CENTRAL IRON ORE LIMITED

Unaudited Interim Consolidated Financial Statements
SEPTEMBER, 2010 and 2009

(Expressed in Australian dollars)

INDEX **PAGE**

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Notice of No Auditor Review of Interim Financial Statements

The accompanying Unaudited Interim Consolidated Financial Statements for the three months ended September 30, 2010 and 2009 have been prepared by management and have not been the subject of a review by the Company's independent auditor.

Vancouver BC
November 29, 2010

CENTRAL IRON ORE LIMITED
INTERIM CONSOLIDATED BALANCE SHEETS
(Expressed in Australian dollars)
(UNAUDITED)
AS AT SEPTEMBER 30, 2010

	SEPTEMBER 30, 2010 $	JUNE 30 2010 $
ASSETS		
Current		
Cash	128,414	188,700
Receivables	40,494	32,804
Total current assets	168,908	221,504
Non-Current		
Deposits	157,821	157,110
Plant and equipment	1,119,654	1,176,761
Mineral properties	2,331,853	2,264,071
Total non-current assets	3,609,328	3,597,942
Total assets	**3,778,236**	**3,819,446**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	556,490	535,484
Loans payable	773,352	754,182
Asset retirement obligations	50,000	50,000
Total current liabilities	1,379,842	1,339,666
Shareholders' equity		
Capital stock (Note 4)	18,416,680	18,316,680
Contributed surplus	1,224,977	1,224,977
Deficit	(17,243,263)	(17,061,877)
Total shareholders' equity	2,398,394	2,479,780
Total liabilities and shareholders' equity	**3,778,236**	**3,819,446**

Nature and continuance of operations (Note 1)
Commitments and contingencies (Note 7)

APPROVED BY THE DIRECTORS:

On Behalf of the Board

"Andrew Spinks"
Andrew Spinks, Director

"Bruce Burrell"
Bruce Burrell, Director

The accompanying notes are an integral part of these financial statements

CENTRAL IRON ORE LIMITED
CONSOLIDATED STATEMENT OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT
THREE MONTHS ENDED SEPTEMBER 30, 2010 AND 2009
(Expressed in Australian dollars)
(UNAUDITED)

	SEPTEMBER 30, 2010 $	SEPTEMBER 30, 2009 $
Expenses		
Amortization	$ 57,107	$ 58,336
Consulting fees	103,444	16,347
Interest	19,170	17,479
Professional fees	11,177	27,637
Listing and filing fees	2,289	3,259
Office and miscellaneous expenses	26,916	32,329
Property investigation costs	(46,257)	23,771
Salaries and management fees	19,250	20,235
Travel and accommodation	1,628	1,022
Total expenses	**194,724**	**200,415**
Loss before other items	**(194,724)**	**(200,415)**
Other items:		
Interest income	1,111	1,843
Other income	12,227	4,009
	13,338	5,852
Net loss before taxes	**(181,386)**	**(194,563)**
Future income tax recovery/liability	-	-
Net loss for the period	**(181,386)**	**(194,563)**
Deficit, beginning of period	(17,061,877)	(15,022,620)
Deficit, end of period	$ (17,243,263)	$ (15,217,183)
Basic and diluted loss per common share	$(0.01)	$(0.00)
Weighted average number of common shares outstanding	20,048,544	95,955,788

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

CENTRAL IRON ORE LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
THREE MONTHS ENDED SEPTEMBER 30, 2010 AND 2009
(Expressed in Australian dollars)
(UNAUDITED)

	September 30, 2010 $	September 30, 2009 $
OPERATING ACTIVITIES		
Net loss for the quarter	$ (181,386)	$ (194,563)
Items not involving cash:		
Amortization	57,107	58,336
Accrued interest	19,170	17,479
Stock based compensation	100,000	-
Write back exploration costs	(67,782)	-
Changes in non-cash working capital items related to operations		
Receivables	(7,690)	3,418
Accounts payable and accrued liabilities	21,006	99,053
Net Cash used in Operating Activities	**(59,575)**	**(16,277)**
INVESTING ACTIVITIES		
Restricted cash	(711)	(1,027)
Plant and equipment	-	-
Mineral exploration expenditures	-	(1,733)
Net Cash used in Investing Activities	**(711)**	**(2,760)**
FINANCING ACTIVITIES		
Application monies for common shares	-	388,931
Proceeds from related parties	-	15,004
Net Cash provided by Financing Activities	**-**	**403,935**
Increase/Decrease in cash during quarter	(60,286)	384,898
Cash, beginning of quarter	188,700	9,754
Cash, end of quarter	$ 128,414	$ 394,652
Cash paid during the period for interest	$ -	$ -
Cash paid during the period for income tax	$ -	$ -

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

(Expressed in Australian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Central Iron Ore Limited (the "Company") is in the business of the exploration and development of its mineral properties. The Company was incorporated in Victoria, Australia on February 21, 1996 and currently resides in Brisbane, Australia.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the balance sheet.

	SEPTEMBER 30, 2010	JUNE 30, 2010
Deficit	$ (17,243,263)	$ (17,061,877)
Working capital	$ (1,210,934)	$ (1,118,162)

2. SIGNIFICANT ACCOUNTING POLICIES

The interim period consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles. All financial summaries included are presented on a comparative and consistent basis showing the figures for the corresponding period in the preceding year. The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of annual financial statements. Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles has been condensed or omitted. These interim period statements should be read together with the audited financial statements and the accompanying notes included in the Company's latest annual report. In the opinion of the Company, its unaudited interim consolidated financial statements contain all adjustments necessary in order to present a fair statement of the results of the interim periods presented.

(Expressed in Australian dollars)

3. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2010	June 30, 2010
Plant and equipment		
Plant and equipment	$ 450,960	$ 450,960
Accumulated depreciation	(200,063)	(188,936)
	250,897	262,024
Office equipment	32,722	32.722
Accumulated depreciation	(23,831)	(23,066)
	8,891	9,656
Mine property	1,442,679	1,442,679
Accumulated depreciation	(582,813)	(537,598)
	859,866	905,081
	$ 1,119,654	$ 1,176,761

4. CAPITAL STOCK

	Number of Shares	Capital Stock	Contributed Surplus
Authorized			
Unlimited common voting shares, without par value			
Issued			
Balance June 30, 2009	9,595,580	$ 17,426,771	$ 607,672
Private placement	10,555,138	889,909	150,924
Share cancellation	(200,000)	-	-
Stock based compensation	-	-	466,381
Balance June 30, 2010	19,950,718	$ 18,316,680	$ 1,224,977
Consulting fees re mineral exploration	1,000,000	100,000	-
Balance September 30, 2010	20,950,718	$ 18,416,680	$ 1,224,977

4. CAPITAL STOCK (cont'd)

During the three months ended September 30, 2010:

i) 1,000,000 common shares at a market price of CAD $0.10 were issued as partial consideration for services rendered by three arms' length consultants in relation to identification of prospective iron ore exploration areas.

During the year ended June 20, 2010:

i) At the Annual General Meeting of the company held on November 30, 2009 approval was given by shareholders to consolidate the share capital on a 10 for 1 basis. All capital stock amounts in these financial statements have been adjusted to reflect the share consolidation

ii) 10,555,138 common shares were issued at a price of $0.10 per share ($0.10 CAD) for gross proceeds of 1,072,016. Agents were paid a cash commission of $31,183 and received an aggregate of 910,514 warrants. Each warrant entitles the holder to purchase one common share of the Company at $0.50 per share for a period of two years. The agents warrants were valued using the Black Scholes model which resulted in a value of $150,924 (Assumptions: 2 year life, 1.26% risk free rate, 224% Volatility, 0.00% dividend yield)

iii) On March 14, 2010 a share certificate for 200,000 common shares was cancelled due to non-payment of subscription monies. No value had been recorded as share capital prior.

Stock options

The Company, in accordance with the policies of the TSX Venture Exchange, is authorized to grant options to directors, employees and consultants, to acquire up to 10% of issued and outstanding common stock. The exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 5 years. Options granted to employees, directors and officers vest fully four months after the grant date. Options issued to consultants must vest in stages over 12 months with one quarter of the options vesting in any three month period.

The fair value of all share purchase options are expensed over their vesting period and estimated term, with a corresponding increase in contributed surplus.

Upon exercise of share purchase options, the consideration paid by the option holder, together with the amounts previously recognized in contributed surplus, is recorded as an increase to share capital.

(Expressed in Australian dollars)

3. CAPITAL STOCK (cont'd…)

Stock option transactions and the number of stock options outstanding are summarized as follows:

	September 30, 2010			June 30, 2010		
	Number of Options		Weighted Average Exercise Price	Number of Options		Weighted Average Exercise Price
Outstanding, beginning of period	2,015,000	$	0.25	750,000	$	0.11
Granted	-		-	2,015,000		0.25
Exercised	-		-	-		-
Expired/cancelled	-		-	(750,000)		0.11
Outstanding, end of period	2,015,000	$	0.25	2,015,000	$	0.25
Options exercisable, end of period	2,015,000	$	0.25	2,015,000	$	0.25

Stock options outstanding at September 30, 2010 are as follows:

Number of Options	Exercise Price	Expiry Date
2,015,000	$ 0.25	January 25, 2013

Stock-based compensation

During the year ended June 30, 2010 the Company granted 2,015,000 stock options to directors, officers and consultants.

The company measures the cost of cash-settled share based payments at fair value at the grant date using the Black-Scholes formula, taking into account the terms and conditions upon which the instruments were granted.

2,015,000 options were issued on January 25, 2009 at a fair value of $0.24 per option, for a total value of $466,381.

The above amounts are being expensed over their vesting period as stock-based compensation as the options vest in the statement of operations with a corresponding amount recorded as contributed surplus in shareholders' equity and reduced by the options exercised during the year. The weighted average fair value of options ranted during the year was $0.24.

(Expressed in Australian dollars)

3. CAPITAL STOCK (cont'd…)

The following assumptions were used for the Black-Scholes valuation of stock options granted during the year:

	September 30, 2010	June 30, 2010
Risk-free interest rate	-	1.54%
Expected life of options	-	3 years
Annualized volatility	-	199%
Dividend rate	-	0.00%

Warrants

	September 30, 2010			June 30, 2010		
	Number of Warrants		Weighted Average Exercise Price	Number of Warrants		Weighted Average Exercise Price
Outstanding, beginning of period	910,514	$	0.50	-	$	-
Granted	-		-	910,514		0.50
Outstanding, end of period	910,514	$	0.50	910,514	$	0.50

Warrants outstanding at September 30, 2010 are as follows:

Number of Options	Exercise Price	Expiry Date
910,514	$ 0.50	October 30, 2010

5. SEGMENTED INFORMATION

The Company's one reportable operating segment is the exploration and development of mineral properties in Australia and Tanzania. All of the Company's mineral properties and plant and equipment are located in Australia and Tanzania.

6. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities and loans payable. The fair value of these instruments approximates their carrying value, unless otherwise noted.

Currency

The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of those rates. The Company does not use derivative instruments to reduce its foreign currency risk.

Interest rate risk

The Company's exposures to interest rate risk arise predominantly from assets and liabilities bearing variable interest rates as the Company intends to hold fixed rate assets and liabilities to maturity.

Credit risk

The credit risk in respect to financial assets of the Company which have been recognized in the balance sheet is generally the carrying amount, net of any provision for diminution in value.

7. COMMITMENTS AND CONTINGENCIES

The Company has entered into operating lease agreements for premises. The annual lease commitments under these leases are as follows:

2011	$ 31,843
	$ 31,843

In order to maintain current rights to tenure to exploration tenements, the Company is required to perform minimum expenditure requirements specified by various governments. The expenditure obligations are subject to renegotiation when application for a mining lease and/or renewal of exploration permits is made. The commitments under these expenditure obligations are as follows:

Not later than one year	$ 350,000
Later than one year but not later than five years	350,000
	$ 700,000

8. SUBSEQUENT EVENTS

Capital raising $1.76 million

The Company announced on October 15, 2010 that it has entered into subscription agreements with Brooklyn Bay Pty Ltd ('Brooklyn') and Golden Sword Investments Pty Ltd ('GSI') for a $1.76 million capital raising to be affected via 2 tranches.

Brooklyn is a wholly owned subsidiary of Australian Stock Exchange listed company, Gullewa Limited ('Gullewa') which is based in Sydney, Australia. Their activities in Australia cover coal in Queensland, gold and base metals in New South Wales, geothermal in Tasmania, mineral royalties and general investment in mineral companies. The directors and consultants of Gullewa have been involved in developing the Avebury Nickel Deposit for Allegiance Mining NL and the directors of GSI have been involved in major iron ore projects and gold exploration in Western Australia. Further information on Gullewa can be obtained at www.gullewa.com.

The details of the transaction are as follows:

Tranche 1 - $262,500

$262,500 for the issue of an aggregate of 5 million shares at 5.25 cents per share equally to Brooklyn and GSI with an attached warrant exercisable at 10 cents up to 36 months from the issue:

Upon completion of Tranche 1, two directors, consisting of a nominee of Brooklyn and a nominee of GSI, will be appointed to the board, subject to re-election at the Annual General Meeting. Tranche 1 is subject to Exchange approval.

Tranche 2 - $1.5 million

$1.5 million for the issue of 25 million shares at 6 cents per share as follows:

1. Brooklyn – 22.5 million shares

2. GSI 2.5 million shares

Each share issued under Tranche 2 has an attached one-fifth of a warrant, each whole warrant exercisable at 10 cents up to 36 months from the issue date.

Tranche 2 is subject to the following key conditions precedent:

1. Gullewa and GSI conducting satisfactory due diligence by 29 October 2010
2. Closing of Tranche 1
3. Shareholder approval for the issue of Tranche 1 warrants and Tranche 2 shares and warrants
4. Venture exchange approval and any required Australian regulatory approval

The funds raised will be used for working capital and repayment of liabilities. Upon payment of specified liabilities in April 2011, 2 directors of the current board of the Company will resign.