CENTRAL IRON ORE LIMITED

Condensed Interim Consolidated Financial Statements
March 31, 2013 AND 2012

(Expressed in Australian dollars)

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CENTRAL IRON ORE LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2013
(Expressed in Australian dollars)
(UNAUDITED)

	March 31 2013 $	June 30 2012 $	July 01 2011 $
ASSETS			
Current			
Cash and cash equivalents (Note 4)	319,963	1,650,035	3,154,859
Receivables (Note 5)	41,183	52,918	61,525
Total current assets	361,146	1,702,953	3,216,384
Non-Current			
Deposits (Note 6)	204,585	170,864	165,734
Property, plant and equipment (Note 7)	626,396	688,634	971,669
Exploration & evaluation assets (Note 8)	3,369,986	2,687,423	2,358,837
Total non-current assets	4,200,967	3,546,921	3,496,240
Total assets	4,562,113	5,249,874	6,712,624
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities (Note 9)	24,715	89,983	234,628
Due to related party (Note 16)	5,775	9,349	40,007
Loans payable (Note 10)	155,555	-	-
Total current liabilities	186,045	99,332	274,635
Provision for closure and restoration (Note 7)	50,000	50,000	50,000
Total liabilities	236,045	149,332	324,635
Shareholders' equity			
Capital stock (Note 11)	23,131,329	23,131,329	23,131,329
Reserves	1,600,977	1,600,977	1,600,977
Deficit	(20,406,238)	(19,631,764)	(18,344,317)
Total shareholders' equity	4,326,068	5,100,542	6,387,989
Total liabilities and shareholders' equity	4,562,113	5,249,874	6,712,624

Nature and continuance of operations (Note 1)
Commitments and contingencies (Note 15)

Approved and authorized by the Board on May 30, 2013:

On Behalf of the Board

"Brett Hodgins"
Brett Hodgins, Director

"Richard Homsany"
Richard Homsany, Director

The accompanying notes are an integral part of these financial statements

CENTRAL IRON ORE LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS COMPREHENSIVE LOSS AND DEFICIT

THREE AND NINE MONTHS ENDED MARCH 31, 2013 AND 2012

(Expressed in Australian dollars)

(UNAUDITED)

	Three months ended March 31 2013 $	Three months ended March 31 2012 $	Nine months ended March 31 2013 $	Nine months ended March 31 2012 $
Expenses				
Amortization	15,935	61,042	49,632	186,155
Consulting fees	33,882	177,759	431,064	396,581
Interest	-	-	-	-
Professional fees	5,082	72,968	96,080	224,416
Listing and filing fees	18,117	8,234	25,118	20,556
Office and miscellaneous expenses	17,660	22,686	75,214	51,869
Property investigation costs	4,537	33,429	31,914	90,929
Salaries and management fees	30,891	53,104	92,893	134,432
Travel and accommodation	3,882	42,799	26,758	46,892
Total expenses	**129,986**	**472,021**	**828,673**	**1,151,830**
Loss before other items	**(129,986)**	**(472,021)**	**(828,673)**	**(1,151,830)**
Other items:				
Interest income	2,545	48,477	54,199	95,887
Other income	-	-	-	156,113
	2,545	48,477	54,199	252,000
Net loss before taxes	**(127,441)**	**(423,544)**	**(774,474)**	**(899,830)**
Future income tax recovery/liability	-	-	-	-
Net loss for the period	**(127,441)**	**(423,544)**	**(774,474)**	**(899,830)**
Deficit, beginning of period	(20,278,797)	(18,820,603)	(19,631,764)	(18,344,317)
Deficit, end of period	(20,406,238)	(19,244,147)	(20,406,238)	(19,244,147)
Basic and diluted loss per common share	(0.002)	(0.006)	(0.011)	(0.012)
Weighted average number of common shares outstanding	72,710,741	72,710,741	72,710,741	72,710,741

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

CENTRAL IRON LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE AND NINE MONTHS ENDED MARCH 31, 2013 AND 2012
(Expressed in Australian dollars)
(UNAUDITED)

	Three months ended March 31 2013 $	Three months ended March 31 2012 $	Nine months ended March 31 2013 $	Nine months ended March 31 2012 $
OPERATING ACTIVITIES				
Net loss for the period	(127,441)	(423,544)	(774,474)	(899,830)
Items not involving cash:				
Amortization	15,935	61,042	49,632	186,155
Changes in non-cash working capital items related to operations				
Receivables	37,130	(8,305)	11,735	7,358
Accounts payable and accrued liabilities	(70,566)	(3,527)	90,287	(213,048)
Net Cash used in Operating Activities	**(144,942)**	**(374,334)**	**(622,820)**	**(919,365)**
INVESTING ACTIVITIES				
Restricted cash	(595)	(1,609)	(33,721)	(5,075)
Plant and equipment	-	(64,570)	12,606	(104,103)
Mineral exploration expenditures	(97,395)	(2,819)	(682,563)	(63,399)
Net Cash used in Investing Activities	**(97,990)**	**(68,998)**	**(703,678)**	**(172,577)**
FINANCING ACTIVITIES				
Application monies for common shares		-	-	-
Proceeds to/from related parties	5,775	-	(3,574)	-
Net Cash provided by Financing Activities	**5,775**	**-**	**(3,574)**	**-**
Increase(Decrease) in cash during period	(237,157)	(443,332)	(1,330,072)	(1,091,942)
Cash, beginning of period	557,120	2,506,249	1,650,035	3,154,859
Cash, end of period	319,963	2,062,917	319,963	2,062,917
Cash paid during the period for interest	-	-	-	-
Cash paid during the period for income tax	-	-	-	-

There were no significant non-cash transactions for the period ended March 31, 2013.

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

CENTRAL IRON ORE LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Australian Dollars)
(UNAUDITED)

	Number of Shares	Contributed Equity	Deficit	Reserves	Total
Balance at July, 2011	72,710,741	23,131,329	(18,344,317)	1,600,977	6,387,989
Net loss for the period	-	-	(899,830)	-	(899,830)
Stock-based compensation	-	-	-	-	-
Balance at March, 2012	72,710,741	23,131,329	(19,244,147)	1,600,977	5,488,159
Balance at July, 2011	72,710,741	23,131,329	(18,344,317)	1,600,977	6,387,989
Net loss for the period	-	-	(1,287,447)	-	(1,287,447)
Stock-based compensation	-	-	-	-	-
Balance at June, 2012	72,710,741	23,131,329	(19,631,764)	1,600,977	5,100,542
Balance at July 1, 2012	72,710,741	23,131,329	(19,631,764)	1,600,977	5,100,542
Net loss for the period	-	-	(774,474)	-	(774,474)
Stock-based compensation	-	-	-	-	-
Balance at March, 2013	72,710,741	23,131,329	(20,406,238)	1,600,977	4,326,068

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Central Iron Ore Limited (the "Company") is in the business of the exploration and evaluation of its mineral properties. The Company was incorporated in Victoria, Australia on February 21, 1996 and currently resides in Sydney, Australia. The address of the Company's corporate office and principal place of business is Level 8, 49-51 York Street, Sydney, NSW 2000, 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 assets 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.

	March 31 2013 $	June 30 2012 $
Deficit	(20,406,238)	(19,631,764)
Working capital	175,102	1,603,621

2. BASIS OF PRESENTATION AND FIRST TIME ADOPTION OF IFRS

The Company commenced reporting under International Financial Reporting Standards ("IFRS") for reporting period commencing July 1, 2011. The transitional date for the Company of July 1, 2010 required restatement for comparative purposes of amounts reported by the Company for the year ended June 30, 2011.

Previously the Company prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles ("GAAP") as set in the Handbook of the Canadian Institute of Chartered Accountant ("CICA Handbook"). In 2010, the CICA Handbook was revised to incorporate IFRS, and required publicly accountable enterprises to apply such standards effective for years beginning on or after January 1, 2011.

2. BASIS OF PRESENTATION AND FIRST TIME ADOPTION OF IFRS (cont'd…)

These are the Company's IFRS interim consolidated financial statements which have been prepared in accordance with International Accounting Standard ("IAS") 34 – Interim Financial Reporting. These interim unaudited consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value, as explained in the accounting policies in Note 3. The policies applied in these interim consolidated financial statements are based on IFRS issued and outstanding as at May 30, 2013 the date the Board of Directors approved the statements.

The interim consolidated financial statements should be read in conjunction with the Company's Canadian GAAP annual financial statements for the year ended June 30, 2012. The disclosure in Note 18 provides IFRS information for the comparative year commencing July 1, 2010 that is material to the understanding of these interim consolidated financial statements prepared under IFRS.

3. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

The preparation of financial statements in conformity with IFRS requires that management make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results could differ from these estimates.

Significant accounts that require estimates relate to stock-based compensation, valuation allowance for income taxes, and impairment assessment of long lived assets, and future reclamation provisions.

Principles of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All inter-company balances and transactions have been eliminated upon consolidation. The Company has eight subsidiaries:

a) International Gold Mining Pty Ltd: Dormant subsidiary.
b) Central West Resources Pty Ltd: Holding company for Iron Ore tenements.
c) Central East Resources Pty Ltd.
d) Central South Resources Pty Ltd.
e) Central North Resources Pty Ltd.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Principles of consolidation (cont'd...)

f) South Darlot Mines Pty Ltd: Joint Venturer in the Barrick Joint Venture.
g) South Darlot Gold Pty Ltd.
h) South Darlot Resources Pty Ltd.

Note: c, d, e, f, g and h were incorporated to acquire tenements from Central Iron Ore Limited. To date the companies have not been used and are dormant.

Cash

Cash is comprised of cash held in banks and on hand and term deposits.

Mineral exploration and evaluation properties

The interests in which the Company has committed to earn an interest are located in Western Australia.

Once a license to explore an area has been secured, expenditures on exploration and evaluation activities are capitalized to exploration and evaluation. Exploration and evaluation expenditures relate to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential.

Once an economically viable project has been determined for an area and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to mines under construction within mine properties, plant and equipment.

Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project does not prove viable, all irrecoverable costs associated with the project net of any impairment provisions are written off.

At a future date when the Company transitions from exploration and evaluation activities for the Project to the development stage of the Project, it will apply the following policy.

Provision for closure and restoration

An obligation to incur closure and restoration costs arises with the retirement of tangible long-lived assets that the Company is required to settle. Such costs arising from the decommissioning of plant, mines and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Provision for closure and restoration (cont'd…)

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss. Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

For the period presented, the Company has recorded $50,000 in provisions for closure and restoration.

Functional currency

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and each of its subsidiaries is the Australian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in currencies other than the Australian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the consolidated statements of operations, comprehensive loss and deficit.

Stock-based compensation

Stock based compensation benefits are provided to employees, directors, officers and consultants via the Company's Stock Option Plan.

The fair value of options granted under the Company's Stock Option Plan is recognized as a stock based compensation expense with a corresponding increase in equity. Their fair value is measured and expensed at grant date as the Company's options are fully vested upon granting.

The fair value at grant date is determined by the Black-Scholes option pricing model using amounts that are believed to approximate the volatility of the trading price of the Company's stock, the expected lives of awards of share purchase options, the fair value of the Company's shares and the risk-free interest rate.

If share purchase options are exercised then the fair value of the options is re-classed from reserves in equity to share capital.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Impairment on non-financial assets

On an annual basis the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the assets belong. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future 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. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years.

Income taxes

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in the consolidated statement of operations.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

Financial assets (cont'd…)

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. 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.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the consolidated statement of operations.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for- sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the consolidated statement of operations.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in the consolidated statement of operations.

Other financial liabilities: This category includes amounts due to related parties and accounts payables and accrued liabilities which are recognized at amortized cost.

The Company has classified its cash and cash equivalents as fair value through profit and loss. The Company's receivables are classified as loans and receivables. The Company's accounts payable and accrued liabilities and due to related parties are classified as other financial liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Comprehensive income/(loss)

Comprehensive income/(loss) is defined as the change in equity (net assets) from transactions and other events from non-owner sources.

New accounting standards and interpretations

Financial Instruments IFRS 9, "Financial Instruments" ("IFRS 9") was issued by the IASB on November 12, 2009 and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2013.

Amendments to IFRS 7, *Financial Instruments: Disclosures* are effective for annual periods beginning on or after July 1, 2011 and introduce enhanced disclosure around transfer of financial assets and associated risks. These amendments are not anticipated to impact the disclosures made by the Company.

Amendments to IAS 1, *Presentation of Financial Statements* (effective for annual periods beginning on or after July 1, 2012) require that elements of other comprehensive income that may subsequently be reclassified through profit and loss be differentiated from those items that were not reclassified.

IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements*, IFRS 12 *Disclosure of Interests in Other Entities*, and consequential revisions to IAS 27 *Separate Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (all effective January 1, 2013) provide revised guidelines on the accounting treatment and associated disclosure requirements for joint arrangements and associates, and a revised definition of "control" for identifying entities which are to be consolidated.

Comparative figures

Certain comparative figures have been reclassified to conform to the current period's presentation.

4. CASH AND CASH EQUIVALENT

	March 31 2013 $	June 30 2012 $	July 01 2011 $
Cash at bank and on hand	319,963	650,035	754,859
Term deposits	-	1,000,000	2,400,000
	319,963	1,650,035	3,154,859

5. RECEIVABLES

The Company's receivables arise from trade and GST receivables that are in the normal course of business. These are broken down as follows:

	March 31 2013 $	June 30 2012 $	July 01 2011 $
Trade receivables	26,799	13,660	4,617
GST receivable	14,385	39,258	56,908
	41,183	52,918	61,525

6. DEPOSITS

The deposits for the Company are broken down as follows:

	March 31 2013 $	June 30 2012 $	July 01 2011 $
Security deposit - office premises	30,090	26,981	26,981
Indemnity for bank guarantee - Eureka	73,267	70,142	66,756
Indemnity for performance bond - British King	90,228	73,741	71,997
Indemnity for performance bond - Yilgarn	11,000	-	-
	204,585	170,864	165,734

7. PLANT AND EQUIPMENT

	Mine Property $	PP&E $	Office equipment $	Total $
Year end March 31, 2013				
Opening net book value	535,345	150,643	2,645	688,634
Additions	-	-	-	-
Disposals	-	(55,386)	-	(55,386)
Depreciation charge	-	(4,849)	(2,003)	(6,852)
Closing net book amount	535,345	90,409	642	626,396
At March 31, 2013				
Cost or Fair Value	1,432,907	405,391	32,722	1,871,020
Accumulated deprecation	(897,561)	(314,982)	(32,082)	(1,244,624)
Net book amount	535,346	90,409	641	626,396

7. PLANT AND EQUIPMENT (cont'd…)

	Mine Property	PP&E	Office equipment	Total
	$	$	$	$
Year end June 30, 2012				
Opening net book value	752,150	212,941	6,578	971,669
Additions	-	3,151	-	3,151
Disposals	-	-	-	-
Transfer to exploration and evaluation assets	(37,722)	-	-	(37,722)
Depreciation charge	(179,083)	(65,449)	(3,933)	(248,465)
Closing net book amount	535,345	150,643	2,645	688,634
At June 30, 2012				
Cost or Fair Value	1,432,907	460,776	32,722	1,926,406
Accumulated deprecation	(897,561)	(310,133)	(30,077)	(1,237,771)
Net book amount	535,346	150,643	2,645	688,635
Year end July 01, 2011				
Opening net book value	942,803	244,206	9,656	1,196,665
Additions	-	6,665	-	6,665
Disposals	-	-	-	-
Depreciation charge	(190,653)	(37,929)	(3,078)	(231,660)
Closing net book amount	752,150	212,941	6,578	971,669
At July 01, 2011				
Cost or Fair Value	1,470,607	457,625	32,722	1,960,954
Accumulated deprecation	(718,457)	(244,684)	(26,144)	(989,285)
Net book amount	752,150	212,941	6,578	971,669

British King Gold Mine

The British King Gold Mine is located north of Kalgoorlie, Western Australia. The Company acquired a 100% interest in the British King Mine through the issuance of 10,000,000 common shares at $0.10 per share.

The Company estimates that the provision for closure and restoration will be approximately $50,000 for this property. Assumptions used in the calculation for the estimated cash flows were as follows: inflation at the rate of 3% and discount rate of 6%. Certain minimum amounts of the provision will occur each year with the significant amounts to be paid on abandonment of the mineral property interests.

8. EXPLORATION AND EVALUATION ASSETS

Title to mineral property interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its mineral property interests and, to the best of its knowledge, title to all of its interests are in good standing. The mineral property interests in which the Company has committed to earn an interest are located in Western Australia.

For the nine months ended March 31, 2013, the Company's exploration and evaluation assets consist of:

	Yilgarn Iron Ore Project	South Darlot Gold Project	Eureka Mine	Total
	$	$	$	$
Acquisition Costs:				
Balance, June 30, 2012	-	-	2,196,900	2,196,900
Additions	-	-	-	-
Balance, March 31, 2013	-	-	2,196,900	2,196,900
Exploration Costs:				
Balance, June 30, 2012	186,684	141,673	162,166	490,523
Field expenses	279,395	371,198	31,970	682,563
Balance, March 31, 2013	466,079	512,871	194,136	1,173,086
Write-offs/Disposals	-	-	-	-
Total, March 31, 2013	466,079	512,871	2,391,036	3,369,986

For the year ended June 30, 2012, the Company's exploration and evaluation assets consist of:

	Yilgarn Iron Ore Project	South Darlot Gold Project	Eureka Mine	Total
	$	$	$	$
Acquisition Costs:				
Balance, July 01, 2011	-	-	2,196,900	2,196,900
Additions	-	-	-	-
Balance, June 30, 2012	-	-	2,196,900	2,196,900
Exploration Costs:				
Balance, July 01, 2011	25,918	35,535	100,486	161,939
Field expenses	160,766	106,139	23,959	290,864
Balance, June 30, 2012	186,684	141,674	162,165	490,523
Write-offs/Disposals	-	-	-	-
Total, June 30, 2012	186,684	141,674	2,359,065	2,687,423

8. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Eureka Gold Mine

The Eureka Gold Mine is located north of Kalgoorlie, Western Australia. The Company acquired a 100% interest in the Eureka Gold Mine through the issuance of 20,000,000 common shares at $0.10 per share.

Yilgarn Iron Ore Project

The Yilgarn Iron Ore Project is located within the Yilgarn Iron Ore Province of Western Australia.

On June 22, 2011, through its subsidiary Central West Resources Pty Ltd, the Company entered into a farm in and joint venture agreement with the Australian Stock Exchange listed Pacific Ore Limited (ASX:PSF) ("Pacific") in respect of the Company's Perinvale North Iron Ore Hub ("Perinvale North Hub") for $15 million ("Perinvale Joint Venture"). The Perinvale North Hub is located approximately North East of Perth, Western Australia, in the Yilgarn Iron Ore Province.

The farm in and joint venture agreement entitles Pacific to earn up to a 90% interest in the Perinvale Joint Venture by funding expenditure on the Perinvale North Hub in the following manner:

- Earn 51% by spending $1.5 million within 2 years.
- Earn an additional 19% by spending a further $3.5 million within 3.5 years.
- Earn an additional 20% by spending a further $10 million within 5 years.

The Company may elect to maintain its interest in the Perinvale Joint Venture at each stage of the farm in once Pacific has earned its initial 51% interest.

South Darlot Gold Project

The South Darlot Gold Project is North West of Kalgoorlie and includes the British King gold mine which is 100% owned by the Company.

During the year ended June 30, 2011 a farm in and joint venture agreement was entered between the Company (through a 100% owned subsidiary, South Darlot Mines Pty Ltd) and Barrick (Plutonic) Limited and Barrick (Darlot) NL (together "Barrick") ("Barrick Agreement") in respect of certain tenements that form Barrick's Southern Darlot Gold Project area ("Barrick Joint Venture Tenements").

The Barrick Joint Venture Tenements are situated south west of Barrick's Darlot gold mine and are contiguous with the Company's current holdings in the area which includes the British King gold mine.

Under the Barrick Agreement the Company may earn an initial 51% interest in the Barrick Joint Venture Tenements by spending $450,000 on those tenements within 24 months from the date of the Barrick Agreement. The Company may elect to earn a further 19% interest by spending an additional $250,000 on the Barrick Joint Venture Tenements within the following 12 month period.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities for the Company are broken down as follows:

	March 31 2013 $	June 30 2012 $	July 01 2011 $
Trade Payables	24,715	89,983	193,626
Other Payables	-	-	41,002
	24,715	89,983	234,628

All payables and accrued liabilities for the Company fall due within the next 12 months.

10. LOANS PAYABLE

A loan of $155,555 from Gullewa Limited was entered into during the nine months ended March 31, 2013. Loan is interest free and repayable at call. As of March 31, 2013 Gullewa Limited holds 36.1% of the Company's shares.

11. CAPITAL STOCK

Authorized Unlimited common voting shares, without par value

During the nine months ended March 31, 2013:
The company did not issue any common shares.

During the year ended June 30, 2012:
The company did not issue any common shares

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.

11. CAPITAL STOCK (cont'd…)

Stock options (cont'd…)

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

	March 31, 2013		June 30, 2012	
	Number of Options	CAD $ Weighted Average Exercise Price	Number of Options	CAD $ Weighted Average Exercise Price
Outstanding, beginning and end of period	2,015,000	$ 0.25	2,015,000	$ 0.25
Options exercisable, end of period	-	-	2,015,000	$ 0.25

Stock options outstanding at March 31, 2013 are as follows:

Number of Options	Exercise Price	Expiry Date
-	-	-

As of January 25, 2013 options had not been exercised and consequently expired.

Stock-based compensation
During the nine months ended March 31, 2013 the Company granted no stock options.

Warrants

	March 31, 2013		June 30, 2012	
	Number of Warrants	CAD $ Weighted Average Exercise Price	Number of Warrants	CAD $ Weighted Average Exercise Price
Outstanding, beginning of period	22,000,000	0.20	22,910,514	0.23
Granted	-	-	-	-
Expired	-	-	(910,514)	0.5
Outstanding, end of period	22,000,000	0.20	22,000,000	0.20

11. CAPITAL STOCK (cont'd…)

Stock-based compensation (cont'd…)

Warrants outstanding at March 31, 2013 are as follows:

Number of Warrants	Exercise Price	Expiry Date
5,000,000	$0.10	October 27, 2013
5,000,000	$0.10	January 26, 2014
10,000,000	$0.30	May 26, 2013
2,000,000	$0.20	May 26, 2013

12. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	Nine months ended March 31 2013 $	Twelve months ended June 30 2012 $
Cash paid during the period for interest	-	-
Cash paid during the period for income taxes	-	-

During the nine months ended March 31, 2013, the Company entered into the following non-cash transactions:

a) None.

During the year ended June 30, 2012, the Company entered into the following non-cash transactions:

a) Reclassified plant and equipment with a value of $37,722 to exploration and evaluation assets (Note 7).

13. SEGMENTED INFORMATION

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

14. CAPITAL MANAGEMENT AND FINANCIAL INFORMATION

The Company's activities expose it to a variety of financial risks (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company. The Board controls overall risk management and the investment of excess liquidity. In the management of capital, the Company includes the components of shareholders' equity. There were no changes to the Company's approach to capital management during the nine months ended March 31, 2013. The Company is not subject to externally imposed capital requirements.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's receivables, accounts payable and accrued liabilities, and due to related parties approximate carrying value, which is the amount payable on the consolidated statements of financial position. The Company's other financial instruments, cash and cash equivalents, and deposits, under the fair value hierarchy, are based on level one quoted prices in active markets for identical assets or liabilities.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash and cash equivalents are held at large Canadian and Australian financial institutions with a portion in interest bearing accounts. The Company has no investment in asset backed commercial paper.

The Company's receivables consist mainly of tax credits due from the government of Australia. As such, the Company does not believe it is subject to significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2013, the Company had a cash and cash equivalent balance of $319,963 (June 30, 2012,- $1,650,035) to settle current liabilities of $186,045 (June 30, 2012- $99,332). Management believes that it has sufficient funds to meet its current liabilities as they become due.

14. CAPITAL MANAGEMENT AND FINANCIAL INFORMATION (cont'd…)

The Company has limited financial resources and there is no assurance that additional funding will be available to allow the Company to acquire, explore and develop mineral properties. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration. The Company may, in the future, be unable to meet its obligations under agreements to which it is a party and the Company may consequently have its interest in the properties subject to such agreements jeopardized. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the cost required to complete recommended programs.

The Company is dependent on raising funds by the issuance of shares or disposing of interests in its mineral properties (by options, joint ventures or outright sales) in order to finance further acquisitions, undertake exploration and development of mineral properties and meet general and administrative expenses in the immediate and long term. There can be no assurance that the Company will be successful in raising their required financing.

Apart from the initiatives discussed above, the Company is not aware of any trends, commitments or events that may affect its liquidity in the foreseeable future. The Company has not made any commitments for capital expenditures, other commitments and contingencies for expenditure are set out in note 15. Material increases or decreases in the Company's liquidity will be substantially determined by the success or failure of raising additional funds through private placements and its planned exploration programs.

March 31, 2013 the Company had a net working capital surplus of $175,102.

The Company intends to meet its future cash commitments through further capital raisings.

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Company has cash balances and term deposits. The interest earned on the term deposits approximates fair value rates, and the Company is not at a significant risk to fluctuating interest rates. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at March 31, 2013, the Company had a total of $nil in short-term deposits.

The risk that the Company will realize a loss as a result of a decline in the fair value of the short-term investments included in cash and cash equivalents is minimal because of the short-term nature of these investments.

b) Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Canadian dollar.

14. CAPITAL MANAGEMENT AND FINANCIAL INFORMATION (cont'd…)

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency and net investments in foreign operations. The risk is measured using cash flow forecasting. Consolidated companies are required to manage their foreign currency risk against their functional currency. The financial statements are presented in Australian dollars which is the Company's functional and presentation currency. The Company does not hedge its foreign exchange risk exposure.

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors

commodity prices of gold and iron ore, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its exploration and evaluation assets, acquire additional mineral property interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

15. COMMITMENTS AND CONTINGENCIES

The Company has entered into an operating lease agreement for premises. The annual lease commitments under the lease are as follows:

	Nine months ended March 31 2013 $	Twelve months ended June 30 2012 $
Not later than one year	-	42,075
Later than one year but not later than five years	-	38,569
Later than five years	-	-
	-	80,644

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:

	Nine months ended March 31 2013 $	Twelve months ended June 30 2012 $
Not later than one year	776,431	709,560
Later than one year but not later than five years	2,629,490	2,166,540
Later than five years	2,597,237	2,512,300
	6,003,158	5,388,400

16. RELATED PARTY TRANSACTIONS

Total remuneration of each key management personnel and their related parties of the Company for the nine months ended March 31, 2013, is set out below

March 31 2013	Short Term Employee Benefits			Post-Employment Benefits		Share Based Payments	
Directors	Cash Salary & Fees	Cash Bonus	Other	Super-Annuation	Retirement Benefits	Options	Total
A Spinks	-	-	-	-	-	-	-
D Taylor	49,603	-	-	-	-	-	49,603
B Hodgins	-	-	-	-	-	-	-
R Homsany	13,500	-	-	-	-	-	13,500
A Howland - Rose	33,750	-	-	-	-	-	33,750
Other Company Executives	-	-	-	-	-	-	-
G Hurwitz	-	-	-	-	-	-	-
Total	96,853	-	-	-	-	-	96,853

Total remuneration of each key management personnel and their related parties of The Company for the year ended June 30, 2012 is set out below.

June 30 2012	Short Term Employee Benefits			Post-Employment Benefits		Share Based Payments	
Directors	Cash Salary & Fees	Cash Bonus	Other	Super-Annuation	Retirement Benefits	Options	Total
A Spinks	30,000	-	-	-	-	-	30,000
D Taylor	62,450	-	-	-	-	-	62,450
B Hodgins	-	-	-	-	-	-	-
R Homsany	43,477	-	-	-	-	-	43,477
A Howland - Rose	45,000	-	-	-	-	-	45,000
Other Company Executives	-	-	-	-	-	-	-
G Hurwitz	-	-	-	-	-	-	-
Total	180,927	-	-	-	-	-	180,927

16. RELATED PARTY TRANSACTIONS (cont'd…)

Other transactions with key management personnel

a) The Company Chairman, Mr Richard Homsany, is a director of Cardinals Corporate Pty Ltd, which provides legal services to the Company. For the nine months ended March 31, 2013, these were valued at $36,556 (March 31, 2012: $24,136).

b) The President & Chief Executive Officer of the Company, Mr Brett Hodgins, is a director of Jaybre Geological Consulting Pty Ltd, which provides management and consulting services to the Company. For the nine months ended March 31, 2013, these were valued at $216,705 (March 31, 2012: $75,668).

c) The Chief Financial Officer of the Company, Mr Graham Hurwitz is a director of Hurwitz Geller Pty Ltd, which provides accounting services to the Company. For the nine months ended March 31, 2013, these were valued at $15,370 (March 31, 2012: $50,605).

Aggregate amounts of each of the above types of other transactions with key management personnel and their related parties of the Company:

	Nine months ended March 31 2013 $	Nine months ended March 31 2012 $
Consulting work	216,705	75,668
Accounting services	15,370	50,605
Legal services	36,556	24,136
	268,631	150,409

Aggregate amounts payable to key management personnel of the Company at balance date relating to the above types of transactions.

	Nine months ended March 31 2013 $	Twelve months ended June 30 2012 $	Twelve months ended July 01 2011 $
Brett Hodgins	-	1,132	5,115
Hurwitz Geller Pty Ltd	-	-	15,840
Jaybre Geological Consulting Pty Ltd	5,775	8,217	17,600
Cardinals Corporate Pty Ltd	-	-	-
Trestin & Co	-	-	1,452
	5,775	9,349	40,007

17. OTHER INCOME

During the nine months ended March 31, 2013, the Company earned $54,199 (March 31, 2012: $95,887) in interest income from bank balances. The Company did not earn any other type of income in the period (March 31, 2012: $156,113 was earned from a non-refundable deposit for the sale of the Eureka Gold Project. At the time the terms of the sale were not completed therefore the amount was recognized as income).

18. FIRST TIME ADOPTION OF IFRS

As stated in Note 2, these consolidated financial statements have been prepared in accordance with IFRS. The accounting policies in Note 3 have been applied in preparing the financial statements for the years ended June 30, 2012 and 2011, and the opening IFRS statement of financial position on July 1, 2010, the "Transition Date".

There were no significant differences between IFRS and Canadian GAAP in connection with the Company's consolidated statements of financial position, loss and comprehensive loss and deficit or cash flows for the year ended June 30, 2011 or the opening statement of financial position on July 1, 2010.

First time exemptions applied

IFRS 1, which governs the first-time adoption of IFRS, generally requires accounting policies to be applied retrospectively to determine the opening standard of financial position on our transition date of July 1, 2010, and allows certain exemptions on the transition of IFRS. The elections the Company has chosen to apply and that are considered significant to the Company include:

(i) Provision for closure and restoration

Applying International Financial Reporting Interpretation Committee 1, Changes in Existing Decommissioning, Restoration and Similar Liabilities ("IFRIC 1"¨) as of the date of transition to IFRS. IFRIC 1 requires specified changes in decommissioning, restoration or similar liabilities to be added to or deducted from the cost of the asset to which it relates and the adjusted depreciable amount of the asset to then be depreciated prospectively over its remaining useful life. The Company has determined the impact on its closure and restoration obligation was immaterial.

(ii) Stock-based compensation charges

IFRS 1 permits first-time adopters to not apply IFRS 2, "Share-based Payments¨, to equity instruments that were granted on or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2002 and vested before the date of transition to IFRS. The Company elected to apply IFRS 2 to equity instruments granted after November 7, 2002 that had not vested by the transition date.

Under Canadian GAAP, share-based compensation expenses can be calculated based on the straight line method or graded method. Under IFRS, only the graded method is permitted. As the Company historically calculated stock based compensation charges using the straight line method, the Company adopted the graded method upon the IFRS transition. The quantitative differences between the methods were Nil and the Company did not recognize stock-based compensation charges on the statement of operations upon transition on July 1, 2010.

19. FIRST TIME ADOPTION OF IFRS (cont'd…)

(iii) Estimates

In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under the previous GAAP applied, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of July 1, 2010 are consistent with its Canadian GAAP estimates for the same date.