CENTURION MINERALS LTD

Financial Statements

As at July 31, 2014

Tel: 604 688 5421
Fax: 604 688 5132
www.bdo.ca

BDO Canada LLP
600 Cathedral Place
925 West Georgia Street
Vancouver BC V6C 3L2 Canada

Independent Auditor's Report

To the shareholders of Centurion Minerals Ltd.

We have audited the accompanying financial statements of Centurion Minerals Ltd., which comprise the statements of financial position as at July 31, 2014 and 2013, and the statements of comprehensive loss, change in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Centurion Minerals Ltd. as at July 31, 2014 and 2013 and the results of its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 in the financial statements which indicates that the Company has incurred a net loss of $2,748,459 and has an accumulated deficit of $18,264,454 since inception. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

(signed) "BDO Canada LLP"

Chartered Accountants

Vancouver, British Columbia
November 27, 2014

Centurion Minerals Ltd

Statement of Financial Position
As at July 31, 2014
(Expressed in Canadian dollars)

	Note		July 31, 2014		July 31, 2013
Current assets					
Cash		$	4,764	$	1,113
Excise taxes and receivable			7,915		3,222
Prepaid expenses and deposits			1,519		4,023
			14,198		8,358
Non-current assets					
Property and equipment			1,588		3,465
Exploration and evaluation assets	6		2		1,913,625
			1,590		1,917,090
Total assets		$	15,788	$	1,925,448
Current liabilities					
Accounts payable and accrued liabilities	9	$	579,898	$	341,572
Due to related parties	11		330,302		584,399
Short-term loan	12		135,000		135,000
Total liabilities			1,045,200		1,060,971
Shareholder's equity					
Share capital	7		11,952,438		11,245,505
Shares to be issued			-		102,650
Share option reserve			2,275,015		2,088,950
Share warrant reserve			3,007,589		2,943,367
Deficit			(18,264,454)		(15,515,995)
			(1,029,412)		864,477
Total liabilities and shareholder's equity		$	15,788	$	1,925,448

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

Statement of Comprehensive Loss
For the years ended July 31, 2014 and 2013
(Expressed in Canadian dollars)

	Note		2014		2013
Operating expenses					
Accounting		$	21,065	$	81,373
Administration	11		108,000		200,000
Consulting			50,148		153,335
Depreciation			1,614		1,256
Filing fees & communications	9		89,373		92,884
Impairment loss on exploration and evaluation assets	6		1,913,623		-
Insurance			18,502		32,104
General exploration expenditures			76,662		80,342
Legal	11		14,760		28,851
Office & miscellaneous			46,584		44,107
Rent			22,205		42,769
Stock-based compensation	8		213,915		-
Telephone			7,938		9,171
Travel			61,060		75,950
Wages			99,460		130,096
Loss before other items			(2,744,909)		(972,238)
Other items					
Foreign exchange gain			-		3,682
Finance costs			(3,550)		(6,715)
Net and comprehensive loss		$	(2,748,459)	$	(975,271)
Basic and diluted earnings per common share		$	(0.05)	$	(0.02)
Weighted Average number of shares outstanding			54,799,884		46,867,473

The accompanying notes form an integral part of these financial statements

Centurion Minerals Ltd

Statement of Change in Equity
For the years ended July 31, 2014 and 2013
(Expressed in Canadian dollars)

	Note	Number of Common Shares	Share Capital	Shares to be issued	Share option reserve	Share warrant reserve	Deficit	Total Equity
Balance at August 1, 2012	7	42,903,649	$10,985,478	$ -	$2,088,950	$2,826,405	$ (14,540,724)	$1,360,109
Comprehensive loss		-	-	-	-	-	(975,271)	(975,271)
Issue of shares for cash on private placement		5,714,286	400,000	-	-	-	-	400,000
Issue of shares for cash on exercise of options/warrants		90,000	9,000	-	-	-	-	9,000
Value attributable to warrants issued in private placement		-	(120,687)	-	-	120,687	-	-
Fair value of options/warrants exercised		-	3,725	-	-	(3,725)	-	-
Share issue costs		-	(32,011)	-	-	-	-	(32,011)
Proceeds from subscriptions payable		-	-	102,650	-	-	-	102,650
Balance at July 31, 2013		48,707,935	$11,245,505	$102,650	$2,088,950	$2,943,367	(15,515,995)	$864,477
Comprehensive loss		-	-	-	-	-	(2,748,459)	(2,748,459)
Issue of shares for cash on private placement		7,250,929	507,565	-	-	-	-	507,565
Issue of shares for cash on exercise of options/warrants		2,563,400	256,340	-	-	-	-	256,340
Value attributable to warrants issued in private placement		-	(155,619)	-	-	155,619	-	-
Fair value of options/warrants exercised		-	119,247	-	(27,850)	(91,397)	-	-
Share-based compensation		-	-	-	213,915	-	-	213,915
Share issue costs		-	(20,600)	-	-	-	-	(20,600)
Proceeds from subscriptions payable		-	-	(102,650)	-	-	-	(102,650)
Balance at July 31, 2014		58,522,264	$11,952,438	$ -	$2,275,015	$3,007,589	$ (18,264,454)	$(1,029,412)

The accompanying notes form an integral part of these financial statements

Centurion Minerals Ltd
Statement of Cash Flows
For years ended July 31, 2014 and 2013
(Expressed in Canadian dollars)

		2014		2013
Cash flows from operating activities				
Net loss	$	(2,748,459)	$	(975,271)
Adjustments to non-cash items				
Depreciation and amortization		1,614		1,256
Write-off of property and equipment		263		-
Finance revenue		-		-
Finance expense		3,550		6,715
Share-based compensation		213,915		-
Impairment loss on exploration and evaluation assets		1,913,623		-
Changes in non-cash working capital				-
Decrease (increase) in excise tax receivable		(4,693)		23,476
Decrease in prepaid expenses and deposits		2,504		6,582
Increase in trade and other payables		22,204		250,026
Increase (decrease) in payable to related parties		(37,975)		209,397
Net cash flows used in operating activities		(633,454)		(477,819)
Cash flows used in investing activities				
Purchase of property & equipment		-		(3,342)
Net cash flows used in investing activities		-		(3,342)
Cash flows from financing activities				
Proceeds from issuance of shares and warrants		661,255		376,989
Share Issuance Costs		(20,600)		
Proceeds from subscriptions payable		-		102,650
Net finance expense		(3,550)		(6,715)
Net cash from financing activities		637,105		472,924
Increase (Decrease) in cash		3,651		(8,237)
Cash, beginning of year		1,113		9,350
Cash, end of year	$	4,764	$	1,113
Supplemental Cash Flow information				
Interest Paid	$	2,813	$	5,659
Taxes Paid	$	-	$	-

Non-cash transactions – Note 15

The accompanying notes form an integral part of these financial statements

1. Corporate Information

Centurion Minerals Ltd (the “Company” or “Centurion”) is in the business of mineral exploration. 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 Company is listed on the TSX Venture Exchange, having the symbol CTN, as a Tier 2 mining issuer and is in the process of exploring its mineral properties. Management has not yet determined whether these properties contain mineral reserves that are economically recoverable.

The address of the Company's corporate office and principal place of business is Suite 322, 470 Granville Street, Vancouver, British Columbia, Canada.

2. Basis of preparation

Statement of compliance

The audited financial statements have been prepared under the principles of the International Financial Reporting Standards (“IFRS”). IFRS represents standards and interpretations approved by the International Accounting Standards Board (“IASB”), and are comprised of IFRS, International Accounting Standards (“IASs”), and interpretations issued by the IFRS Interpretations Committee (“IFRICs”).

These financial statements for the year ended July 31, 2014 were approved and authorized for issue by the board of directors on November 27, 2014.

Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for cash and other financial instruments classified as fair value through profit or loss or available-for-sale that have been measured at fair value. The financial statements are presented in Canadian dollars, which is also the Company’s functional currency, and all values are rounded to the nearest dollar except where otherwise indicated.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company‘s accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Going Concern of Operations

These financial statements have been prepared on the basis that the Company is a going concern, which contemplates the realization of its assets and the settlement of its liabilities in the normal course of operations. However, the Company currently has no sources of revenue, incurred a net loss of $2,748,459 during the year ended July 31, 2014 and, as of that date, its current liabilities exceeded its current assets by $1,031,002 and the Company had an accumulated deficit of $18,264,454. These conditions indicate the existence of a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern.

2. Basis of preparation (continued)

Going Concern of Operations (continued)

The Company's ability to continue as a going concern is dependent on the Company's ability to obtain additional debt or equity financing to successfully advance the exploration and development of mineral property interests in its exploration portfolio and/or to be able to derive material proceeds from the sale or divesture of those properties and/or other assets such as royalty rights and equity interests. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern. Such adjustments and classifications could be material.

3. Significant judgments and estimates

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting year. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. In particular, information about significant areas of estimation uncertainty considered by management in preparing the financial statements is described below.

Exploration and Evaluation expenditure (Notes 6)

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and judgments made may change if new information becomes available (see "Impairment of Assets" below). If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the year the new information becomes available.

The Company assesses each significant asset yearly to determine whether any indication of impairment exists. Where an indication of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the 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. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Fair value for mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account.

Cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Title to Mineral Property Interests (Note 6)

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.

3. Significant judgments and estimates (continued)

Share-Based Payment Transactions (Note 8)

The Company measures the cost of equity-settled transactions with employees, and those transactions with non-employees where the value of goods and services received in exchange cannot be reliably estimated, by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 8.

4. Summary of significant accounting policies

Mineral exploration and evaluation expenditures

Pre-exploration Costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and Evaluation Expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation ("E&E") expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to E&E activities, including general administrative overhead costs, are expensed in the period in which they occur.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the optionee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, E&E expenditures in respect of that project are deemed to be impaired. As a result, those E&E expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss.

The Company assesses E&E assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. Management determined that there were indicators of impairment during the year and recorded an impairment (Note 6).

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.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Mineral E&E expenditures are classified as intangible assets.

4. Summary of significant accounting policies (continued)

Impairment of non-financial assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year-end. Other non-financial assets, including exploration and evaluation assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. The Company considers each mineral property disclosed in the financial statements to represent a CGU and for which impairment evaluation is performed.

An impairment loss is charged to profit or loss except to the extent they reverse gains previously recognized in accumulated other comprehensive loss.

Financial assets

Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortized cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash falls into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified company.

Impairment on Financial Assets

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Financial liabilities

The Company's financial liabilities include accounts payable, due to related parties and the short-term loan.

Financial liabilities are measured subsequently at amortized cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through profit or loss, that are carried subsequently at fair value with gains or losses recognized in profit or loss. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within 'finance costs' or 'finance revenue'.

4. Summary of significant accounting policies (continued)

Rehabilitation provision

The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities may include dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed, or the ground or environment is disturbed at the operating location. When the liability is initially recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets to the extent that it was incurred by the development / construction of the mine. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability.

The periodic unwinding of the discount is recognized in profit or loss as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur. For closed sites, changes to estimated costs are recognized immediately in profit or loss.

Other Provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Income Taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

4. Summary of significant accounting policies (continued)

Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, preferred shares, share warrants and flow-through shares 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.

Share-based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss/income over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss/income over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss/income over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss/income. Options or warrants granted related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model.

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

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

4. Summary of significant accounting policies (continued)

Earnings / Loss Per Share

Basic earnings/loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant year.

Diluted earnings/loss per common share is computed by dividing the net income or 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.

Application of new and revised International Financial Reporting Standards

Effective August 1, 2013, the Company adopted the following new and revised International Financial Reporting Standards ("IFRSs") that were issued by the IASB.

(i) Amended standard IFRS 7 Financial Instruments: Disclosures

The amendment to IFRS 7 enhances the disclosure required when offsetting financial assets and liabilities. The application of this IFRS did not have a material impact on the amounts reported for the current or prior years but may affect the accounting for future transactions or arrangements.

(ii) New standard IFRS 11 Joint Arrangements

IFRS 11 defines the two types of joint arrangements (joint operations and joint ventures) and outlines how to determine the type of joint arrangement entered into and the principles for accounting for each type of joint arrangement. As the Company is not a party to these types of joint arrangements, the application of this IFRS did not have a material impact on the amounts reported for the current or prior years.

(iii) New standard IFRS 13 Fair Value Measurement

IFRS 13 defines fair value, summarizes the methods of determining fair value and outlines the required fair value disclosures. IFRS 13 is utilized when another IFRS standard requires or allows fair value measurements or disclosures about fair value measurements. The application of this IFRS did not have a material impact on the amounts reported for the current or prior years

(iv) Amended standard IAS 1 Presentation of Financial Statements

The amendments to IAS 1 pertain to the number of comparative financial statements required in different circumstances and disclosure required in the statement of comprehensive loss. The application of this IFRS did not have a material impact on the amounts reported for the current or prior years but may affect the accounting for future transactions or arrangements.

(v) Amended standard IAS 32 Financial Instruments: Presentation

The amendments to IAS 32 clarify the treatment of income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction. The application of this IFRS did not have a material impact on the amounts reported for the current or prior years but may affect the accounting for future transactions or arrangements.

4. Summary of significant accounting policies (continued)

Standards, Amendments and Interpretations Not Yet Effective

Certain pronouncements have been issued by the IASB, or the IFRS Interpretations Committee that are mandatory for accounting years beginning after January 1, 2014 or later years.

(i) Effective for annual periods beginning on or after January 1, 2014

IFRS 9, *Financial Instruments*, addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely. This standard is effective January 1, 2015. The Company is currently evaluating the impact the final standard is expected to have on its financial statements.

IAS 32, *Financial instruments, Presentation*. IAS 32 was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date. The amendments apply to annual periods beginning on or after January 1, 2014. The change in accounting standard will not have a significant impact on the Company's financial statements.

IAS 24 - *Related Party Disclosures*. The amendments to IAS 24 clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation. The amendments will only affect disclosure and are effective for annual periods beginning on or after January 1, 2014. The Company is currently evaluating the impact the final standard is expected to have on its financial statements.

IFRIC 21 - *Levies*. The IASB issued IFRIC 21 – Levies ("IFRIC 21"), an interpretation of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets ("IAS 37"), on the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("Obligating Event"). IFRIC 21 clarifies that the Obligating Event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods commencing on or after January 1, 2014. The Company is currently evaluating the impact the final standard is expected to have on its financial statements.

None of the other new standards, interpretations and amendments, which have not been adopted early, are expected to have a material effect on the Company's future financial statements.

(Expressed in Canadian Dollars)

5. Operating segments

The Company operates in one industry segment, mineral exploration, within three geographic areas: Canada, Myanmar and Indonesia.

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.

The accounting policies used internally by the Company in reporting segments are the same as those contained in these accounts.

July 31, 2014		Canada		Indonesia		Myanmar		Total
Property and equipment	$	1,588	$	-	$	-	$	1,588
Exploration & evaluation assets	$	-	$	2	$	-	$	2

Year ended July 31, 2013		Canada		Indonesia		Myanmar		Total
Property and equipment	$	3,465	$	-	$	-	$	3,465
Exploration & evaluation assets	$	-	$	1,913,625	$	-	$	1,913,625

6. Exploration and evaluation expenditures

		Kamona (Miwah), Indonesia		Banda Raya, Indonesia		Total
Balance, July 31, 2013	$	1,563,932	$	349,693	$	1,913,625
Impairment Write Down	$	(1,563,931)	$	(349,692)	$	(1,913,623)
Balance, July 31, 2014	$	1	$	1	$	2

(Expressed in Canadian Dollars)

6. Exploration and evaluation expenditures (continued)

Kamona Agreement (Miwah Prospect, Aceh Province, Northern Sumatra, Indonesia)

On October 25, 2010, the Company executed a binding Letter of Agreement (the “Agreement”) with PT Bayu Kamona Karya (“Kamona”), the Indonesian company which holds the Mining Business Permit (“IUP”) on the property that hosts the Miwah epithermal gold deposit in Aceh, Sumatra, Indonesia. Kamona maintains a 100% interest in the Miwah project, which is currently subject to an exploration program being conducted by East Asia Minerals Corporation, who has an opportunity to earn an 85% interest in the project subject to completing a feasibility study. Pursuant to this Agreement, the Company will have the right of first refusal to provide the necessary funding to satisfy the financial obligations associated with the Kamona IUP property agreements. Kamona’s intention is to maintain a minimum 15% interest in the Miwah project and participate in any future mine development. In exchange for this funding, the Company will receive 72% of the benefit that the IUP holder receives both directly and indirectly from the joint venture company formed with respect to the Miwah Property. To maintain the right of first refusal, and to enable Kamona to prepare its development participation, an initial series of staged payments will be completed as indicated in the table below.

The Kamona IUP expired in November 2012; however, on January 8, 2013 East Asia Minerals Corporation obtained signed agreements granting extensions for an additional two years until November 30, 2014. The Company is uncertain if the licenses will remain in good standing subsequent this date. Due to this uncertainty, the lack of activity on the project by East Asia Minerals and Kamona and a lengthy downturn in the mining market, the Company has decided to write down the costs related to this agreement to a nominal value. As a result of this decision, an impairment loss of $1,563,931 has been recognized in these financial statements.

		Cash	Shares
Execution of the letter of agreement (paid)	$	150,000	-
On TSXV Approval of the LOA (paid)		1,350,000	-
Completion and filing of a 43-101 report on Miwah and upon TSXV and shareholder approval		4,750,000	1,500,000*
Completion of a positive pre-feasibility study by an international mining engineering firm		3,000,000	500,000
Completion of a positive bankable feasibility study		5,000,000	1,000,000
On receipt by the IUP holder of the first mine development cash call in respect of the gold deposit		10,000,000	-
	$	24,250,000	3,000,000
Contingent upon the property containing a 43-101 compliant resource in excess of 10m oz Au **	$	5,000,000	-

* An additional 1,000,000 two-year share purchase warrants are to be issued with an exercise price equal to the closing trading price on the date of issue.
** The Agreement is subject to shareholder approval.

Banda Raya Property, Aceh Province, Northern Sumatra, Indonesia

In May 2010 the Company executed a Joint Venture Agreement whereby the Company holds an 80% joint venture interest in the property.

(Expressed in Canadian Dollars)

6. Exploration and evaluation expenditures (continued)

Banda Raya Property, Aceh Province, Northern Sumatra, Indonesia (continued)

The project consists of a 10,000 hectare, concession located in Pidie Regency, which has been issued an IUP (business exploration license).

Due to a lack of exploration activity on the Banda Raya project, a lengthy downturn in the mining market making it extremely difficult to raise early stage exploration financing and uncertainty with regard to exploration license renewals on the adjacent Miwah project, the Company has decided to write down the costs related to this project to a nominal value. As a result of this decision, an impairment loss of $349,692 has been recognized in these financial statements. The Company will continue to seek a joint venture partner to advance the project.

Myanmar Properties

On March 8, 2013, the Company confirmed that an 80% interest in two mining exploration concession applications and associated land packages has been accepted for processing by the Myanmar Mining Ministry.The Company is currently working to fulfill the various requirements pursuant to receipt of approval of the regional government.

On March 12, 2013, Centurion signed a memorandum of understanding ("MOU") agreement with Eternal Gold Mining Co. Ltd, a Myanmar-based mining company, to explore and develop the Ba Mauk gold project in central Myanmar. Under the terms of the MOU, Centurion will act as operator and oversee the exploration activities and assessment of the resource potential of the 22,000 acre Ba Mauk gold project. The agreement is subject to several items including enactment of a new mining law in Myanmar. This has not yet occurred and no further progress has been made in advancing this agreement.

7. Share capital

Authorized Ordinary share capital	*Unlimited*
Authorized for share-based remuneration	*10% of issued and outstanding shares*
Issued and fully paid	58,522,264 common shares

Fully paid ordinary shares carry one vote per share and carry dividend rights. Ordinary shares have no par value. No shares were escrowed at July 31, 2014. The share option reserve contains the fair value of active and expired options. The share warrant reserve contains the fair value of active and expired warrants.

(a) On August 7, 2013, the Company closed a first tranche of a non-brokered private placement, in the amount of 1,566,429 Units priced at $0.07 for gross proceeds of $109,650. Each Unit consists of one common share and one-half warrant. Each whole warrant is exercisable for one common share at $0.10 for a period of eighteen months after issuance and was subject to a four month hold period that expired in December 2013. The Company paid finders' fees of $840 and issued 8,000 non-transferrable Agent's warrants. Agent's warrants are exercisable into Units at $0.10 on the same terms as those issued pursuant to the private placement. The fair value of the agent warrants of $33,867 was recorded in warrant reserve. A total of $102,650 in subscriptions payable had been received with respect to this financing prior to July 31, 2013. The fair value of agent warrants was determined using the Black-Scholes option pricing model, in which the following assumptions were used:

Risk-free rate	1.18%
Dividend yield	Nil%
Volatility factor of the expected market price of the Company's common shares	58.54%
Weighted average expected life of the warrants	1.5 years

(Expressed in Canadian Dollars)

7. Share capital (continued)

(b) On October 29, 2013, the Company closed the second tranche of a non-brokered private placement of 3,094,286 units at a price of $0.07 per unit for gross proceeds of $216,600. Each Unit consists of one common share and one-half warrant. Each whole warrant is exercisable for one common share at $0.10 for a period of eighteen months and will be subject to a four month hold period expiring in February 2014. The Company paid finders' fees of $12,005 and issued 80,000 non-transferrable Agent's warrants. Agent's warrants are exercisable into Units at $0.10 on the same terms as those issued pursuant to the private placement. The fair value of the agent warrants of $74,812 was recorded in warrant reserve. The fair value of agent warrants was determined using the Black-Scholes option pricing model, in which the following assumptions were used:

Risk-free rate	1.21%
Dividend yield	Nil%
Volatility factor of the expected market price of the Company's common shares	155.78%
Weighted average expected life of the warrants	1.5 years

(c) On December 23, 2013, the Company closed the third tranche of a non-brokered private placement of 2,590,214 units at a price of $0.07 per unit for gross proceeds of $181,315. Each Unit consists of one common share and one-half warrant. Each whole warrant is exercisable for one common share at $0.10 for a period of eighteen months and will be subject to a four month hold period expiring in April 2014. The Company paid finders' fees of $3,206 and issued 11,200 non-transferrable Agent's warrants. Agent's warrants are exercisable into Units at $0.10 on the same terms as those issued pursuant to the private placement. The fair value of the agent warrants of $46,939 was recorded in warrant reserve. The fair value of agent warrants was determined using the Black-Scholes option pricing model, in which the following assumptions were used:

Risk-free rate	1.07%
Dividend yield	Nil%
Volatility factor of the expected market price of the Company's common shares	146.88%
Weighted average expected life of the warrants	1.5 years

(d) Between February 20, 2014 and June 20, 2014, 2,563,400 common shares were issued pursuant to the exercise of 2,193,400 share purchase warrants and 370,000 share purchase options at an exercise price of $0.10 for proceeds of $256,340.

(Expressed in Canadian Dollars)

7. Share capital (continued)

Share Purchase Warrants

Details of outstanding warrants are as follows:

	Number of warrants		Weighted average exercise price
Outstanding, August 1, 2012	5,736,250	$	0.26
Issued	2,915,943		0.10
Exercised	(90,000)		0.10
Expired	(1,811,250)		0.55
Outstanding, July 31, 2013	6,750,943		0.11
Issued	3,724,664		0.10
Expired	(5,261,186)		0.11
Exercised	(2,193,400)		0.10
Outstanding, July 31, 2014	3,021,021	$	0.10
Warrants exercisable at end of period	3,021,021	$	0.10

The following warrants are outstanding at July 31, 2014:

Number of warrants		Exercise price per warrant	Expiry date
691,214	$	0.10	Feb-15
1,252,143	$	0.10	Apr-15
1,077,664	$	0.10	Jun-15
3,021,021			

8. Employee Remuneration

Share-based employee remuneration

As at July 31, 2014 and 2013, the Company maintained an equity settled share-based payment scheme for employee remuneration.

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

(Expressed in Canadian Dollars)

8. Employee Remuneration (continued)

Share-based employee remuneration (continued)

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

On January 31, 2014, the Board of Directors granted 2,500,000 stock options of which, 2,400,000 are exercisable for five years and 100,000 are exercisable for two years at an exercise price of $0.10 per share to directors, officers and consultants of the Company. The 100,000 options granted to consultants vest 25% each three months from the grant date. At July 31, 2014, 50,000 options remain unvested and are not exercisable. Of the amount granted, 1,500,000 stock options were granted to directors and officers of the Company.

The fair value of options granted was determined using the Black-Scholes option pricing model, in which the following assumptions were used:

	2014	2013
Volatility	132%	Nil
Risk-free interest rate	1.62%	Nil
Expected life (years)	2-5 years	Nil
Expected dividend yield	Nil	Nil

Share options and weighted average exercise prices are as follows for the reporting period presented:

	Number of Options		**Weighted average exercise price**
Outstanding, August 1, 2012	3,603,500	$	0.74
Cancelled	(1,286,638)		1.28
Outstanding, July 31, 2013	2,316,862		0.44
Issued	2,500,000		0.10
Cancelled	(315,862)		0.68
Exercised	(370,000)		0.10
Expired	(300,000)		0.10
Outstanding, July 31, 2014	3,831,000	$	0.26
Outstanding and exercisable, July 31, 2014	3, 781,000	$	0.26

(Expressed in Canadian Dollars)

8. Employee Remuneration (continued)

The following options are outstanding at July 31, 2014:

Number of options outstanding		Exercise price per option	Expiry date		Weighted average remaining life
427,000	$	0.26	September 2014	*	0.10
360,000	$	0.60	March 2015		0.60
185,000	$	1.40	June 2015		0.86
25,000	$	0.80	July 2016		1.93
334,000	$	0.40	January 2017		2.46
100,000	$	0.10	January 2016		1.50
2,400,000	$	0.10	January 2019		4.51
3,831,000					4.19

The weighted average share price of share options exercised during the year was $0.10 (2013: $Nil).

* Subsequent to yearend, the 427,000 options that were exercisable at a price of $0.26 until September 2014 expired.

9. Accounts payable and accrued liabilities

		July 31, 2014		July 31, 2013
Trade payables	$	557,398	$	296,572
Accrued liabilities		22,500		45,000
	$	579,898	$	341,572

Trade payables are non-interest bearing.

During the year ended July 31, 2014, the Company reversed an accrual of $15,000 relating to anticipated fees that were accrued for during the year ended July 31, 2013, but never subsequently invoiced to the Company.

(Expressed in Canadian Dollars)

10. Capital commitments and other contingencies

Operating lease commitments – Company as lessee

The Company has a lease expiring June 30, 2016 for office space occupied by its head office. There are no restrictions placed on the lessee through entering into the leases. Future minimum payments under non-cancellable operating lease as at the end of the indicated periods are as follows:

		July 31, 2014		July 31, 2013
Within one year	$	44,400	$	26,669
After one year but no more than five years		40,700		52,202
More than five years		-		-
	$	85,100	$	78,871

The Company has a lease expiring September 30, 2015 for office equipment used by its head office. There are no restrictions placed on the lessee through entering into the leases. Future minimum payments under non-cancellable operating lease as at the end of the indicated periods are as follows:

		July 31, 2014		July 31, 2013
Within one year	$	**3,157**	$	2,964
After one year but no more than five years		**526**		3,458
More than five years		**-**		-
	$	**3,683**	$	6,422

Total operating lease expense included in general and administrative expense for 2014 was $22,205 (2013: $42,769).

Exploration and Evaluation Commitments and Contingencies

The Company has mineral property commitments as outlined in Note 6. A liability has not been recorded for future option or royalty payments. All property option agreements are cancellable at the option of the Company without recourse.

11. Related party disclosures

Transactions with and amounts due from (to) related parties

(a) (i) Management Services Agreements

Total fees of $108,000 (2013: $200,000) were incurred by directors of the Company for management and administration services.

(ii) Legal Fees

The Company incurred legal fees of $15,895 (2013: $33,840) to a law firm of which a director of the Company is a partner, of which $1,135 (2013: $4,989) are included in share issue costs.

(Expressed in Canadian Dollars)

11. Related party disclosures (continued)

(iii) Overhead Office Expenses

Total overhead expenditures of $39,244 (2013: Nil) related to shared office overhead and administration costs, were paid for by a Company of which several key management personnel are also key management personnel of the Company.

(b) Due to Directors and Officers

A total of $226,862 (July 31, 2013: $234,830) is due to directors and $18,221 (July 31, 2013: $18,221) to former directors for expense reimbursements and administration fees. In addition, a total of $103,440 (July 31, 2013: $90,447) in legal fees is due to a law firm of which a director is a partner.

A total of $197,901 (July 31, 2013: $240,901) is due to former officers of the corporation, or companies controlled by officers of the corporation, for expense reimbursements as well as geological consulting fees.

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

Compensation of key management personnel of the Company

	2014	2013
Wages and benefits	$ 108,000	$ 330,500
Medical benefits	7,548	16,197
Share-based payments	130,176	-
	$ 245,724	$ 346,697

Stock options granted to officers and directors are disclosed in Note 8. There are no other related party transactions.

12. Short term loan

The Company was advanced an interest free loan of $135,000. A facility fee of $25,000 is payable in respect of this loan, which was charged as at July 31, 2014. The loan is due on demand, is unsecured and remains unpaid at the date of these financial statements.

13. Financial risk management objectives and policies

The Company's principal financial instruments comprise financial liabilities and financial assets. The Company's principal financial liabilities comprise accounts payable and accrued liabilities, short term loan and due to related parties. The main purpose of these financial instruments is to manage short term cash flow and raise finance for the Company's capital expenditure program. The Company's financial assets include only cash, which arises directly from the Company's financing activities.

Risk exposures and responses

The Company manages its exposure to key financial risks in accordance with the Company's financial risk management policy. The objective of the policy is to support the delivery of the Company's financial targets while protecting future financial security. The main risks that could adversely affect the Company's financial assets, liabilities or future cash flows are market risks, comprising commodity price risk, cash flow interest rate risk and foreign currency risk and liquidity risk and credit risk. Management reviews and agrees policies for managing each of these risks which are summarized below.

13. Financial risk management objectives and policies (continued)

Risk exposures and responses (continued)

The Company's senior management oversees the management of financial risks. The Company's senior management is supported by the board of directors (the "Board") that advises on financial risks and the appropriate financial risk governance framework for the Company. The Board provides assurance to the Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company policies and the Company's risk appetite. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken. At this stage, the Company does not currently apply any form of hedge accounting.

Management reviews each of these risks which are summarized below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: commodity price risk, interest rate risk and currency risk. Financial instruments affected by market risk include deposits, accounts receivable, accounts payable and accrued liabilities.

The sensitivity analyses have been prepared on the basis that the amount of net debt and the proportion of financial instruments in foreign currencies are all constant.

The following assumptions have been made in calculating the sensitivity analyses:

- The statement of financial position sensitivity relates to US dollar denominated payables;
- The sensitivity of the relevant loss before tax item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities as at July 31, 2014; and
- The impact on equity is the same as the impact on loss before tax.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not consider its exposure to interest rate risk to be significant as only its cash is subject to variable interest rate, the balance of which is minimal.

Commodity price risk

The Company is exposed to the risk of fluctuations in prevailing market commodity prices on the mix of mineral products it is exploring for. The Company is currently still in the exploration phase, and, as such, this risk is left unmitigated due to a lack of available mitigating options.

The effect of a change in the Indonesian Rupiah rate on the Company's comprehensive loss is negligible.

(Expressed in Canadian Dollars)

13. Financial risk management objectives and policies (continued)

Liquidity risk

The Company monitors its risk of a shortage of funds through regular monitoring of performance to budgeted expenditures, liquidity ratios and forecasting its financing needs.

The Company's objective is to maintain sufficient cash on hand to complete its current work programs and ensure the Company remains a going concern. As at July 31, 2014, the Company had no committed borrowing facilities.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

July 31, 2014		On Demand
Accounts payable and accrued liabilities	$	579,898
Due to related parties		330,302
Short-term loan		135,000
	$	1,045,200

July 31, 2013		
Accounts payable and accrued liabilities	$	341,572
Due to related parties		584,399
Short-term loan		135,000
	$	1,060,971

Credit risk

With respect to credit risk arising from the financial assets of the Company, which comprise only cash, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Company limits its counterparty credit risk on these assets by dealing only with financial institutions with the highest credit ratings available and with reputable institutions.

Capital management

The objectives of the Company's capital management are:

- to ensure that it maintains a sufficient working capital to conduct its business and maximize shareholder value; and
- to ensure the Company's ability to continue as a going concern.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended July 31, 2014 and 2013.

The Company monitors capital using liquidity and market ratio analysis. Management also monitors budget to actual performance to ensure sufficient cash on hand exists to complete the Company's objectives. The Company is not exposed to any externally imposed capital requirements.

Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The Statement of Financial Position carrying amounts for cash, accounts payable, due to related parties and short term loan approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

(Expressed in Canadian Dollars)

14. Income taxes

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

	2014	2013
Loss before income taxes for the year	$ (2,748,459)	$ (975,271)
Statutory tax rate	26.00%	26.00%
Expected income tax recovery	(715,000)	(254,000)
Effect of changes in income taxation rate	-	(135,000)
Initial recognition exemption	28,000	-
Share issue costs and other	(5,000)	(8,000)
Change in unrecognized deferred tax assets	692,000	397,000
Total income tax (recovery) expense	$ -	$ -

Effective July 31, 2014, the Canadian Federal corporate tax rate remained the same at 26.00%, as did the BC provincial tax rate at 11.00%.

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

	2014	2013
Non-capital loss carry forwards	$ 2,229,000	$ 1,969,000
Share issuance costs and other	43,000	103,000
Exploration and evaluation assets	2,195,000	1,703,000
Unrecognized deferred tax asset	(4,467,000)	(3,775,000)
Deferred tax assets (liabilities)	**$ -**	$ -

At July 31, 2014, the Company has non-capital losses of $8,573,000 $ (2013: $7,573,000) expiring in various amounts from 2016 to 2034 which are available for deduction against future income for tax purposes.

In assessing the relizability deferred tax assets, management considers whether it is probable that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of the deferred tax asset considered realizable could change materially in the near term based on future taxable income during the carry forward period.

15. Non-cash transactions

A total of $216,122 has been removed from the amount due to related parties and inserted into accounts payable and accrued liabilities due to former directors and officers no longer serving as directors and officers during the year ended July 31, 2014.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED
JULY 31, 2014

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, 2014. 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 annual financial statements of the Company for the years ended July 31, 2014 and 2013, 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 period presented are not necessarily indicative of the results may be expected for any future period.

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 Falcon Gold's 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.

Our reporting currency is Canadian dollars unless otherwise stated. Additional information relating to our Company may be found on SEDAR at www.sedar.com or on the Company's website at www.centurionminerals.com.

The effective date of this report is November 27, 2014.

CAUTION REGARDING FORWARD LOOKING STATEMENTS

Except for historical information contained in this discussion and analysis, disclosure statements contained herein are forward-looking. Forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those in such forward-looking statements. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and we undertake no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.

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.

We are listed on the TSX Venture Exchange, having the symbol CTN as a Tier 2 mining issuer in the process of exploring its mineral properties. Management has not yet determined whether these properties contain mineral reserves that are economically recoverable.

We have not earned revenues from our exploration activity and our Company is considered to be in the exploration stage.

OVERVIEW

During the year ended July 31, 2014, we closed a non-brokered private placement in the amount of $507,565 and issued 7,250,929 Units priced at $0.07. Each Unit consists of one common share and one-half warrant. Each whole warrant is exercisable for one common share at $0.10 for a period of eighteen months and will be subject to a four month hold period. Finders' fees of $16,051 and 99,200 broker warrants exercisable for common shares at $0.10 for a period of eighteen months have been paid.

In addition, we received proceeds of $256,340 from the exercise of 370,000 stock options and the exercise of 2,193,400 warrants at an exercise price of $0.10 to purchase 2,563,400 common shares of our Company.

In November 2013, our Myanmar partner confirmed that the Company's "Slate Belt" and "Bani" mineral exploration concession applications were accepted for processing by the Myanmar (central government) Ministry of Mines. We have initiated a property wide exploration reconnaissance program while we seek approval from the regional government.

No exploration activities were undertaken on our Banda Raya, Aceh, Indonesia project during the quarter.

In addition, subject to shareholder approval and certain additional milestone payments, we have the right to an indirect 10.8% interest in any income generated from the property that hosts the Miwah gold deposit. Further details on this project are disclosed in note 6 to the financial statements.

MINERAL PROPERTIES

Kamona Agreement (Miwah Prospect, Aceh Province, Northern Sumatra, Indonesia)

On October 25, 2010, the Company executed a binding Letter of Agreement (the "Agreement") with PT Bayu Kamona Karya ("Kamona"), the Indonesian company which holds the Mining Business Permit ("IUP") on the property that hosts the Miwah epithermal gold deposit in Aceh, Sumatra, Indonesia. Kamona maintains a 100% interest in the Miwah project, which is currently subject to an exploration program being conducted by East Asia Minerals Corporation, who has an opportunity to earn an 85% interest in the project subject to completing a feasibility study. Pursuant to this Agreement, the Company will have the right of first refusal to provide the necessary funding to satisfy the financial obligations associated with the Kamona IUP property agreements. Kamona's intention is to maintain a minimum 15% interest in the Miwah project and participate in any future mine development. In exchange for this funding, the Company will receive 72% of the benefit that the IUP holder receives both directly and indirectly from the joint venture company formed with respect to the Miwah Property. To maintain the right of first refusal, and to enable Kamona to prepare its development participation, an initial series of staged payments will be completed as indicated in the table below.

The Kamona IUP expired in November 2012; however, on January 8, 2013 East Asia Minerals Corporation obtained signed agreements granting extensions for an additional two years until November 30, 2014. The Company is uncertain if the licenses will remain in good standing subsequent this date. Due to this uncertainty, the lack of activity on the project by East Asia Minerals and Kamona and a lengthy downturn in the mining market, the Company has decided to write down the costs related to this agreement to a nominal value. As a result of this decision, an impairment loss of $1,563,931 has been recognized in these financial statements.

Banda Raya Property, Aceh Province, Northern Sumatra, Indonesia

In May 2010 the Company executed a Joint Venture Agreement whereby the Company holds an 80% joint venture interest in the property. The project consists of a 10,000 hectare concession located in Pidie Regency, which has been issued an IUP (business exploration license).

Due to a lack of exploration activity on the Banda Raya project, a lengthy downturn in the mining market making it extremely difficult to raise early stage exploration financing and uncertainty with regard to exploration license renewals on the adjacent Miwah project, the Company has decided to write down the costs related to this project to a nominal value. As a result of this decision, an impairment loss of $349,692 has been recognized in these financial statements. The Company will continue to seek a joint venture partner to advance the project.

Myanmar Properties

In March 2014, the Company initiated a reconnaissance (Phase 1) exploration program on its "Slate Belt" concession located in central Myanmar. We plan to include geological mapping, stream sediment geochemistry, and evaluation of historical gold and base metal occurrences in our exploration program. The objective of our Phase 1 exploration program is to prioritize targets within the concession and, as part of the Myanmar permitting process, finalize the location of the Slate Belt concession boundaries.

During the year ended July 31, 2014, the Company incurred general exploration expenditures of $76,662 (2013: $80,342) and project related expenses of $99,901 (2013: $153,335) related to Indonesian mineral projects and Myanmar project due diligence.

RESULTS OF OPERATION

The Company had a loss and comprehensive loss of $2,748,459 during the current year versus $975,271 in the comparative year, being an increase of $1,773,188, or 182%. This increase is due to the impairment losses incurred on the two Indonesian properties of $1,913,623 and the share-based compensation expense of $213,915, representing the fair value of 2,500,000 stock options granted during the year. Costs related to accounting, legal, wages and administration expenses were all lowered substantially for the current year versus the comparative year.

LIQUIDITY

We do not currently own or have an interest in any producing mineral properties and do not derive any revenues from operations. Our activities have been funded through equity financing and we expect that we will continue to be able to utilize this source of financing until we develop cash flow from operations. There can be no assurance, however, that we will be successful in our efforts. If such funds are not available or other sources of financing cannot be obtained, then we will be forced to curtail our activities to a level for which funding is available or can be obtained.

During the year ended July 31, 2014, we had a working capital deficiency of $1,031,002 which included a cash balance of $4,764. Also included in this amount is $330,302 due to related parties and a short-term unsecured interest free loan, with no due payable date of $135,000.

Between August 7, 2013 and December 23, 2013, we raised gross proceeds of $507,565 (net proceeds of $486,965) in three tranches of a non-brokered private placement, as described in detail in note 7 to the financial statements.

During the year ended July 31, 2014, 370,000 stock options with an exercise price of $0.10 for proceeds of $37,000 were exercised by directors and officer of the Company and 2,193,400 share purchase warrants with an exercise price of $0.10 were exercised for proceeds of $219,340.

Despite these financings, we still have a working capital deficiency and our ability to continue as a going concern is dependent on our ability to obtain additional debt or equity financing to successfully advance the exploration and development of mineral property interests in our exploration portfolio and/or to be able to derive material proceeds from the sale or divesture of those properties and/or other assets such as royalty rights and equity interests. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to us. Our financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern. Such adjustments and classifications could be material.

CAPITAL RESOURCES

We have no operations that generate cash flow and we are generally dependent on the sale of our securities to raise capital.

As discussed in the paragraph above, we completed financings in three tranches for gross proceeds of $507,565 during the year ended July 31, 2014, and received $256,340 from the exercise of share purchase warrants and stock options.

We also have outstanding warrants and stock options, and as the strike price of some of our warrants and our stock options are close to our current stock price, we anticipate receiving funding through the exercise of certain of these securities.

Our 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;
(d) Support any expansion plans;
(e) Allow flexibility to investment in other mineral revenues; and
(f) Maintain a capital structure which optimizes the cost of capital at acceptable risk.

In the management of capital, we include all accounts included in shareholders' equity. As at July 31, 2014, the Company had no bank indebtedness.

We are 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 fiscal year.

SELECTED ANNUAL INFORMATION

	July 31, 2014	July 31, 2013	July 31, 2012
Financial results:			
Net loss for the year	**$ (2,748,459)**	$ (975,271)	$ (7,299,834)
Comprehensive loss for the year	**(2,748,459)**	(975,271)	(7,299,834)
Basic and diluted loss per share	**(0.05)**	(0.02)	(0.20)
Net expenditures on resource properties	**-**	-	2,212,850
Financial position data:			
Cash and short term deposits	**4,764**	1,113	9,350
Resource properties	**2**	1,913,625	1,913,625
Total assets	**15,788**	1,925,448	1,961,655
Shareholders' equity	**$ (1,029,412)**	$ 864,477	$ 1,360,109

SELECTED FINANCIAL DATA

Financial results	**Jul. 31 2014**	Apr. 30 2014	Jan. 31 2014	Oct. 31 2013
Net loss for the period	**$ (2,041,182)**	$ (146,471)	$ (426,259)	$ (134,547)
Comprehensive loss for the period	**(2,041,182)**	(146,471)	(426,259)	(134,547)
Basic and diluted loss per share	**(0.04)**	-	(0.01)	-
Balance sheet data				
Cash	**4,764**	8,212	12,896	36,433
Resource properties	**2**	1,913,625	1,913,625	1,913,625
Total assets	**15,788**	1,934,759	1,944,438	1,958,153
Shareholders' equity	**$ (1,029,412)**	$ 869,033	$ 895,840	$ 959,747

Financial results	**Jul. 31 2013**	Apr. 30 2013	Jan. 31 2013	Oct. 31 2012
Net loss for the period	**$ (264,434)**	$ (202,209)	$ (291,530)	$ (217,098)
Comprehensive loss for the period	**(264,434)**	(202,209)	(291,530)	(217,098)
Basic and diluted loss per share	**(0.01)**	-	(0.01)	-
Balance sheet data				
Cash	**1,113**	12,472	14,950	11,310
Resource properties	**1,913,625**	1,943,625	1,943,625	1,943,625
Total assets	**1,925,448**	1,976,340	2,013,339	2,003,898
Shareholders' equity	**$ 864,477**	$ 1,071,020	$ 1,220,229	$ 1,207,867

RELATED PARTY TRANSACTIONS

Several directors of the Company supply administrative, geological services and legal services to the Company at arm's length rates.

(i) Total fees of $108,000 (2013: $200,000) were incurred by the CEO of the Company for management and administration services.

(ii) We incurred legal fees of $15,895 (2013: $33,840) to a law firm in which our director, Kenneth A. Cawkell, is a partner, of which $1,135 (2013: $4,989) are included in share issue costs.

(iii) Total overhead expenditures of $39,244 (2013: Nil) related to shared office overhead and administration costs, were paid for by a Company of which several key management personnel are also key management personnel of the Company.

A total of $226,862 (July 31, 2013: $234,830) is due to directors. In addition, a total of $103,440 (July 31, 2013: $90,447) in legal fees was due to the law firm of which a director, Kenneth A. Cawkell is a partner.

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

During the year ended July 31, 2014, our President and Director, David Tafel incurred consulting fees and benefits of $115,548 (2013: $115,451).

Each of the Directors (David Tafel, Alfred Lenarciak, Kenneth A. Cawkell, Joseph Del Campo and Stephen Wilkinson) received 300,000 stock options. These are exercisable at $0.10 per stock option with a term of five years and have a fair value of $26,035 for each director. These stock options vested immediately.

Further details of these transactions are disclosed in notes 8 and 11 to the financial statements and in the Liquidity section.

OUTSTANDING SHARE DATA

As of the date of this MD&A, we have 58,522,264 common shares issued and outstanding, 3,021,021 share purchase warrants and 3,404,000 share options convertible into common shares.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements. Commitments are outlined in Note 10 of the annual financial statements.

FINANCIAL AND OTHER INSTRUMENTS

The Company has classified its financial instruments as follows:

Cash and cash equivalents	Financial assets at fair value through profit and loss
Accounts payable and accrued liabilities, due to related parties, short-term loan	Other financial liabilities

For certain of the Company's financial assets and liabilities, including cash and cash equivalents, accounts payable and accrued liabilities, due to related parties and short-term loan the carrying amounts approximate their fair values due to the relatively short periods to maturity of the instruments.

Currency Risk

Currency risk is the risk that the future cash flows or fair value of the Company's financial instruments that are denominated in a currency that is not the Company's functional currency will fluctuate due to the change in foreign exchange rate. The functional currency of the Company is the Canadian dollar. Many property-related commitments are denominated in US dollars. This gives rise to significant exposure to market risks from changes in foreign currency rates. The financial risk is the risk to the Company's operations that arises from fluctuations in foreign exchange rates and the degree of volatility of these rates. Currently, the Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company mitigates its risk to fluctuations in the US dollar by maintaining minimal cash balances in US dollars.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk due to the short-term nature of its financial instruments. Term deposits are at current market rates and are renewable within a period of 30 days or less.

Credit Risk

Credit risk is the risk of unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash equivalents and receivables. The cash equivalents consist mainly of short-term money market deposits. The Company has deposited the cash equivalents with reputable financial institutions, from which management believes the risk of loss to be remote.

The Company has no trade receivables. All balances relate to recoveries of consumption taxes paid by the Company. As with any tax receivable, collection is subject to changes in tax law, tax audit and changes in applicable tax rates. The Company mitigates this risk by recording only those amounts that management considers to be reasonably certain of collection.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to liquidity risk is to ensure that it always has sufficient cash and credit facilities to meet its obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or damage to the Company's reputation. Management typically forecasts cash flows for a period of three to nine months to identify financing requirements. These requirements are then addressed primarily through access to capital markets.

The Company's financial liabilities mature within one year. All financial liabilities are non-interest bearing.

Other Price Risk

Other price risk is the risk that changes in market prices including commodity or equity prices will have an effect on future cash flows associated with financial instruments. The Company has no forward purchase or sale contracts negotiated at July 31, 2014.

RISKS AND UNCERTAINTIES

We are in the mineral exploration and development business and as such are exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. Some of the possible risks include the following:

a) The industry is capital intensive and subject to fluctuations in metal prices, market sentiment, foreign exchange and interest rates.

b) The only source of future funds for further exploration programs, or if such exploration programs are successful for the development of economic ore bodies and commencement of commercial production thereon, which are presently available to us are the sale of equity capital or the offering by the Company of an interest in its properties to be earned by another party carrying out further exploration or development. Management has been successful in accessing the equity markets during the year, but there is no assurance that such sources will be available on acceptable terms in the future.

c) Any future equity financings for the purpose of raising additional capital may result in substantial dilution to the holdings of existing shareholders.

d) Our operations are located in countries that are subject to a high degree of political risk due to political, economic, social and other uncertainties, including the risk of civil rebellion, exploration, nationalization, land ownership disputes, renegotiation or termination of existing contracts, mining licenses and permits or other agreement, changes in laws or taxation policies, currency exchange restrictions and changing political conditions.

e) Our rights in the IUPs are held pursuant to joint venture agreements with Indonesian partners. Restructuring of the Company's joint venture arrangements into foreign capital investment companies, as permitted under current Indonesian Mining Law, will require certain governmental approvals and there is no certainty that any such approvals will be obtained.

f) We must comply with environmental regulations governing air and water quality and land disturbance and provide for mine reclamation and closure costs.

g) The continued operations of the Company require various licenses and permits from various governmental authorities. There is no assurance that we will be successful in obtaining the necessary licenses and permits to continue its exploration and development activities in the future or, if granted, that the licenses and permits will remain in force as granted.

h) There is no certainty that the properties which we have deferred as assets on our balance sheet will be realized at the amounts recorded. These amounts should not be taken to reflect realizable value.

i) While management believes that control over bank accounts and our assets is adequate, we are also aware that internal control weaknesses were identified in respect of a lack of segregation of duties, and a high risk of management override of controls and procedures. It is management's opinion that these weaknesses in internal controls over financial reporting are inherently related to the small size of the issuer.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on any forward-looking statements. The Company has not completed a feasibility study on any of its projects to determine if it hosts a mineral resource that can be economically developed and profitably mined.

OTHER INFORMATION
Additional information is available on the Company's website at www.centurionminerals.com or on SEDAR at www.sedar.com.