



Financial Statements

For the year ended July 31, 2023 and 2022

(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Centurion Minerals Ltd.

Opinion

We have audited the financial statements of Centurion Minerals Ltd. (the "Company") which comprise the statements of financial position as at July 31, 2023 and 2022, and the statements of comprehensive loss, changes in deficiency and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information (together, the "Financial Statements").

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Company as at July 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the year ended July 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Fernando J. Costa.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, British Columbia

November 27, 2023

Centurion Minerals Ltd.

Statements of Financial Position

As at July 31, 2023 and 2022

(Expressed in Canadian dollars)

	Notes	2023	2022
Current assets			
Cash		\$ 9,869	\$ 13,312
Amounts receivable		17,467	14,745
Prepaid expenses		5,714	6,763
		<u>33,050</u>	<u>34,820</u>
Non-current assets			
Right-of-use asset	4	50,774	114,341
Total assets		\$ 83,824	\$ 149,161
Current liabilities			
Accounts payable and accrued liabilities		\$ 144,320	\$ 224,482
Due to related parties	10	362,135	1,346,648
Lease liability	4	59,757	64,023
Loans and borrowings	6	136,576	402,790
		<u>702,788</u>	<u>2,037,943</u>
Non-current liabilities			
Loans and borrowings	6,10	922,717	-
Lease liability	4	-	59,757
		<u>922,717</u>	<u>59,757</u>
Total liabilities		1,625,505	2,097,700
Shareholders' deficiency			
Share capital	7	16,750,774	16,458,787
Share subscriptions received		63,000	-
Share option reserve	8	2,447,015	2,447,015
Share warrant reserve	7	4,736,699	4,736,699
Deficit		(25,539,169)	(25,591,040)
		<u>(1,541,681)</u>	<u>(1,948,539)</u>
Total liabilities and shareholders' deficiency		\$ 83,824	\$ 149,161

SEE NOTE 1, NATURE OF OPERATIONS

SEE NOTE 11, COMMITMENTS

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 years ended July 31, 2023 and 2022
(Expressed in Canadian dollars)

	Notes	2023	2022
Operating expenses			
Accounting	10	\$ 115,000	\$ 105,450
Administration	10	108,000	108,000
Consulting		-	121,000
Depreciation and amortization	4	63,567	62,368
Exploration and evaluation expenditures	5	2,697	10,454
Filing fees and communications		39,255	21,807
Financing costs	6	29,485	42,195
Insurance		1,470	1,381
Interest expense	6	74,730	14,836
Legal		11,749	51,028
Office and miscellaneous		7,650	23,957
Telephone		3,016	6,223
Travel		3,265	3,916
Wages		61,200	65,000
		(521,084)	(637,615)
Other income (expenses)			
Net write off of Due from 1364565 B.C ltd 1		(4,565)	-
Rent recovery		55,462	66,212
Gain on extinguishment of debt	7	439,481	-
Write off amounts payable		-	142,840
Net loss and comprehensive loss		\$ (30,706)	\$ (428,563)
Basic and diluted loss per common share		\$ (0.00)	\$ (0.03)
Weighted average number of common shares		26,291,627	16,819,719

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

Centurion Minerals Ltd.

Statements of Changes in Deficiency

For the years ended July 31, 2023 and 2022

(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, 2021		16,819,719	\$ 16,458,787	\$ -	\$ 2,447,015	\$ 4,736,699	\$ (25,162,477)	\$ (1,519,976)
Comprehensive loss		-	-	-	-	-	(428,563)	(428,563)
Balance at July 31, 2022		16,819,719	\$ 16,458,787	\$ -	\$ 2,447,015	\$ 4,736,699	\$ (25,591,040)	\$ (1,948,539)
Balance at August 1, 2022		16,819,719	\$ 16,458,787	\$ -	\$ 2,447,015	\$ 4,736,699	\$ (25,591,040)	\$ (1,948,539)
Share issue cost		-	(1,000)	-	-	-	-	(1,000)
Share subscriptions received		-	-	63,000	-	-	-	63,000
Shares for debt	7	14,649,350	292,987	-	-	-	-	292,987
Spin out adjustment		-	-	-	-	-	82,577	82,577
Comprehensive loss		-	-	-	-	-	(30,706)	(30,706)
Balance at July 31, 2023		31,469,069	\$ 16,750,774	\$ 63,000	\$ 2,447,015	\$ 4,736,699	\$ (25,539,169)	\$ (1,541,681)

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

Centurion Minerals Ltd.

Statements of Cash Flows

For the years ended July 31, 2023 and 2022

(Expressed in Canadian dollars)

	Notes	2023	2022
Cash flows from operating activities			
Net income (loss)		\$ (30,706)	\$ (428,563)
Adjustments to non-cash items			
Depreciation and amortization	4	63,567	62,368
Finance costs	6	-	42,195
Interest payment	6	-	14,836
Gain on debt settlement	7	(439,481)	-
Write off of amounts payable		-	142,840
Changes in non-cash working capital			
Increase in amounts receivable		(2,722)	(3,284)
Prepaid expenses and deposits		1,049	(1,050)
Decrease in lease liability	4	(64,023)	(41,103)
Decrease in accounts payable and accrued liabilities		208,146	(339,785)
Increase (decrease) in payable to related parties	10	(540,354)	462,217
Increase in loans and borrowings		739,081	-
Net cash flows used in operating activities		(65,443)	(48,226)
Cash flows from financing activities			
Proceeds from short term loans		-	60,825
Share issue costs		(1,000)	-
Shares subscriptions to be issued		63,000	-
Net cash from financing activities		62,000	60,825
Change in cash		(3,443)	12,599
Cash, beginning of the year		13,312	713
Cash, end of the year		\$ 9,869	\$ 13,312

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

Centurion Minerals Ltd.

Statements of Cash Flows

For the years ended July 31, 2023 and 2022

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS

Centurion Minerals Ltd. (the “**Company**” or “**Centurion**”) is focused on the acquisition, exploration, and development of mineral properties. 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 (the “**TSX-V**”), having the symbol CTN, as a Tier 2 mining issuer.

Plan of Arrangement

On August 23, 2022 the Company and 1364565 B.C. Ltd. (“**SpinCo**”) announced that it had closed the spin-out transaction (the “**Transaction**”) which was completed by way of a court approved statutory plan of arrangement under the Business Corporations Act (British Columbia) (the “**Plan of Arrangement**”). In accordance with the Plan of Arrangement, among other things: the Company transferred agreements and \$182,135.71 of related liabilities to SpinCo; and in consideration of the foregoing, the shareholders of the Company (as of the record date) received: (i) one common share in the capital of SpinCo, and (ii) one new common share in the capital of the Company in exchange for each share of the Company held. Transaction details were disclosed in the Company's management information circular dated June 29, 2022, and the Company's news release dated June 24, 2022.

SpinCo entered into a one-year promissory note for \$100,000 with the Company in accordance with the Plan of Arrangement, whereby SpinCo has agreed to repayment of transaction-related costs incurred by the Company. The promissory note bears interest at 8% per month. The loan can be paid off at any time with no penalty. During the year the Company provided a full allowance against the collectability of the loan and certain refundable expenses of \$4,565. The loan is due on demand and unsecured.

Going Concern

These 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 July 31, 2023, the Company has accumulated losses of \$25,539,169 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 and to 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. These 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.

Centurion Minerals Ltd.

Notes to financial statements

For the years ended July 31, 2023 and 2022

(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”).

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The policies applied in these financial statements are based on IFRS issued and effective as of July 31, 2023. The Board of Directors approved these financial statements on November 27, 2023.

Basis of Presentation

These financial statements have been prepared on a historical cost basis. In addition, these financial statements 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.

Critical Accounting Estimates and Judgments

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 a higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the financial statements are:

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.

Going concern

The Company’s management has made an assessment of the Company’s ability to continue as a going concern. Factors considered by management are disclosed in Note 1.

Centurion Minerals Ltd.

Notes to financial statements

For the years ended July 31, 2023 and 2022

(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES ((CONTINUED))

Critical Accounting Estimates and Judgments (Continued)

Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Cash

Cash includes cash on hand and deposits held at call with banks.

Mineral Exploration and Evaluation Expenditures

Costs incurred with respect to exploration and evaluation (“E&E”) of the Company’s mineral properties, including acquisition costs, are expensed as incurred until the technical feasibility and commercial viability of extracting the mineral resource has been determined. Once technical feasibility and commercial viability of the mineral resource is determined, only costs directly related to E&E expenditures are capitalized. Costs not directly attributable to E&E activities are expensed in the year in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, capitalized E&E expenditures in respect of that project are deemed to be impaired and capitalized amount in excess of the estimated recoverable amount are written off to the statement of comprehensive loss.

The Company assesses each significant asset for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset’s fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long term commodity prices, discount rates, future capital requirements, exploration potential and operating performance.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as ‘mines under construction’. E&E assets are tested for impairment before the assets are transferred to development properties.

Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset’s fair value less cost to sell or its value in use. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment.

Centurion Minerals Ltd.

Notes to financial statements

For the years ended July 31, 2023 and 2022

(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share-based payments

The fair value of the share option reserve for employees at the date of grant is recognized as an expense over the vesting period with a corresponding increase in share option reserve. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by a direct employee, including directors of the Company.

In situations where share options are issued to non-employees and some or all of the goods or services received by the Company as consideration cannot be specifically identified, the unidentified goods or services received (or to be received) are measured as the difference between the fair value of the share-based payment transaction and the fair value of any identified goods or services received at the grant date.

The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Stock option expense incorporates an expected forfeiture rate.

All equity settled share-based payments are reflected in reserves, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid.

The Company's policy related to share-based payments equally applies to the methods used to calculate the fair value of warrants.

Share Capital

The proceeds from the exercise of stock options, warrants and escrow shares are recorded as share capital in the amount for which the option, warrant or escrow share enabled the holder to purchase a share in the Company.

Depending on the terms and conditions of each financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are accounted for using the residual method, following an allocation of the unit price to the fair value of the common shares that were concurrently issued. Warrants that are issued as payment for an agency fee or other transactions costs are accounted for as share-based payments.

Commissions paid to agents and other related share issue costs are charged directly to share capital.

Loss per Share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The Company had no material provisions at July 31, 2023 and 2022.

Centurion Minerals Ltd.

Notes to financial statements

For the years ended July 31, 2023 and 2022

(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments

Financial Assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income (“**FVOCI**”); or (iii) fair value through profit or loss (“**FVTPL**”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income.

The classification determines the method by which the financial assets are carried on the statements of financial position subsequent to inception and how changes in value are recorded. Amounts receivable are measured at amortized cost with subsequent impairments recognized in profit or loss and cash is classified as FVTPL.

Financial Liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statements of financial position subsequent to inception and how changes in value are recorded. Accounts payable, due to related parties, short-term loans and lease liabilities are classified at amortized cost.

De-recognition of Financial Liabilities

The Company derecognizes financial liabilities when the obligations are discharged, cancelled or expire.

The Company’s financial instruments consist of the following:

<u>Financial assets:</u>	<u>Classification:</u>
Cash	Fair Value Through Profit and Loss
Amounts receivable	Amortized cost
<u>Financial liabilities:</u>	<u>Classification:</u>
Accounts payable	Amortized cost
Due to related parties	Amortized cost
Loans and borrowing	Amortized cost
Lease liability	Amortized cost

The carrying values of amounts receivable, accounts payable, due to related parties and loans and borrowings approximate their fair values due to the short term nature of these financial instruments.

Impairment of Financial Assets

An ‘expected credit loss’ impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period. In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Centurion Minerals Ltd.

Notes to financial statements

For the years ended July 31, 2023 and 2022

(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments (Continued)

Financial Instruments Recorded at Fair Value

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's cash is valued based on level 1.

Leases

Leases in which the Company assumes substantially all risks and rewards of ownership are classified as finance leases. Assets held under finance leases are recognized at the lower of the fair value and present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. The corresponding liability is recognized as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation to achieve a constant rate of interest on the remaining liability. Finance charges are recorded as a finance expense within profit and loss, unless they are attributable to qualifying assets, in which case they are capitalized.

Operating lease payments are recognized on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed, in which case that systematic basis is used. Operating lease payments are recorded within profit and loss unless they are attributable to qualifying assets, in which case they are capitalized.

Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended July 31, 2023, and have not been early adopted in preparing these audited financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

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 was no changes in the Company's approach to capital management during the year ended July 31, 2023. The Company is not subject to externally imposed capital requirements.

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

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.

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.

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.

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.

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 and accounts payable that are due on normal commercial terms, and as at July 31, 2023 the Company had short-term loans of \$136,576 (2022: \$402,790) and long-term loans of \$922,717 (2022: \$Nil).
- 2) 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.

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(Expressed in Canadian dollars)

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

Liquidity Risk (Continued)

The following table summarizes the maturities of the Company's financial liabilities as at July 31, 2023 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	\$ 73,221	\$ 73,221	\$ 73,221	\$ -	\$ -	\$ -
Due to related parties, current	362,135	362,135	362,135	-	-	-
Short-term loan	136,576	136,576	136,576	-	-	-
Long-term loan*	922,717	922,717	-	922,717	-	-
Lease liability	59,757	67,810	67,810	-	-	-
Total	\$ 1,554,407	\$ 1,562,459	\$ 639,742	\$ 922,717	\$ -	\$ -

* Long-term loan balance Includes \$499,336 due to related parties as at July 31, 2023

4. RIGHT OF USE ASSET AND LEASE LIABILITY

The following tables summarize the difference between operating lease commitment disclosed immediately preceding the date of initial application and lease liability recognized in the consolidated statement of financial position:

Right-of-Use Asset

Value of right-of-use asset as at August 1, 2021	\$	176,709
Amortization		(62,368)
Balance as at July 31, 2022	\$	114,341
Value of right-of-use asset as at August 1, 2022	\$	114,341
Amortization		(63,567)
Balance as at July 31, 2023	\$	50,774

Lease liability

Operating lease liability as at August 1, 2021	\$	190,091
Lease payments		(81,147)
Lease interest		14,836
Balance as at July 31, 2022	\$	123,780
Operating lease liability as at August 1, 2022	\$	123,780
Lease payments		(72,924)
Lease interest		8,901
Balance as at July 31, 2023	\$	59,757
Current portion	\$	64,023
Long-term portion		59,757
Balance as at July 31, 2022	\$	123,780
Current portion	\$	59,757
Long-term portion		-
Balance as at July 31, 2023	\$	59,757

At July 31, 2023, future payments required under the Company's office lease are as follows:

Year ended July 31, 2024	\$	67,810
Year ended July 31, 2025		-
Total	\$	67,810

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5. EXPLORATION, EVALUATION, AND STAND-BY OPERATION EXPENDITURES

Expenditures During the Year

For the year ended July 31, 2023, the Company incurred \$2,697 (2022 - \$10,454).

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.

Casa Berardi West (Ontario, Canada)

The Company entered into an option agreement with 1544230 Ontario Inc. and Gravel Ridge Resources Ltd. (collectively, the "Owners") dated June 22, 2022, to acquire a 100% interest in of 3 non-contiguous claim groups (Noseworthy, Newman and Hepburn) comprising a total of 4,700 hectares (the "Casa Berardi West Property"), located northeast of Cochrane, Ontario, in the Harricana-Turgeon greenstone belt of the central Abitibi Subprovince of northeastern Ontario.

To acquire a 100% interest in the Casa Berardi West Property from the Owners, the Company is to issue 600,000 common shares and make payments totaling \$114,000 over a three-year period, as set out below:

- a) \$20,000 and 400,000 shares following receipt of TSX-V approval,
- b) \$24,000 and 200,000 shares due on the first anniversary of TSX-V approval,
- c) \$30,000 on the second anniversary of TSX-V approval, and
- d) \$40,000 due on the third anniversary TSX-V approval.

The Owners retain a 2% NSR on all mineral production, 1% of which can be purchased by the Company for \$1,000,000.

The transaction has been conditionally accepted by the Exchange, however, remains subject to final approval.

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 (the "Ana Sofia Project").

Pursuant to the Company's news release April 1, 2019, all operations for the Ana Sofia Project had ceased, the pilot plant was placed on care and maintenance, and due to ongoing market conditions, has not resumed operations.

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5. EXPLORATION, EVALUATION, AND STAND-BY OPERATION EXPENDITURES (CONTINUED)

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

As defined in the Agreement:

- 1) Centurion issued 333,333 common shares (paid) to Demetra as consideration for the acquisition of its 50% interest in the Ana Sofia Project.
- 2) Demetra was appointed as the operator of the Ana Sofia 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) Excluding approved Program Costs, Demetra is solely responsible for assuming all costs, liabilities and agreements associated with the Ana Sofia Project.

For the year ended July 31, 2023, the Management Committee approved \$Nil (2022: \$Nil) Program Costs, and the Company does not anticipate incurring any Program Costs in future.

6. LOANS

Ana Sofia Related Commitments

On January 30, 2017, the Company issued a one-year promissory note loan financing for \$343,715 from arm's length parties (the "**Ana Sofia Loan**"). Proceeds from this financing were used to assist the Company in commencing the Ana Sofia Project's agri-gypsum pilot plant's operation and for general corporate purposes. In consideration for the loan, the Company issued 491,022 bonus common shares, at a price of \$0.14 per share and will pay interest of 2% per month. The loan can be paid off at any time with no penalty to the Company. As at July 31, 2023, the outstanding balance of the loan including interest and principal is \$136,576 (2022 - \$320,213). The loan is due on demand and unsecured.

On September 30, 2022, the Company entered into a two-year promissory note for \$863,242 with arm's length and related parties (the "**Term Loans**"). The Term Loans converted \$90,000 of Ana Sofia Loan principal and \$773,242 of Accounts Payable and Due to Related Parties. The Term Loans bear interest at 8% per annum. The loans can be paid off at any time with no penalty to the Company. As at July 31, 2023, the outstanding balance of the loans is \$922,717. The loans are due on demand and unsecured.

SpinCo Related Commitments

On August 23, 2022, in accordance with the Plan of Arrangement, the Company assigned the following loans and accrued interest to SpinCo:

- a) During the year ended July 31, 2021, the Company received a promissory note of \$20,000 from an unrelated party. The amount was unsecured, due on March 25, 2021, and bore interest at 5% per annum. As at July 31, 2022, the outstanding principal and interest (the "**P&I**") was \$21,752. At the time of assignment the outstanding P&I was \$21,752.
- b) During the year ended July 31, 2022, the Company received a promissory note of \$60,825 from an unrelated party. The amount was unsecured, due on demand, and bore \$Nil interest. As at July 31, 2022, the outstanding P&I was \$60,825. At the time of assignment the outstanding P&I was \$60,825.

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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.

On July 6, 2022, the Company completed a consolidation of its issued and outstanding common shares on the basis of two (2) 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.

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

	Number of Shares	Fair Value Price	Amount
Balance at August 1, 2021	16,819,719	- \$	16,458,787
Balance at July 31, 2022	16,819,719	- \$	16,458,787
Balance at August 1, 2022	16,819,719	- \$	16,458,787
Issued	14,649,350	0.02	292,987
Share issuance cost	-	-	(1,000)
Balance at July 31, 2023	31,469,069	- \$	16,750,774

During the year ended July 31, 2023, the Company issued 14,649,350 common shares upon receipt of TSX Venture Exchange approval to settle \$732,468 in outstanding debt owed to various creditors valued at \$0.02 per share. The transaction resulted in the Company recording a gain on extinguishment debt amounting to \$439,481.

The Company did not issue any common shares during the year ended July 31, 2022

Share Purchase Warrants

The following is a summary of changes in warrants:

	Number of Warrants	Weighted Average Exercise Price
Balance at August 1, 2021	2,578,573	\$ 0.30
Expired	(2,578,573)	(0.30)
Outstanding and exercisable as at July 31, 2022	-	\$ -
Balance at August 1, 2022	-	\$ -
Outstanding and exercisable as at July 31, 2023	-	\$ -

As at July 31, 2023, the Company had no outstanding warrant.

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8. SHARE-BASED PAYMENTS

Option Plan Details

As at July 31, 2023 and 2022, the Company maintained an equity settled share-based payment plan 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-V 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, 2021	208,334	\$ 1.20
Expired	(208,334)	(1.20)
Balance at July 31, 2022	-	\$ -
Balance at August 1, 2022	-	\$ -
Balance at July 31, 2023	-	\$ -

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. As at July 31, 2023, the Company had no outstanding options.

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.

	2023	2022
Loss attributable to ordinary shareholders	\$ (30,706)	\$ (428,563)
Weighted average number of common shares	26,291,627	16,819,719
Basic and diluted income (loss) per share	\$ 0.00	\$ (0.03)

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

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10. RELATED PARTY TRANSACTIONS

The following is a summary of the Company's related party transactions for the year ended July 31, 2023:

(a) (i) Administrative Services Agreements

Total fees of \$108,000 (2022: \$108,000) were paid or accrued to directors of the Company for administration services outside their capacity as a director.

(ii) Accounting Fees

The Company paid or accrued accounting fees of \$90,000 (2022: \$90,000) to a company owned by a director and an officer of the Company.

(b) Due to/from Directors and Officers

A total of \$308,159 (2022: \$969,847) is due to directors, officers, companies controlled by officers and directors of the Company.

A total of \$Nil (2022: \$96,159) in legal fees is due to a law firm of which a director is a partner.

A total of \$53,976 (2022: \$280,642) is due to Portofino Resources Inc. pursuant to reimbursement of operating expenses of the Company. Several key management personnel ("Portofino") are also key management personnel of Portofino.

As at September 30, 2022, the Company converted \$467,150 in Due to Related Party payables to the Term Loans bearing interest at 8% per annum, unsecured and having a 24-month term of repayment. As at July 31, 2023, the outstanding balance of the loans is \$626,389.

Compensation of key management personnel of the Company

Key management personnel receive compensation in the form of short-term benefits. Key management personnel include the officers and directors of the Company. The remuneration of key management is as follows:

	2023		2022
Administration	\$ 108,000	\$	108,000
Accounting	90,000		90,000
	<u>\$ 198,000</u>	<u>\$</u>	<u>198,000</u>

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

11. COMMITMENTS AND OTHER CONTINGENCIES

Exploration and Evaluation Commitments and Contingencies

The Company has mineral property commitments as outlined below:

Ana Sofia Royalty Payments:

The Ana Sofia property concessions are 10-year leases with a 10-year option for renewal at the option of Demetra. 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 due from the Company.

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11. COMMITMENTS AND OTHER CONTINGENCIES (CONTINUED)

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 payable by Demetra. There are no royalty payments due to the federal government.

As at July 31, 2023, there were no amounts owed for royalty payments by the Company. 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. INCOME TAXES

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

	2023		2022
Loss before income taxes for the year	\$ (30,706)	\$	(428,563)
Statutory tax rate	27%		27%
Expected income tax recovery	(8,000)		(116,000)
Permanent differences and others	(136,000)		(7,000)
Change in unrecognized deferred tax assets	144,000		123,000
Total income tax expense	\$ -	\$	-

Details of the Company's deferred tax assets and liabilities are as follows:

	2023		2022
Non-capital loss carry forwards	\$ 4,995,000	\$	4,286,000
Capital assets	(13,000)		(28,000)
Share issuance costs and other	99,000		118,000
Exploration and evaluation assets	173,000		2,029,000
Unrecognized deferred tax asset	(5,254,000)		(6,405,000)
Net deferred tax assets	\$ -	\$	-

At July 31, 2023, the Company has non-capital losses of \$18,499,000 (2022: \$15,872,500) expiring in various amounts from 2021 to 2043, which are available for deduction against future income for tax purposes. The potential benefits of these carry-forward non-capital losses and deductible temporary differences has not been recognized in these financial statements as it is not considered probable that sufficient future taxable profit will allow the deferred tax asset to be recorded.

13. SUBSEQUENT EVENTS

There are no subsequent events.