

AADIRECTION CAPITAL CORP.

FINANCIAL STATEMENTS

Years ended December 31, 2022 and 2021

Mao & Ying LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

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

Key Audit Matters

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

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

Other Information

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Vancouver, Canada
March 31, 2023

Maoying LLP
Chartered Professional Accountants

AADIRECTION CAPITAL CORP.

Statements of Financial Position
(Expressed in Canadian dollars)

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

Gong concern (Note 2)

Subsequent event (Note 10)

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

On behalf of the Board:

“Michael Woods”

Michael Woods, director

“Mary Ma”

Mary Ma, director

AADIRECTION CAPITAL CORP.

Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

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

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

AADIRECTION CAPITAL CORP.

Statements of Cash Flow

(Expressed in Canadian dollars)

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

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

AADIRECTION CAPITAL CORP.

Statements of Changes in Equity
(Expressed in Canadian dollars)

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

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

AADIRECTION CAPITAL CORP.

Notes to the Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS

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

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

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

2. BASIS OF PRESENTATION

Statement of Compliance

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

Going Concern Assumption

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

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

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

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Notes to the Financial Statements

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(Expressed in Canadian dollars)

Judgements and estimates

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

Basis of measurement

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

3. SIGNIFICANT ACCOUNTING POLICIES

Cash

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

Short-term Investment

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

Income taxes

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

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

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

Share Capital

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

Earnings (loss) per share

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

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

Financial instruments

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

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

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

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

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

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

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

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

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

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

4. SHORT-TERM INVESTMENT

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

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

5. SHARE CAPITAL

Authorized

Unlimited common shares without par value.

Issued

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

In December 2020, the Company issued 2,000,000 common shares at a price of \$0.05 per share for gross proceeds of \$100,000.

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

Escrowed shares

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

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

Options

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

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

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

A summary of the share option transactions is listed below.

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

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

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

Warrants

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

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

6. RELATED PARTY TRANSACTIONS

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

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

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

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

7. INCOME TAXES

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

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

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

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

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

8. CAPITAL MANAGEMENT

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

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

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

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9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at December 31, 2022, the Company's financial instruments consist of cash, other receivable, short-term investments and accounts payable. The carrying value of such financial instruments approximates their fair value due to the immediate or short-term maturity of these instruments.

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

10. SUBSEQUENT EVENT

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

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

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

Pursuant to the Definitive Agreement, the Company will acquire 100% of the outstanding common shares of Centenario by way of a one for one (1:1) share exchange issuing the Company's common shares in such number of common shares as are outstanding in the capital of Centenario to the shareholders of Centenario on the closing date of the Qualifying Transaction.

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

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

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