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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE YEAR ENDED JULY 31, 2019**

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**CENTURION MINERALS LTD.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JULY 31, 2019**

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## **INTRODUCTION**

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of Centurion Minerals Ltd. (the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended July 31, 2019. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited financial statements for the year ended July 31, 2019 and 2018, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the year presented are not necessarily indicative of results that may be expected for any future years.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Centurion Minerals' common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Additional information relating to our Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com) or on the Company's website at [www.centurionminerals.com](http://www.centurionminerals.com).

The effective date of this report is November 25, 2019.

## **DESCRIPTION OF BUSINESS**

Centurion Minerals Ltd. (the "Company" or "Centurion") was incorporated on March 11, 2005 in the Province of British Columbia as 0718918 B.C. Ltd. The Company changed its name to Centurion Minerals Ltd. on November 28, 2005.

The Company is listed on the TSX Venture Exchange, having the symbol CTN as a Tier 2 mining issuer. The Company 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 "Ana Sofia Project", or the "Project"). During the year ended July 31, 2017, the Company funded an exploration program that led to the October 31, 2016 announcement of an inferred resource of 1.47 million tonnes averaging 94.1% gypsum, using an 85% cut-off grade that is the minimum required gypsum content for agricultural, commercial-quality gypsum products in Argentina. The inferred resource has been reported in accordance with the Canadian Securities Administrators National Instrument 43-101 (author: A. Turner, P.Geol., geological consultant with APEX Geoscience Ltd.).

As at the date of this MD&A the Company was continuing due diligence on several cannabis-related assets and opportunities in Uruguay, Argentina, Paraguay and Peru. The Company wishes to advise the investing community, that there is no guarantee of success on consummating any new strategic transaction.

## **OVERVIEW**

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.

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**MINERAL PROPERTIES**

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

On January 28, 2016, the Company executed a definitive joint venture agreement (the "Agreement") with Demetra Minerals Inc. ("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 Ana Sofia property. 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 333,333 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.
- 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 July 31, 2019 (July 31, 2018: \$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 Pilot Plant*

During the year ended July 31, 2019, the Pilot Plant had produced NIL tonnes (2018 - 765 tonnes) of agri-gypsum, however, the Company generated \$4,209 (2018 - \$72,026) in revenue selling gypsum from inventory. During 2019 and 2018, the revenue has been presented on the statement of comprehensive loss. As at July 31, 2019 the Pilot Plant also had 1,261 (2018 - 1,353) tonnes of finished goods available for sale and 238 (2018 - 238) tonnes of stockpiled material extracted and ready for final processing.

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**SELECTED ANNUAL INFORMATION**

	July 31, 2019	July 31, 2018	July 31, 2017
<b>Financial results</b>			
Net loss for the year	\$ (1,799,378)	\$ (500,065)	\$ (1,368,749)
Comprehensive loss for the year	(1,799,378)	(500,065)	(1,368,749)
Basic and diluted loss per share	(0.13)	(0.04)	(0.03)
<b>Statement of financial position data</b>			
Cash and short term deposits	335,235	3,847	20,350
Property, plant and equipment	-	710,921	711,829
Total assets	655,899	1,051,005	1,033,447
Shareholders' deficiency	\$ (603,442)	\$ (523,789)	\$ (142,348)

**SELECTED QUARTERLY RESULTS FROM STATEMENTS OF FINANCIAL POSITION AND COMPREHENSIVE LOSS**

	July 31, 2019	April 30, 2019	January 31, 2019	October 31, 2018
Net loss for the period	\$ (1,593,668)	\$ (94,288)	\$ (82,109)	\$ (29,313)
Comprehensive loss for the period	(1,593,668)	(94,288)	(82,109)	(29,313)
Basic and diluted loss per share	(0.09)	-	-	-
<b>Balance Sheet Data</b>				
Cash	335,235	3,856	4,622	6,255
Property plant and equipment	-	710,410	710,580	710,751
Total assets	655,899	1,131,173	1,142,943	1,113,023
Shareholders' equity (deficiency)	\$ (603,442)	\$ (465,881)	\$ (371,593)	\$ (386,102)
<b>Balance Sheet Data</b>				
	July 31, 2018	April 30, 2018	January 31, 2018	October 31, 2017
Net income (loss for the period)	\$ (156,451)	\$ (121,294)	\$ (84,402)	\$ (137,918)
Comprehensive loss for the period	(156,451)	(121,294)	(84,402)	(137,918)
Basic and diluted loss per share	(0.01)	-	-	-
<b>Balance Sheet Data</b>				
Cash	3,847	2,473	5,989	492
Property plant and equipment	710,921	709,934	710,556	706,842
Total assets	1,051,055	1,074,170	1,069,733	1,031,247
Shareholders' equity (deficiency)	\$ (523,789)	\$ (388,595)	\$ (267,294)	\$ (182,892)

The Company has declared no dividends for any period presented.

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**RESULTS OF OPERATION**

**Year ended July 31, 2019 compared to July 31, 2018**

The Company had a net loss and comprehensive loss of \$1,799,378 versus \$500,065 in the comparative period, being an increase of \$1,299,313, or 260%.

The following expenses decreased during the year ended July 31, 2019: Accounting expenses (2019: \$70,500, 2018: \$122,669), Depreciation costs (2019: \$682, 2018: \$908), Filing fees & communications (2019: \$52,005, 2018: \$59,721), Financing costs (2019: \$82,898, 2018: \$116,067), Legal (2019: \$7,264, 2018: \$45,371), and Travel costs (2019: \$24,110, 2018: \$26,430).

The following expenses increased during the year ended July 31, 2019: Administration (2019: \$133,000, 2018: \$108,000), Consulting (2019: \$255,500, 2018: \$14,300), General exploration expenditures (2019: \$68,630, 2018: \$38,157), Insurance costs (2019: \$2,166, 2018: \$871), Office & miscellaneous (2019: \$29,807, 2018: \$12,431), Telephone costs (2019: \$7,503, 2018: \$2,063), and Wages (2019: \$34,650, 2018: \$4,950).

During the year ended July 31, 2019, the Company recorded an impairment provision in the amount of \$334,416 (2018: \$NIL) pursuant to Demetra's advances and ongoing costs associated with the Ana Sofia Agri-Gypsum Project following completion of construction. The Company also recorded an impairment provision in the amount of \$194,529 (2018: \$NIL) pursuant to DFSA's ongoing costs associated with the Ana Sofia Agri-Gypsum Project following completion of construction.

As at July 31, 2019 the Company recognized an impairment of \$515,043 on assets held for sale based on fair value less costs to sell of the asset. As the Company is still operating the equipment, the sale of the property, plant and equipment is not considered a discontinued operation.

**LIQUIDITY**

As at July 31, 2019, Centurion had a working capital deficiency of \$603,442, which included a cash balance of \$335,235.

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.

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.

**CAPITAL RESOURCES**

The Company has operations that generate nominal cash flow, however, the Company continues to be dependent on the placement of our common shares to raise capital.

Objectives when managing capital are to:

- a) Provide an adequate return to shareholders;
- b) Provide adequate and efficient funding for operations;
- c) Continue the development and exploration of its mineral properties and support any expansion plans;
- d) Allow flexibility to investment in other mineral revenues; and
- e) Maintain a capital structure, which optimizes the cost of capital at acceptable risk.

In the management of capital, all accounts are included in shareholders' equity. As at July 31, 2019, the Company had no bank indebtedness.

The Company is not subject to any externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the year ended July 31, 2019.

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**CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of financial statements in conformity with IFRS requires management to make certain estimates and apply judgment affecting the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of expenses during the reporting period.

The areas involving higher degrees of judgement of complexity, or areas where assumptions and estimates are significant to the financial statements are:

*Development stage*

At the point where management has assessed that a resource has a reasonable prospect for eventual economic extraction, environmental approvals and permitting for exploitation has been received, and capital is reasonably available for construction of processing facilities, a project will be considered to be in the Development Stage.

*Ready for Use*

During the Development Stage, once processing facilities are available for use and capable of operating in the manner intended by management, the assets will be considered ready for use.

*Commercial production*

At the end of the Development Phase when the mine is capable of substantially operating in the manner intended by management, Commercial Production will have been achieved. More specifically, Commercial Production for the Ana Sofia Agri-Gypsum Project is defined in the Joint Venture Agreement, dated January 28, 2016, between the Company and Demetra Minerals Inc. as follows:

1. If a plant is located on the Property, on the first day following the first period of 45 consecutive days during which mineral products have been produced from the Property at an average rate not less than 80% of the initial design rated capacity of such plant; or
2. If no plant is located on the Property, on the first day of the month following the first period during which 4,000 tonnes of mineral products have been produced, per month for three consecutive months by the Joint Venture and sold to a nonrelated party on a reasonably regular basis for the purpose of earning revenue.

*Reclamation*

Management undertakes an ongoing assessment of accumulated reclamation costs based on the nature of the environmental disturbance and relevant environmental regulations governing activities at the Ana Sofia Agri-Gypsum Project. Based on these criteria, management determines if there is an accumulated liability beyond the ongoing remediation being completed following extraction of gypsum bearing zones.

*Fair value of derivative financial instruments*

Pursuant to the Joint Venture Agreement between the Company and Demetra dated January 28, 2016, the Company is party to both a call and a put option that are derivative financial instruments designated at fair value through profit and loss. Management has applied judgement in the determination of the fair value of these instruments, including consideration of uncertainty related to the realization of events required to materialize for these options to be exercisable by either party.

*Share-based payments*

Estimating fair value for share-based payment transactions requires the determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This requires the estimation of inputs to the valuation model including the expected life of the stock option, volatility, dividend yield, and forfeiture rate. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 8 of the audited Financial Statements.

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**STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET EFFECTIVE**

The IASB issued a number of new and revised IASs, International Financial Reporting Standards ("IFRS"), amendments and related IFRICs, which are effective for the Company's financial year beginning on August 1, 2018. The Company has adopted all the following new standards relevant to the Company for the year ended July 31, 2019.

- IAS 28 '*Investments in Associates and Joint Ventures*' is an amendment to sale or contribution of assets between an investor and its associate or joint venture. The amendment is applicable for annual periods beginning on or after a date to be determined by IASB. Earlier application is permitted. As part of the annual improvements 2014 - 2016 cycle, this standard was amended to clarify whether an entity has an investment-by-investment choice for measuring investees at fair value in accordance with IAS 28 by a venture capital organization, or a mutual fund, unit trust or similar entities including investment linked insurance funds. The latter amendment is applicable for annual periods beginning on or after January 1, 2018.
- IFRS 2 '*Share-based payment*' issued in June 2016, is amended to provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a "net settlement" for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendment is applicable for annual periods beginning on or after January 1, 2018.
- IFRS 9 '*Financial Instruments: Classification and Measurement*' is a new financial instruments standard that replaces IAS 39 and IFRIC 9 for classification and measurement of financial assets and financial liabilities. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted. Transitional provisions have been applied including assessing the reclassification of the financial assets and applying that classification retrospectively. The adoption of IFRS 9 did not impact the Company's classification and measurement of financial assets and liabilities. The following summarizes the significant changes in IFRS 9 compared to the current standard:

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value. 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. The change did not impact the carrying amounts of any of the Company's financial assets on the transition date. Prior periods were not restated and no material changes resulted from adopting this new standard.

The adoption of the new "expected credit loss" impairment model under IFRS 9, as opposed to an incurred credit loss model under IAS 39, had no impact on the carrying amounts of our financial assets on the transition date given the Company transacts exclusively with large international financial institutions and other organizations with strong credit ratings.

- IFRS 7 '*Financial instruments: Disclosure*' was amended to require additional disclosures on transition from IAS 39 to IFRS 9. The standard is effective on adoption of IFRS 9, which is effective for annual periods commencing on or after January 1, 2018.

The adoption of the above standards did not have a material impact on the Company's Financial Statements.

The IASB and IFRIC have issued the following new and revised standards and amendments, which are not yet effective for the period ended July 31, 2019.

- IFRS 16 '*Leases*' establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. The standard is effective for annual periods beginning on or after January 1, 2019.
- IFRIC 23 '*Uncertainty over Income Tax Treatments*' is interpretation that clarifies how to apply the recognition and measurement requirements in IAS 12 '*Income Taxes*' when there is uncertainty over tax treatments. The effective date for IFRIC 23 is for annual periods beginning on or after January 1, 2019.

The Company has not early adopted these standards and amendments and anticipates that the application of these standards, amendments and interpretations will not have a material impact on the financial position and financial performance of the Company.

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**RELATED PARTY TRANSACTIONS**

The following is a summary of the Company's related party transactions for the year ended July 31, 2019:

(a) (i) Management Services Agreements

Total fees of \$108,000 (2018: \$108,000) were paid or accrued to a company owned by David Tafel, a director of the Company, for administration services outside of his capacity as a director.

(ii) Legal Fees

The Company paid or accrued legal fees of \$23,490 (2018: \$34,417) to a law firm of which a director of the Company, Kenneth Cawkell, is a partner.

(iii) Accounting Fees

The Company paid or accrued accounting fees of \$30,000 (2018: \$18,000) to a company owned by Jeremy Wright, an officer of the Company.

(iv) Consulting Fees

The Company received other income of \$NIL (2018: \$25,000) from a company with common directors.

(b) Due to/from Directors and Officers

A total of \$161,539 (2018: \$287,286) is due to directors, officers, companies controlled by officers and directors of the Company.

A total of \$82,878 (2018: \$144,516) in legal fees is due to a law firm of which a director, Kenneth Cawkell, is a partner.

A total of \$NIL (2018: \$64,500) is due to Portofino Resources Inc. pursuant to a loan with no interest and payable on demand. Additionally, a total of \$45,675 (2018: \$48,290) is due to Portofino Resources Inc. pursuant to reimbursement of operating expenses of the Company. Several key management personnel are also key management personnel of Centurion.

A total of \$NIL (2018: \$153,900) is due from Demetra pursuant to advances and ongoing costs associated with the Ana Sofia Agri-Gypsum Project following completion of construction. During the year-ended July 31, 2019, the Company recorded an impairment provision in the amount of \$334,416 (2018: \$NIL).

A total of \$NIL (2018: \$141,824) is due from DFSA pursuant to ongoing costs associated with the Ana Sofia Agri-Gypsum Project following completion of construction. During the year-ended July 31, 2019, the Company recorded an impairment provision in the amount of \$194,529 (2018: \$NIL).

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

**Compensation of key management personnel of the Company**

	<u>2019</u>		<u>2018</u>
Administration	\$ 108,000	\$	108,000
Accounting	30,000		18,000
	<u>\$ 138,000</u>	<u>\$</u>	<u>126,000</u>

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

**OFF BALANCE SHEET ARRANGEMENTS**

During the year-ended July 31, 2019 the Company did not have any off balance sheet arrangements (2018: \$NIL).

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## **OUTSTANDING SHARE DATA**

On May 29, 2019, the Company completed a consolidation of its issued and outstanding common shares on the bases of six (6) pre-consolidation common shares, options and warrants to one (1) post consolidation common share, option and warrant (the "Share Consolidation"). The Share Consolidation has been presented throughout the financial statements retroactively and all equity related issuances are presented on a post consolidation basis

At the time of consolidation, the Company had 82,267,924 common shares issued and outstanding, resulting in approximately 13,711,298 post consolidation shares outstanding based on 1 post-consolidation common share for every 6 pre-consolidation common shares. The number of stock options and warrants and related exercise prices has been adjusted in accordance with the consolidation ratio.

As of the date of this MD&A, the Company has 33,639,473 common shares issued and outstanding; 22,580,909 share purchase warrants and 416,667 share options convertible into common shares.

See note 7 and 8 in the Financial Statements for further details.

## **RISK MANAGEMENT, CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS**

Details of Risk Management, Capital Management and Financial Instruments are disclosed in note 3 to the financial statements.

### **Risks and Uncertainties**

#### *Liquidity and Additional Financing*

The Company has limited financial resources and revenues. There can be no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could cause the Company to reduce or terminate its operations.

#### *Regulatory Requirements*

Even if the Company's properties are proven to host economic reserves factors such as governmental expropriation or regulation may prevent or restrict mining of any such deposits. Exploration and mining activities may be affected in varying degrees by government policies and regulations relating to the mining industry. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental legislation and mine safety.

#### *Nature of Mineral Exploration and Mining*

At the present time, the Company does not hold any interest in a mining property in commercial production. The Company's viability and potential success relies on its ability to discover, develop, exploit and generate revenue out of mineral deposits. Mineral exploration and development involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines. The profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, if any, which may be affected by a number of factors beyond the Company's control. Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of diamond, precious and non-precious metals, any of which could result in work stoppages, damage to the property, and possible environmental damage. Hazards such as unusual or unexpected formations and other conditions such as formation pressures, fires, power outages, labour disruptions, flooding, explorations, cave-ins, landslides and the inability to obtain suitable adequate machinery, equipment or labour are involved in mineral exploration, development and operation. The Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect on the financial position of the Company.

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**RISK MANAGEMENT, CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)**

**Risks and Uncertainties (Continued)**

The Company will continue to rely upon consultants and others for exploration and development expertise. Substantial expenditures are required to determine if mineralization reserves exist through drilling, to develop processes to extract the precious and non-precious metals from the mineralization and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis or at all.

The economics of developing mineral properties are affected by many factors including the cost of operations, variations in the grade of mineralization mined, fluctuations in markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. The remoteness and restrictions on access to any properties in which the Company has or may have an interest may have an adverse effect on profitability in that infrastructure costs will be higher.

*Uninsurable Risks*

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and cause insolvency and/or a decline in the value of the securities of the Company.

*No Assurance of Title to Properties*

The acquisition of title to mineral projects is a very detailed and time-consuming process. Although the Company has taken precautions to ensure that legal title to its property interests is properly recorded in the name of the Company where possible, there can be no assurance that such title will ultimately be secured. Furthermore, there is no assurance that the interest of the Company in any of its properties may not be challenged or impugned.

*Permits and Licenses*

The operations of the Company may require licenses and permits from various governmental authorities. The company believes that it presently holds all necessary licences and permits to carry on with its current activities under applicable laws and regulations and the Company believes it is currently complying in all material respects with the terms of such laws and regulations. However, such laws and regulations are subject to change. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

*Competition*

The mineral exploitation industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral properties, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees. In addition, there is no assurance that even if commercial quantities of minerals are discovered, a ready market will exist for their sale. Factors beyond the control of the Company may affect the marketability of any minerals discovered. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital or losing its invested capital.

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**RISK MANAGEMENT, CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)**

**Risks and Uncertainties (Continued)**

*Environmental Regulations*

The Company's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for noncompliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees.

The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

*Infrastructure*

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important requirements, which affect capital and operating costs. Unusual or infrequent weather, phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations.

*Fluctuating Prices*

Factors beyond the control of the Company may affect the marketability of agri-gypsum. The price of agri-gypsum fluctuates, particularly in recent years, and is affected by numerous factors beyond the Company's control including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, consumption patterns, weather events, and increased production due to new mine developments and improved mining and production methods.

The effect of these factors on the price of agri-gypsum cannot be assured and therefore the economic viability of any of the Company's projects cannot be accurately predicted.

*Reliance on Key Personnel*

The Company is dependent on a relatively small number of key people, the loss of any of whom could have an adverse effect on its operations. The Company does not carry any key man insurance.

**SUBSEQUENT EVENTS**

Please refer to note 13 of the audited financial statements.

**CENTURION MINERALS LTD.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JULY 31, 2019**

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**CAUTION REGARDING FORWARD LOOKING STATEMENTS**

Certain information regarding the Company within the MD&A may include "forward-looking statements" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, goals, expansion and growth of the Company's business, plans and other such matters are forward-looking statements. When used in this MD&A the words "estimate", "plan", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking statements. Such statements by their nature involve certain risks and uncertainties that could cause actual results to differ materially from those contemplated by such statements. The Company considers the assumptions on which these forward-looking statements are based to be reasonable at the time they were prepared, but cautions the reader that these assumptions regarding future events, many of which are beyond the control of management, may ultimately prove to be incorrect. The reader should not rely solely on these forward-looking statements.

The Ana Sofia project has not been the subject of a feasibility study and as such there is no certainty that a potential mine will be realized or that the processing facility will be able to produce a commercially marketable product. There is a significant risk that any production from the project will not be profitable with these risks elevated by the absence of a compliant NI 43-101 feasibility study. A mine production decision that is not based on a feasibility study demonstrating economic and technical viability does not provide adequate disclosure of the increased uncertainty and specific risks of failure associated with such a production decision. The work carried out to date is of a preliminary nature to assist in the determination as to whether the mineral product is suitable for sale and if there are markets for the mineral product. The Company has undertaken market research and studies to try to mitigate these risks. General risks inherent in the Project include the reliance on available data and assumptions and judgments used in the interpretation of such data, the speculative and uncertain nature of exploration and development costs, capital requirements and the ability to obtain financing, volatility of global and local economic climates, share price volatility, estimated price volatility, changes in equity markets, exchange rate fluctuations and other risks involved in the mineral exploration and development industry. There can be no assurance that a forward looking statement or information referenced herein will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking statements or information.

We undertake no obligation to reissue or update any forward-looking statements or information except as required by law.

The Ana Sofia mineral resource estimate is reported in accordance with the Canadian Securities Administrators National Instrument 43-101 and has been estimated using the CIM "Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines" dated November 23rd, 2003 and CIM "Definition Standards for Mineral Resources and Mineral Reserves" dated May 10th, 2014. Due to the relatively wide spacing of the historical quarries and the 2016 test pits, which varies between 40 m and 300 m, the Ana Sofia 2 resource described herein is categorized entirely as an inferred mineral resource. Inferred Mineral Resources are not Mineral Reserves. Mineral resources, which are not mineral reserves, do not have demonstrated economic viability. There has been insufficient exploration to define the inferred resources as an indicated or measured mineral resource, however, it is reasonably expected that the majority of the Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration. There is no guarantee that any part of the mineral resources will be converted into a mineral reserve in the future. The estimate of mineral resources may be materially affected by geology, environment, permitting, legal, title, taxation, socio-political, marketing or other relevant issues.

This MD&A contains forward-looking statements concerning future operations of Centurion Minerals Ltd. (the "Company"). All forward-looking statements concerning the Company's future plans and operations, including management's assessment of the Company's project expectations or beliefs may be subject to certain assumptions, risks and uncertainties beyond the Company's control. Investors are cautioned that any such statements are not guarantees of future performance and that actual performance and exploration and financial results may differ materially from any estimates or projections. Such statements include, among others: possible variations in mineralization, grade or recovery rates; actual results of current exploration activities; actual results of reclamation activities; conclusions of future economic evaluations; changes in project parameters as plans continue to be refined; failure of equipment or processes to operate as anticipated; accidents and other risks of the mining industry; delays and other risks related to construction activities and operations; timing and receipt of regulatory approvals of operations; the ability of the Company and other relevant parties to satisfy regulatory requirements; the availability of financing for proposed transactions, programs and working capital requirements on reasonable terms; the ability of third party service providers to deliver services on reasonable terms and in a timely manner; market conditions and general business, economic, competitive, political and social conditions. It is important to note that the information provided in this MD&A is preliminary in nature. There is no certainty that a potential mine will be realized.