Canada, and Argentina. Management monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the financial statements. However, the Company's financing (including finance costs and finance income) and income taxes are managed on a company basis and are not allocated to operating segments.

Ana Sofia Agri-Gypsum Project (Santiago del Estero Province, Argentina)

On January 28, 2016, the Company executed the Agreement with Demetra to develop the Ana Sofia agricultural gypsum project in the Province of Santiago del Estero, Argentina. Demetra is a privately held, Vancouver-based agri-mining company and the beneficial owner of a 100% interest in the Project. It has been focused on identifying, developing and marketing calcium sulfate dihydrate, a mineral fertilizer and soil conditioner (also known as agricultural gypsum) for the markets of Argentina, Paraguay, Bolivia, Brazil and Chile.

Ana Sofia Joint Venture Agreement

As defined in the Agreement:

- 1) Centurion issued 2,000,000 common shares to Demetra as consideration for the acquisition of its 50% interest in the Ana Sofia Project (the "Project").
- 2) Demetra was appointed as the operator of the Project.
- 3) The Management Committee of the Joint Venture consists of 5 members - 3 Centurion nominees and 2 Demetra nominees, where a Demetra nominee also serves as an Officer of Centurion. A primary responsibility of the Management Committee is to approve program costs and oversee programs.
- 4) Centurion is responsible for reimbursing Program Costs related to Programs approved by the Management Committee.

Centurion Minerals Ltd.

Notes to financial statements

(Expressed in Canadian Dollars)

For the three-month period ended October 31, 2018 and 2017

5. EXPLORATION AND EVALUATION EXPENDITURE (CONTINUED)

Ana Sofia Agri-Gypsum Project (Continued)

Ana Sofia Joint Venture Agreement (Continued)

- 5) Demetra is solely responsible for assuming all costs, liabilities and agreements associated with the Project, and no other Party (including Centurion) shall transact, perform or undertake anything in the name of the Operator (Demetra). Additionally, all rights and obligations of Centurion and Demetra are several and not joint.
- 6) Provided that the Joint Venture achieves production, or after Centurion has expended US\$4 million in development costs, both parties shall have the right to call for an amalgamation, which would be subject to a shareholders' vote. Centurion shall have the right to acquire 100% of Demetra by issuing approximately 23.5 million common shares. The Company shall set aside an additional 10.4 million Preferred Shares for the Demetra founders convertible into Common shares on achievement of certain production milestones. Should Centurion spend an accumulated US\$6 million in approved Program Costs on various Programs prior to amalgamation, all further costs shall be borne equally by the JV partners.

Each of Centurion and Demetra have the right to call for an amalgamation, representing a call and a put option that are derivative financial instruments designated at fair value through profit and loss. Primarily due to the high level of uncertainty regarding the circumstances that trigger an exercise of these derivatives, management has determined the value of both of these derivatives approximate \$Nil both at initial recognition and at October 31, 2018 (October 31, 2017: \$Nil).

Ana Sofia Property

Ana Sofia comprises two mining concessions totaling 50 hectares ("ha") in size and approximately 500 ha of exploration rights located 50 kilometers west of the provincial capital city of Santiago del Estero in northwestern Argentina. On October 31, 2016 the Company announced that it had completed an initial resource estimate for the Project. The resource estimate is based on exploration and test-pitting work completed by Centurion and Demetra that focused on two near-surface gypsum layers located within one of the Project's mining concessions and surrounding exploration permit area.

Ana Sofia Plant

As at January 31, 2017 the Ana Sofia Property transitioned to the development stage and as a result, development costs incurred from February 1, 2017 to July 31, 2017 in the amount of \$69,154 were capitalized as development costs. Prior to reclassification the Company had expensed exploration and evaluation costs relating to the property, as a result no exploration and evaluation costs have been reclassified to development costs as at July 31, 2017.

For the period-ended October 31, 2018, the Plant produced and sold NIL tonnes (2017: 233 tonnes) of agri-gypsum material, generating \$NIL (2017 - \$10,027) in revenue for the Company

For the fiscal year-ended July 31, 2018, the Plant produced and sold 765 tonnes (2017: 928 tonnes) of agri-gypsum material, generating \$72,026 (2017 - \$46,075) in revenue for the Company. As at July 31, 2018 the revenue has been presented on the Statement of Comprehensive Loss, whereas at July 31, 2017, the revenues were capitalized as development costs.

As at October 31, 2018 the Project had 1,353 tonnes (July 31, 2018: 1,353 tonnes, July 31, 2017: 1,864 tonnes) of finished goods available for sale and 238 tonnes (July 31, 2018: 238 tonnes, July 31, 2017: 1,050 tonnes) of stockpiled material extracted and ready for final processing.

Centurion Minerals Ltd.

Notes to financial statements

(Expressed in Canadian Dollars)

For the three-month period ended October 31, 2018 and 2017

6. SHORT-TERM LOANS

On October 25, 2016, the Company issued a one-year promissory note loan financing for \$180,000 from arm's length parties. Proceeds from this financing were allocated to assist the Company in commencing the Project's agri-gypsum plant operation and for general corporate purposes. In consideration for the loan, the Company issued 514,285 bonus common shares, at a price of \$0.07 per share and will pay interest of 1.5% per month. The loan can be paid off at any time with no penalty to the Company. Finders' fees of \$12,000 were paid on this transaction. The shares were subject to a four-month hold period that expired on February 26, 2017. During the three-month period ended October 31, 2018 \$Nil (2017 - \$135,000) was paid down, and as at October 31, 2018, the outstanding balance of the loan including interest and principal is \$56,475 (2017 - \$45,675).

On January 30, 2017, the Company issued a one-year promissory note loan financing for \$343,715 from arm's length parties. Proceeds from this financing were used to assist the Company in commencing the Project's agri-gypsum plant operation and for general corporate purposes. In consideration for the loan, the Company issued 982,043 bonus common shares, at a price of \$0.07 per share and will pay interest of 1.5% per month. The loan can be paid off at any time with no penalty to the Company. The shares were subject to a four-month hold period that expired on May 31, 2017. As at October 31, 2018, the outstanding balance of the loan including interest and principal is \$446,7378 (2017 - \$375,026).

During the year ended July 31, 2017 the Company received advances of \$95,000 from Portofino Resources Inc., which has key management personnel who are also key management personnel of Centurion. During the year ended July 31, 2018 the Company received advances of \$14,500. The Company made repayments during the year ended July 31, 2017 of \$45,000, and \$14,500 during the three-month period ended October 31, 2018. As at October 31, 2018, the outstanding balance of the loan is \$50,000 (2017 - \$50,000). The loan is due on demand, and is non-interest bearing.

7. SHARE CAPITAL

The Company's common shares and share purchase warrants are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Common Shares

The Company is authorized to issue an unlimited number of common shares, issuable in series.

The holders of common shares are entitled to receive dividends and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

Centurion Minerals Ltd.

Notes to financial statements

(Expressed in Canadian Dollars)

For the three-month period ended October 31, 2018 and 2017

7. SHARE CAPITAL (CONTINUED)

Common Shares (Continued)

The following is a summary of changes in common share capital:

	Number of Shares	Issue Price	Amount
Balance at August 1, 2017	65,667,925	\$	14,488,611
Issue of shares for cash on private placement	2,000,000	\$0.05	100,000
Share issue costs	-		(2,626)
Fair value attributable to warrants issued	-		(60,000)
Balance at October 31, 2017	67,667,924	\$	14,525,985
Balance at August 1, 2018	67,667,924	\$	14,552,130
Balance at October 31, 2018	67,667,924	\$	14,552,130

For the three-month period ended October 31, 2018

There were no shares issued during this period.

For the three-month period ended October 31, 2017

- (a) On September 14, 2017, the Company closed the final tranche of a non-brokered private placement of 2,000,000 units at a price of \$0.05 per unit for gross proceeds of \$100,000. Each unit consisted of one common share and one warrant. The common shares were subject to a four-month hold period expiring January 2018. Each warrant is exercisable for one common share at \$0.10 for the first year and at \$0.15 for the second year following the closing. The Company paid finders' fees of \$3,376. The \$33,105 fair value of the warrants was recorded in warrant reserve, which was determined using the Black-Scholes option pricing model and the relative fair value method, in which the following assumptions were applied:

Risk-free rate	1.60%
Dividend yield	Nil%
Volatility factor of the expected market price of the Company's common shares	142%
Weighted average expected life of the warrants	2.0 years

Share Purchase Warrants

The following is a summary of changes in warrants:

	Number of Warrants	Weighted Average Exercise Price
Balance at August 1, 2017	46,259,563	0.13
Issued	2,000,000	0.12
Outstanding and exercisable as at October 31, 2017	48,259,563	\$ 0.13
Balance at August 1, 2018	24,432,943	0.13
Expired	(7,747,841)	(0.15)
Outstanding and exercisable as at October 31, 2018	16,685,102	\$ 0.15

Centurion Minerals Ltd.

Notes to financial statements

(Expressed in Canadian Dollars)

For the three-month period ended October 31, 2018 and 2017

7. SHARE CAPITAL (CONTINUED)

As at October 31, 2018, the Company had outstanding warrants as follows:

Number of Warrants	Exercise Price per Warrant	Expiry Date	Weighted Average Remaining Life
4,589,000	0.15	January 17, 2019	0.21
3,805,393	0.15	February 22, 2019	0.31
1,236,429	0.15	May 3, 2019	0.50
5,054,280	0.15	July 20, 2019	0.72
2,000,000	0.15	September 15, 2019	0.87
16,685,102			0.49

8. SHARE-BASED PAYMENTS

Option Plan Details

As at October 31, 2018 and 2017, the Company maintained an equity settled share-based payment scheme for employee remuneration.

All share-based employee remuneration will be settled in equity and the Company has no legal or constructive obligation to repurchase or settle the options.

The Company issues share purchase options to directors, officers and employees of the Company and persons who provide ongoing services to the Company under an incentive stock option plan. The aggregate number of shares of the Company that may be granted pursuant to the Plan is limited to 10% of the issued and outstanding shares of the Company. The Plan is administered by the Board of Directors, which determines individual eligibility under the Plan, the number of shares optioned to each grantee and the vesting period. The exercise price of share purchase options will be no less than the closing price of the shares on the TSX Venture Exchange on the date on which the option is granted. Options will expire no later than five years from the grant date, except that they will expire within thirty days when the holder is no longer qualified to hold the option (other than for cause, when the option will expire immediately). Options granted to Directors whom are not officers or employees of the Company expire within ninety days from the date of resignation or retirement.

The following is a summary of changes in options:

	Number of Options	Weighted Average Exercise Price
Balance at August 1, 2017	2,860,000	\$ 0.15
Balance at October 31, 2017 and 2018	2,860,000	\$ 0.15

The following options are outstanding at October 31, 2018:

Number of Options Outstanding and Exercisable	Exercise Price per Option	Expiry Date	Weighted Average Remaining Life
360,000	\$ 0.50	January 31, 2019	0.25
2,500,000	\$ 0.10	August 25, 2021	2.82
2,860,000			2.46

Options Issued

No options were issued during the period ended October 31, 2018 (2017: NIL).

Centurion Minerals Ltd.

Notes to financial statements

(Expressed in Canadian Dollars)

For the three-month period ended October 31, 2018 and 2017

8. SHARE-BASED PAYMENTS (CONTINUED)

As a policy, the fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The following assumptions were used:

	<u>2018</u>
Share price	\$0.07
Volatility	205%
Risk-free interest rate	0.68%
Expected life (years)	5
Expected dividend yield	Nil
Grant day fair value	<u>\$0.07</u>

9. LOSS PER SHARE

Basic loss per share is computed by dividing the loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relative year.

Diluted loss per common share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

	<u>October 31, 2018</u>	<u>October 31, 2017</u>
Loss attributable to ordinary shareholders	\$ (29,313)	\$ (137,918)
Weighted average number of common shares	67,667,924	66,711,402
Basic and diluted loss per share	<u>-</u>	<u>-</u>

The basic and diluted loss per share is the same as there are no instruments that have a dilutive effect.

For the three-month period ended October 31, 2018 common equivalent shares totaling 19,545,102 (2017: 51,119,563) consists of shares issuable on the exercise of options and warrants.

10. RELATED PARTY TRANSACTIONS

The following is a summary of the Company's related party transactions for the three-month period ended October 31, 2018:

(a) (i) Management services agreements

Total fees of \$27,000 (2017: \$27,000) were paid or accrued to directors of the Company for administration services outside their capacity as a director.

(ii) Legal fees

The Company paid or accrued legal fees of \$7,500 (2017: \$3,000) to a law firm of which a director of the Company is a partner.

(iii) Accounting fees

The Company paid or accrued accounting fees of \$4,500 (2017: \$4,500) to a company owned by an officer of the Company.

Centurion Minerals Ltd.

Notes to financial statements

(Expressed in Canadian Dollars)

For the three-month period ended October 31, 2018 and 2017

10. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Due to/from Directors and Officers

A total of \$240,011 (July 31, 2018: \$287,286) is due to directors, officers, companies controlled by officers and directors of the Company.

A total of \$152,016 (July 31, 2018: \$144,516) in legal fees is due to a law firm of which a director is a partner.

A total of \$50,000 (July 31, 2018: \$64,500) is due to Portofino Resources Inc. pursuant to a loan with no interest and payable on demand. The loan is solely related to Portofino having assumed the Company's pro rata allocation of shared office lease and non-executive administrative costs over a temporary period. Several key management personnel are also key management personnel of Centurion.

A total of \$153,900 (July 31, 2018: \$153,900) is due from Demetra pursuant to advances and ongoing costs associated with the Ana Sofia Agri-Gypsum Project, in excess of approved Program Budgets, and following completion of construction.

A total of \$195,714 (July 31, 2018: \$141,824) is due from DFSA pursuant to ongoing costs associated with the Ana Sofia Agri-Gypsum Project, in excess of approved Program Budgets, and following completion of construction.

Balances payable are non-interest bearing, unsecured and have no specific terms of repayment.

Compensation of key management personnel of the Company

	October 31, 2018		October 31, 2017
Administration	\$ 27,000	\$	27,000
Accounting	4,500		8,000
	<u>\$ 31,500</u>	<u>\$</u>	<u>35,000</u>

There are no other related party transactions other than what was been disclosed.

11. COMMITMENTS AND OTHER CONTINGENCIES

Operating lease commitments – Company as lessee

The Company entered into a lease expiring May 31, 2021 for an office space currently occupied as its head office. There are no restrictions placed on the lessee through entering into the lease. Future minimum payments under non-cancellable operating lease as at the end of the indicated periods are as follows:

	October 31, 2018		July 31, 2018
Within one year	\$ 49,298	\$	65,730
More than four years	120,505		120,505
	<u>\$ 169,803</u>	<u>\$</u>	<u>186,235</u>

Total operating lease expense included in general and administrative expense for the three-month period ended October 31, 2018 was \$11,030 (2017: \$8,253).

Centurion Minerals Ltd.

Notes to financial statements

(Expressed in Canadian Dollars)

For the three-month period ended October 31, 2018 and 2017

11. COMMITMENTS AND OTHER CONTINGENCIES (continued)

Exploration and Evaluation Commitments and Contingencies

The Company has mineral property commitments as outlined below:

Option Payments:

The Company does not have commitments related to property option payments.

Ana Sofia Royalty Payments:

The Ana Sofia property concessions are 10-year leases with a 10-year option for renewal at the option of DFSA. The Ana Sofia Agri-Gypsum Project is comprised of two concessions where Ana Sofia 1 was granted November 11, 2014, and Ana Sofia 2 was granted December 3, 2015.

There are no annual renewal, cancelation or lease payments associated with the concessions.

A royalty of 5% of extraction cost, on material sold, is due to the Province of Santiago del Estero, calculated at \$0.43 per tonne. If there is no quarry revenue, the province assumes a minimum monthly production of 500 tonnes, equalling \$185 per month. There are no royalty payments due to the federal government.

As at October 31, 2018 DFSA's royalty payable was \$593 (2017: \$2,800) and is recorded in Accounts Payable. A liability was not recorded for future royalty payments, as payments are linked to the sale of gypsum material and the concession agreements are cancellable at the option of the Company without recourse.

12. SUBSEQUENT EVENTS

Subsequent to October 31, 2018, the Company closed the first tranche of a non-brokered private placement and issued 14,600,000 units for gross proceeds received of \$292,000. Each unit was priced at \$0.02 per unit and consists of one common share and one common share purchase warrant exercisable for 2 years with an exercise price of \$0.05.