

CENTRAL IRON ORE LIMITED

Management Discussion and Analysis (Form 51-102F1) For the quarter ended March, 2013

Information as of May 30, 2013 unless otherwise stated

Note to Reader

The following management discussion and analysis of the financial condition and results of operations of Central Iron Ore ("CIO" or "the Company") should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2012, together with the notes thereto, as well as the Company's previous financial and MD&A reports. These annual audited financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP").

Forward-Looking Information

This discussion includes certain statements that may be deemed "forward-looking statements." All statements in this discussion, other than statements of historical facts that address future production, reserve potential, exploration drilling, exploration activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

Business of the Company

Since listing on the TSX Venture Exchange ("TSX-V") in 2007, CIO's business has primarily involved acquiring and conducting exploration activities on prospective exploration and mining projects in Australia and Tanzania.

In recent years the Company has refocused its activities on the acquisition of projects considered to be prospective for iron ore in Australia. The Company has discontinued exploration of its Tanzanian uranium assets and has repositioned its British King and Eureka gold mines into two regional exploration and development gold prospects.

On December 05, 2011, CIO announced that it had entered into an agreement for the AUD\$4 million sale of its Eureka Gold Project to Greenstone Minerals Pty Ltd (“Greenstone”). The consideration payable by Greenstone under the conditional contract entered into between the parties consisted of an AUD\$150,000 deposit and a further AUD\$3,850,000, payable to CIO in two tranches as follows:

Tranche 1: AUD\$2,000,000 in cash on completion of the sale and purchase of the Eureka Gold Project.

Tranche 2: On the date that is twelve months from the date of Greenstone’s admission to the official list of the Australian Stock Exchange (“ASX”):

- i. a cash payment of AUD\$850,000; and
- ii. consideration of AUD\$1,000,000, which may be satisfied in cash or Greenstone shares, at Greenstone’s election.

As at the date of this report, the conditions precedent to the sale and purchase agreement entered into between the Company and Greenstone have not yet been satisfied and accordingly the sale and purchase of the Eureka Gold Project has not been completed. Greenstone has requested certain variations be made to the agreement to enable it to proceed with its proposed acquisition of the Eureka Gold Project however at the end of the March 2013 quarter, and as at the date of this report, discussions between CIO and Greenstone are ongoing. All consents, approvals, authorisations or clearances which required under the original sale and purchase agreement (including TSX-V approvals) were obtained, however it is possible that these may need to be renewed or re-applied for, or additional consents approvals, authorisations or clearances sought, depending on the outcome of the Company’s ongoing discussions with Greenstone.

On April 25, 2013, CIO announced the extension of the term of 10,000,000 common share purchase warrants that were issued as part of a private placement which was completed on May 13, 2011 (“Warrants”). The Warrants are exercisable for one common share in the capital of the Company, at an exercise price of \$0.30. The Company has submitted an application to the TSX-V to have the expiration date of the Warrants extended to May 13, 2015, which application has been granted.

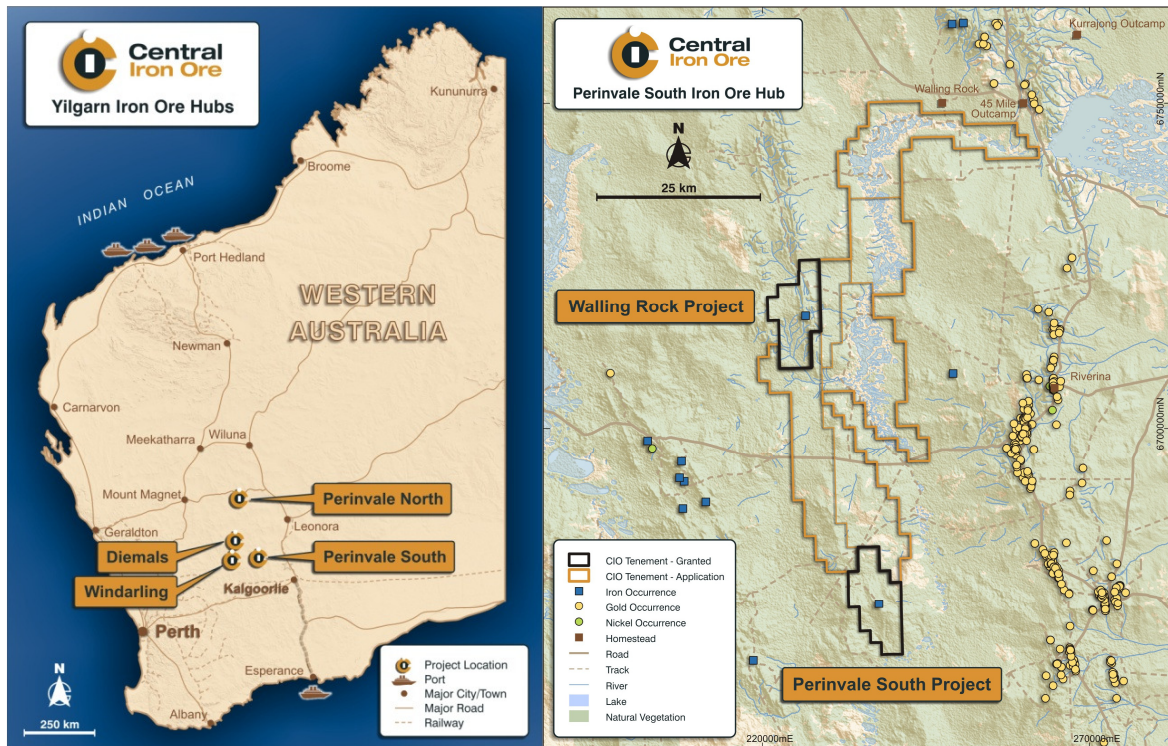
Exploration and Development Update

During the quarter ended March 31, 2013 the Company:

- Continued its iron ore exploration strategy and acquired tenements.
- Continued its gold exploration strategy.

YILGARN IRON ORE PROJECT (Western Australia)

The Company holds 16 iron ore tenements covering 1,594km², located within the Yilgarn Iron Ore Province (“Yilgarn IOP”) in Western Australia, of which ten tenements are granted and six tenements are pending applications. The Yilgarn IOP is considered highly prospective for iron ore, given its history of large-scale iron ore production, with the Cliffs Natural Resources Ltd-owned Koolyanobbing operation (formerly operated by Portman Limited) currently producing at a rate of approximately 8Mtpa of direct shipping ore (“DSO”). The Yilgarn IOP is increasingly being recognised as an attractive location for the development of iron ore projects, given its proximity to rail and access to ports.



The Company's iron ore tenements have been divided into logical infrastructure hubs:

- Perinvale South Iron Ore hub
- Windarling Iron Ore hub
- Diemals Iron Ore hub
- Perinvale North Iron Ore hub

Hub	Project	Tenement	Status	Area (km ²)
Perinvale South	Walling Rock	E30/414	Granted	93
Perinvale South	Perinvale South	E30/415	Granted	93
Perinvale South	Extension	P30/1084	Granted	1
Perinvale South		E29/0843	Pending	210
Perinvale South		E30/0434	Pending	126
Perinvale South		E30/0435	Pending	207
Perinvale South	Walling Rock	E30/0439	Granted	156
Perinvale South		E30/0440	Pending	54
Perinvale South	Walling Rock	E30/0441	Granted	210
Perinvale North	Perinvale North	E57/818	Granted	120
Windarling	Windarling West	E77/1820	Granted	12
Windarling	Windarling East	E77/1737	Granted	42
Windarling		E77/1963	Granted	6
Windarling		E77/1987	Granted	6
Diemals	Diemals North	E77/1749	Granted	111
Diemals	Far East	E77/1757	Granted	114
Diemals	Johnson North	E77/1758	Granted	39

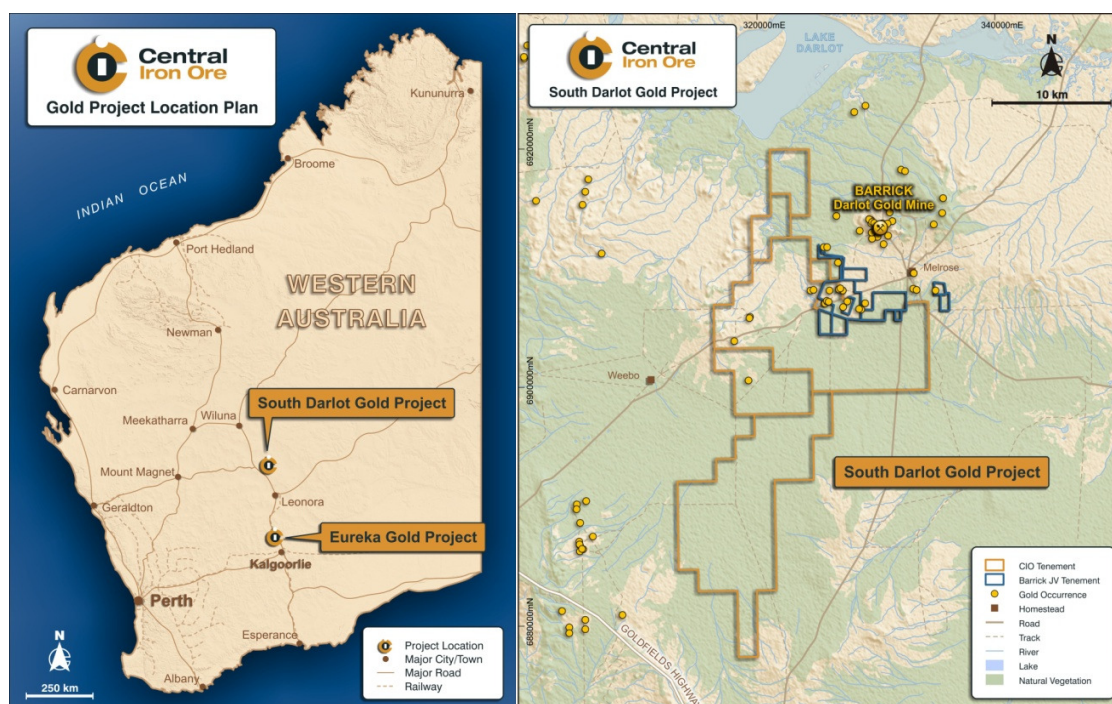
Quarterly Activity

On the April 2, 2013 two additional Perinvale South Iron Ore tenements, being exploration licences 30/441 and 30/439 which cover 210km² and 156km² respectively, were granted by the Western Australian Department of Mines and Petroleum.

SOUTH DARLOT GOLD PROJECT (Western Australia)

The Company's South Darlot Gold Project area is located approximately 320km northwest of Kalgoorlie in Western Australia and includes:

- The British King Mine which is 100% owned by the Company and which is NI43-101 compliant. The British King Mine is 5km southwest of Barrick Gold Corporation Limited's Darlot Mine. The British King Mine is currently under care and maintenance.
- A 100% CIO owned tenement package covering 324km².
- A number of tenements which are subject to a joint venture with subsidiaries of Barrick Gold Corporation Limited ("Barrick"), details of which are set out below, in which CIO can earn an interest of up to 70%.



The Company's current 100% owned South Darlot Gold Project tenement package covers 324km².

Details of the Company's 100% owned South Darlot Gold Project and British King Project tenements are set out below.

Project	Tenement	Status	Area (km ²)
South Darlot	E37/882	Granted	141
South Darlot	E37/1054	Granted	33
South Darlot	E37/1085	Granted	24
South Darlot	E37/1086	Granted	3
South Darlot	E37/1106	Granted	123
British King	M37/30	Granted	0.1
British King	P37/7026	Granted	0.1

The Company's strategy and objective in respect of the South Darlot Gold Project is to evaluate the gold prospectivity of the region, generate targets, expand the tenement position and acquire all necessary access approvals in order to progress to the next stage of exploration. The Company has identified seven prospective targets on its 100% owned tenements and intends to systematically evaluate those targets over the next 12 months.

Barrick Joint Venture Project (Western Australia)

The tenements set out in the table below ("Barrick JV Tenements") are the subject of a joint venture between the Company and subsidiaries of Barrick ("Barrick JV"), and are situated southwest of Barrick's Darlot gold mine and are contiguous with CIO's current holdings in the area. The Barrick JV Tenements are detailed below.

Project	Tenement	Status	Area (ha)
Barrick JV	M37/421	Granted	381
Barrick JV	M37/552	Granted	200
Barrick JV	M37/631	Granted	776
Barrick JV	M37/632	Granted	595
Barrick JV	M37/709	Granted	98
Barrick JV	M37/1045	Granted	90
Barrick JV	P37/7364	Granted	197
Barrick JV	P37/7365	Granted	200
Barrick JV	P37/7366	Granted	113
Barrick JV	P37/7367	Granted	45

The Company's strategy and objective for the Barrick JV Tenements, the strategy and objective is to evaluate their gold prospectivity and deliver on target generation and access. The Company has identified 24 prospective targets on the Barrick JV Tenements and will systematically evaluate those targets over the next 12 months, with a priority being placed on the exploration of the Mermaid and Endeavour Prospects.

As at the date of this report, the Company has earned an initial 51% interest in the Barrick JV Tenements in accordance with the Barrick JV and is continuing exploration on the Barrick JV Tenements with a view to earning an additional 19% interest (equal to a total interest of 70%) by spending a further AUD\$250,000 on the terms and conditions set out in the Barrick JV.

Quarterly Activity

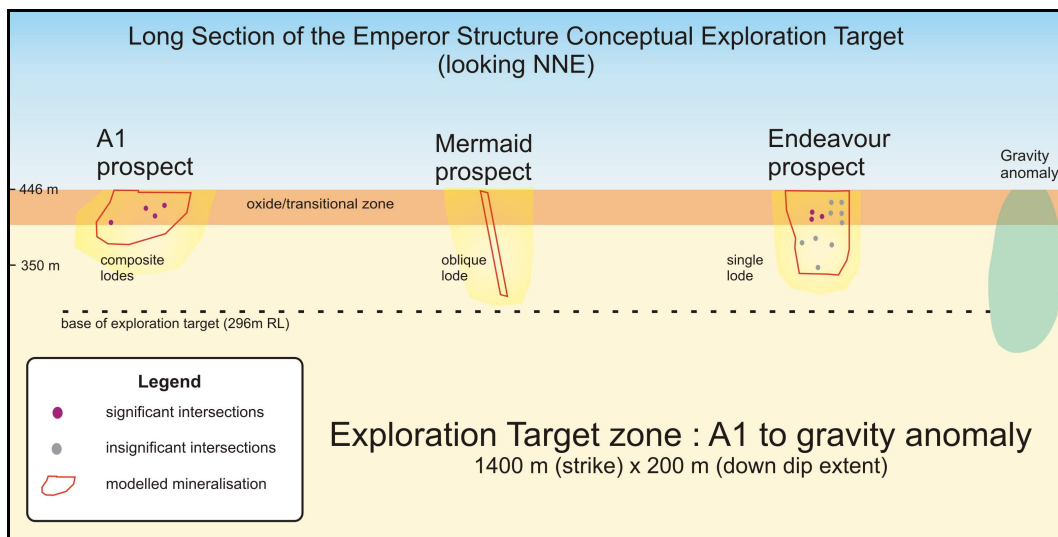
Emperor Structure Exploration Target

On January 22, 2013 CIO announced an exploration target of 1.7 to 4.1 million tonnes at 5.0g/t to 11.5g/t Au (270,000 to 1,500,000 Oz of Au) on the Emperor Structure at its South Darlot Gold Project. The exploration target was interpreted as a linear structure, based on historical gold workings, gold occurrences within historical drill holes, aeromagnetic and gravity geophysics and results from the Company's recent drilling program.

The exploration target for the Emperor Structure has been estimated based on a number of assumptions and limitations which include, among other things:

- The strike length of the Emperor Structure is 1,400m.
- The geometry of the Structure remains constant over its entire length.
- The model depth extent has been fixed to 150 metres (200m down dip extent).
- The average true width is 3.9 metres.
- 100% recovery and no dilution.
- The specific gravity of the material is 2.51t/m³.
- The grade range reflects the average gold concentrations utilising suitable gold top cuts.
- Tonnage range is +20% and -50%.

The exploration target does not take into account the depth to top or effect of dip of the models and how this may impact potential mining viability.



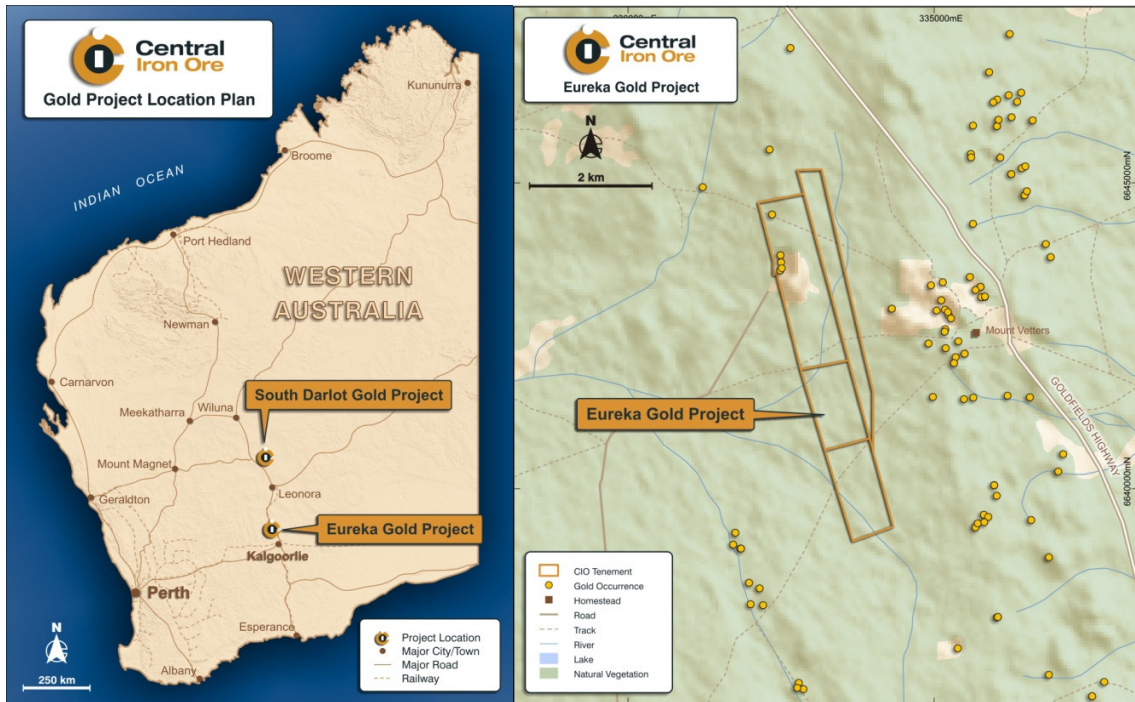
The estimates of exploration target sizes mentioned in this report should not be misunderstood or misconstrued as estimates of mineral resources as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”). The potential quantity and grade of the exploration targets are conceptual in nature and there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the determination of a mineral resource.

QUALIFIED PERSON

Mr Darryl Mapleson who is a Fellow of Australasian Institute of Mining and Metallurgy has compiled the information within this report relating to mineralisation and drill results. Mr Mapleson has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity currently being undertaken to qualify as a Competent Person as defined in NI 43-101.

EUREKA GOLD PROJECT

The Eureka Gold Project is located approximately 50km north of Kalgoorlie and includes the Eureka open pit gold mine which is 100% owned by the Company and which is NI43-101 compliant. The Eureka gold mine is currently under care and maintenance. CIO has re-focused its gold strategy and is actively working towards a greater tenement expansion in the Eureka region which will allow for regional and mine site exploration to commence. The Company's current Eureka Gold Project tenement package covers 563 hectares.



On December 5, 2011 CIO announced that it had entered into an agreement for the AUD\$4 million sale of its Eureka Gold Project to Greenstone, details of which are set out above. As at the date of this report the conditions precedent to that agreement have not yet been satisfied and the sale and purchase of the Eureka Gold Project has not been completed.

MINERAL PROPERTIES (all amounts in Australian dollars)

Tenement	Status	Area (km ²)	Grant Date	Expiry Date	Annual Rent	Expenditure
M24/189	Granted	2.18	15/02/1988	14/02/2030	\$3,035.34	\$21,900
M24/584	Granted	1.10	25/10/2000	24/10/2021	\$1,538.46	\$11,100
M24/585	Granted	1.04	25/10/2000	24/10/2021	\$1,455.30	\$10,500
M24/586	Granted	1.30	25/10/2000	24/10/2021	\$1,801.80	\$13,000
E37/882	Granted	141	26/03/2008	25/03/2013	\$8,856.21	\$47,000
E37/1054	Granted	33	1/04/2011	30/03/2016	\$1,332.21	\$20,000
E37/1085	Granted	24	12/08/2011	11/08/2016	\$1,021.50	\$20,000
E37/1086	Granted	3	12/08/2011	11/08/2016	\$273.00	\$10,000
M37/30	Granted	0.1	4/07/1984	3/07/2026	\$159.50	\$10,000
L37/162	Granted	0.1	25/10/2006	24/10/2027	\$99.33	\$0
P37/7026	Granted	0.1	16/05/2007	15/05/2011	\$23.10	\$2,000
E30/414	Granted	93	15/09/2010	14/09/2015	\$3,754.00	\$31,000
E30/415	Granted	93	10/05/2011	9/05/2016	\$3,341.41	\$31,000
P30/1084	Granted	1	24/03/2010	23/03/2014	\$191.73	\$3,320
E30/439	Granted		02/04/2013	01/04/2018		\$52,000
E30/441	Granted		02/04/2013	01/04/2018		\$70,000
E57/818	Granted	120	22/02/2011	21/02/2016	\$4,844.40	\$40,000
E77/1820	Granted	12	20/06/2011	19/06/2016	\$454.00	\$15,000
E77/1737	Granted	42	24/05/2010	23/05/2016	\$1,695.54	\$20,000
E77/1749	Granted	111	11/05/2011	10/05/2016	\$4,481.07	\$37,000
E77/1757	Granted	114	5/04/2011	4/04/2016	\$4,096.40	\$38,000
E77/1758	Granted	39	25/10/2010	24/10/2015	\$1,574.43	\$20,000
E77/1963	Granted	6	03/04/2012	02/04/2017	\$227.00	\$15,000
E77/1987	Granted	6	17/05/2012	16/05/2017	\$233.00	\$15,000
E37/1106	Granted	6	22/06/2012	21/06/2017	\$4,784.70	\$41,000

Barrick JV Tenements

Tenement	Status	Area (ha)	Grant Date	Expiry Date	Annual Rent	Expenditure
M37/421	Granted	381	24/11/1993	23/11/2014	\$6,075.95	\$38,100
M37/552	Granted	200	5/12/2008	4/12/2029	\$3,190.00	\$20,000
M37/631	Granted	776	23/05/2007	22/04/2028	\$12,393.15	\$77,700
M37/632	Granted	595	23/05/2007	22/04/2028	\$9,490.25	\$59,500
M37/709	Granted	98	23/01/2008	22/01/2029	\$1,563.00	\$10,000
M37/1045	Granted	90	25/02/2009	25/02/2030	\$1,436.00	\$10,000
P37/7364	Granted	197	29/01/2008	28/01/2012	\$457.38	\$7,920
P37/7365	Granted	200	29/01/2008	28/01/2012	\$462.00	\$8,000
P37/7366	Granted	113	29/01/2008	28/01/2012	\$261.03	\$4,520
P37/7367	Granted	45	29/01/2008	28/01/2012	\$103.95	\$2,000

CORPORATE UPDATE

SALE OF EUREKA GOLD PROJECT

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EXTENTION OF EXPIRATION DATE OF WARRANTS

On April 25, 2013, CIO announced the extension of the term of 10,000,000 common share purchase warrants that were issued as part of a private placement which was completed on May 13, 2011 ("Warrants"). The Warrants are exercisable for one common share in the capital of the Company, at an exercise price of \$0.30. The Company has submitted an application to the TSX Venture Exchange to have the expiration date of the Warrants extended to May 13, 2015, which application has been granted.

RISKS AND UNCERTAINTIES

The Company is subject to a number of risk factors due to the nature of its business and its present stage of development. The following risk factors should be considered:

General

The Company is an Australian junior mineral exploration and development company listed on the TSX-V and engaged in the exploration and development of mineral properties located in Western Australia. It has not yet determined whether all of its properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for resource assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties. The Company's ability to continue its operations is dependent on its ability to secure additional financing, and while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future. In order to continue developing its mineral properties, management is actively pursuing such additional sources of financing that may be required.

The Company's financial statements and discussion and analysis of the financial condition, changes in financial condition and results of operations of the Company for the year ended June 30, 2012 do not include the adjustments that would be necessary should the Company be unable to continue as a going concern.

The Company's administrative expenditure is related to the level of financing and exploration and development activities that are being conducted, which in turn may depend on the Company's recent exploration and development experience and prospects, as well as the general market conditions relating to the availability of funding for exploration and development-stage resource companies. Consequently, the Company does not acquire properties or conduct exploration and development work on them on a pre-determined basis and as a result there may not be predictable or observable trends in the Company's business activities and comparisons of financial operating results with those of prior years may not be meaningful.

Trends

The Company's financial success is dependent upon the discovery of commercial mineral resources which could be economically viable to develop. The sales value of any mineralization discovered by the Company is largely dependent upon factors beyond the Company's control, such as the market value of the products produced. Other than as disclosed herein, the Company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on the Company's sales or revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

Competitive Conditions

The resource industry is intensively competitive in all of its phases. The Company competes with other mining companies for the acquisition of mineral claims and other mining interests as well as for the recruitment and retention of qualified employees and contractors. The Company competes with many other companies that have substantially greater financial

resources than the Company and its ability to compete is dependent of being able to raise additional funds as and when required.

Environmental Factors and Protection Requirements

The Company currently conducts exploration and development activities in Western Australia. All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which requires stricter standards, enforced by increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. There is no assurance that regulatory and environmental approvals will be obtained on a timely basis, or on terms acceptable to the Company, or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of the Company's operations or to preclude entirely the economic development of a property. Environmental hazards may exist on the properties which are unknown to the Company at present which have been caused by previous or existing owners or operators of the properties. The Company is currently engaged in exploration with minimal environmental impact.

Mineral Exploration and Development

The Company's properties are in the exploration and development stage. Development of the Company's properties will only proceed upon obtaining satisfactory exploration results. Mineral exploration and development involve a high degree of risk and few properties which are explored are ultimately developed into producing mines. There is no assurance that mineral exploration and development activities will result in the discovery of an ore body of commercial minerals on any of the Company's properties. Several years may pass between the discovery of a deposit and its exploitation. Most exploration projects do not result in the discovery of commercially mineralized deposits.

Operating Hazards and Risks

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages and damage to persons or property or the environment and possible legal liability for any and all damage. Fires, power outages, labor disruptions, flooding, explosions, landslides and the inability to obtain suitable or adequate machinery, equipment or labor are some of the risks involved in the operation of mines and the conduct of exploration programs. Although the Company will, when appropriate, secure liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liability and hazards might not be insurable, or the Company might elect not to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition

Economics of Developing Mineral Properties

Substantial expenditures are required to establish reserves through drilling, to develop processes to extract minerals and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis. The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Depending on the price of minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

Commodity Prices

The Company's revenues, if any, are expected to be in large part derived from the mining and sale of minerals or interests related thereto. The price of various minerals have fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control including international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, global or regional consumptive patterns, speculative activities, levels of supply and demand, increased production due to new mine developments and improved mining and production methods, availability and costs of mineral substitutes, mineral stock levels maintained by producers and others and inventory carrying costs. The effect of these factors on the price of various minerals, and therefore the economic viability of the Company's operations cannot accurately be predicted.

Currency Risk

The Company's revenues and expenses are incurred in Australian dollars, though its financings are completed in Canadian dollars. Although the Company has taken certain steps to help mitigate foreign currency fluctuations, there is no assurance that these activities or products are or will continue to be effective. Accordingly, the inability of the Company to obtain or to put in place effective hedges could materially increase its exposure to fluctuations in the value of the Canadian dollar relative to the Australian dollar. This could adversely affect the Company's financial position and operating results.

Title

There is no guarantee that title to properties in which the Company has a material interest will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers, and title may be affected by undetected defects.

Governmental Regulation

Operations, development and exploration on the Company's properties are affected to varying degrees by:

- (i) government regulations relating to such matters as environmental protection, health, safety and labour;
- (ii) mining law reform;
- (iii) restrictions on production, price controls, and tax increases;
- (iv) maintenance of claims;
- (v) tenure; and
- (vi) expropriation of property.

There is no assurance that future changes in such regulations, if any, will not adversely affect the Company's operations. Changes in such regulations could result in additional expenses and capital expenditures, availability of capital, competition, reserve uncertainty, potential conflicts of interest, title risks, dilution, and restrictions and delays in operations, the extent of which cannot be predicted. If any of the Company's projects are advanced to the development stage, those operations will also be subject to various laws and regulations concerning development, production, taxes, labour standards, environmental protection, mine safety and other matters. In addition, new laws or regulations governing operations and activities of mining companies could have a material adverse impact on any project in the mine development stage that the Company may possess.

Management and Directors

The Company is dependent on a relatively small number of directors:

- Richard Homsany - Chairman
- Brett Hodgins - President / CEO
- Anthony Howland-Rose - Director
- David Taylor - Director
- Hugh Pinniger - COO
- Graham Hurwitz - CFO

Conflicts of Interest

Certain officers and directors of the Company are officers and/or directors of, or are associated with, other natural resource companies that acquire interests in mineral properties. Such associations may give rise to conflicts of interest from time to time. The directors are required by law, however, to act honestly and in good faith with a view to the best interests of the Company and its shareholders and to disclose any personal interest which they may have in any material transaction which is proposed to be entered into with the Company and to abstain from voting as a director for the approval of any such transaction.

Limited Operating History: Losses

The Company has experienced losses in previous years of its operations. There can be no assurance that the Company will operate profitably in the future, if at all. As at March 31, 2013 the Company's deficit was \$20,406,238.

Price Fluctuations: Share Price Volatility

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many mineral exploration companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. This has been particularly exacerbated by current global economic conditions. In particular, during the quarter ended March 31, 2013, the closing price of the Company's shares fluctuated from a high of \$0.07 per share to a low of \$0.04 per share. There can be no assurance that continual fluctuations in price will not occur.

Exploration Target

The estimates of exploration target sizes mentioned in this document should not be misunderstood or misconstrued as estimates of mineral resources as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"). The potential quantity and grade of the exploration targets are conceptual in nature and there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the determination of a mineral resource.

Market Conditions

Global Economy

What was until now a two-speed recovery, strong in emerging market and developing economies but weaker in advanced economies, is becoming a three-speed recovery. Emerging market and developing economies are still going strong, but in advanced economies, there appears to be a growing bifurcation between the United States on one hand and the euro area on the other.

This is reflected in forecasts. Growth in emerging market and developing economies is forecast to reach 5.3 percent in 2013 and 5.7 percent in 2014. Growth in the United States is forecast to be 1.9 percent in 2013 and 3.0 percent in 2014. In contrast, growth in the euro area is forecast to be -0.3 percent in 2013 and 1.1 percent in 2014.

The growth figure for the United States for 2013 may not seem very high, and indeed it is insufficient to make a large dent in the still-high unemployment rate. But it will be achieved in the face of a very strong, indeed overly strong, fiscal consolidation of about 1.8 percent of GDP. Underlying private demand is actually strong, spurred in part by the anticipation of low policy rates under the Federal Reserve's "forward guidance" and by pent-up demand for housing and durables.

The forecast for negative growth in the euro area reflects not only weakness in the periphery but also some weakness in the core. Germany's growth is strengthening but is still forecast to be less than 1 percent in 2013. France's growth is forecast to be negative in 2013, reflecting a combination of fiscal consolidation, poor export performance, and low confidence. This may call into question the ability of the core to help the periphery, if and when needed. Most euro area periphery countries, notably Italy and Spain, are expected to have substantial contractions in 2013. The process of internal devaluation is slowly taking place, and most of these countries are slowly becoming more competitive. External demand, however, is just not strong enough to compensate for weak internal demand. Adverse feedback loops between weak banks, weak sovereigns, and low activity are still reinforcing each other.

Japan is forging a path of its own. After many years of deflation, and little or no growth, the new government has announced a new policy, based on aggressive quantitative easing, a positive inflation target, fiscal stimulus, and structural reforms. This policy will boost growth in the short term, and this is reflected in our forecast of 1.6 percent growth for 2013. Given the high level of public debt, however, embarking on a fiscal stimulus in the absence of a medium-term fiscal consolidation plan is risky; it increases the probability that investors will require a risk premium, and that this will lead in turn to debt unsustainability.

In contrast to this mixed picture for the advanced economies, emerging market economies are doing well. In the past, the conditions that prevail today high commodity prices, low interest rates, and large capital inflows would often have led to credit booms and overheating. This time, however, policymakers have generally succeeded in keeping aggregate demand in line with potential. At the same time, potential growth has itself apparently declined in a number of major emerging market economies, relative to precrisis trends. Although circumstances vary across countries, the evidence suggests that some of this decline has its source in policy-induced distortions, and those should be addressed.

(Source: IMF World Economic Outlook, April, 2013, www.imf.org)

Gold Market

Global first quarter demand of 936.0 tonnes was valued at US\$50.5bn. Tonnage was 13% lower year- on-year as strong growth in consumer demand for gold jewellery, bars and coins was exceeded by substantial net outflows from gold EFTs.

Q1 saw a strong resurgence in demand for gold jewellery, bars and coins; however, overall demand was down 13%. Outflows from EFTs accounted for the bulk of this decline; excluding these outflows overall demand grew year-on-year. India and China propelled growth in both jewellery and bar and coin demand once again, with both markets growing by at least 20%. Central bank demand exceeded 100 tonnes (t) for the seventh consecutive quarter, slightly below the exceptional pace of purchases throughout 2012. Technology demand contracted on further losses in bonding wire and continued erosion of dental demand.

At 1,051.6t, there was little change in total gold supply in the first quarter. A modest year on year increase in Q1 mine production was countered by a decline of a similar magnitude in the supply of recycled gold with the net result that total supply grew by 1%.

(Source: World Gold Council, Gold Demand Trends; First Quarter 2013, www.gold.org/investment/research)

Iron Ore Market

“Iron ore spot price during H2 2012 to date breached the \$100/t level CFR China for the first time since 2009. With Chinese steel output flat YoY and seaborne supply up, there is little doubt the price should be trading into the cost curve. However, the knock-on effect from an inefficient Chinese steel sector has driven iron ore to an unsustainably low level, with a whiplash effect from destocking.

Longer-term, the same themes still exist in the iron ore market; execution on supply projects continues to disappoint, more Chinese high-cost ore than expected is required to balance the market, and Chinese domestic material is quick to exit and enter the market when prices dictate. Macquarie Research has pulled down the price outlook to the \$100-130/t range CFR China through 2017.

One thing which has not changed in iron ore is relatively weak supply growth, particularly, compared with market expectations. Macquarie currently foresee a 4% YoY growth in 2012, mainly led by Australia, which has outperformed relative to expectations as operational efficiency has brought rewards.

Iron ore prices dropped so suddenly in August due to the behaviour of the larger and mid-sized steel mills in China. Larger mills usually keep relatively stable levels of iron ore inventory but, driven by a collapse in profitability, they are currently cutting steel production and inventory levels. Essentially, this can be thought of as a working capital shift – too much cash is being tied up in funding finished goods inventory, leaving less available for raw materials. Destocking reduced China’s apparent iron ore demand by ~200mtpa in August. Such rates of destocking are unsustainable, and changes in this behaviour are even more important than any change in steel output.

Yet again, the market is looking to Chinese domestic ore to balance the books. By all accounts, significant volumes are now coming out the market, with overall mine utilisation rates falling to ~50% and consumption at small mills down ~35% since mid-year.”

(Source: Macquarie Research, “Commodities Compendium”, September 18, 2012).

SELECTED FINANCIAL INFORMATION

The following table sets forth selected financial information of the Company for, and as at the end of, each of the last three financial years of the Company up to and including June 30, 2012. This financial information is derived from the financial statements of the Company. The Company prepares financial information according to Canadian GAAP and all information is reported in Australian dollars.

	2012		2011		2010
Income from continuing operations	263,599		60,512		(259,453)
Net loss for the year	(1,287,447)		(1,282,440)		(2,039,258)
Net loss per share	(0.02)		(0.03)		(0.13)
Total Assets	5,249,874		6,712,624		3,819,446
Total Long-term financial liabilities	0		0		0

RESULTS OF OPERATIONS AND FINANCIAL CONDITION

(all amounts in Australian dollars)

The Company has not recognized any revenue or incurred any loss from discontinued operations or extraordinary items since becoming a reporting issuer.

During the last three (3) financial years, the Company has consistently reported net losses. The most significant factor affecting losses during the last three financial years is continuing administrative expenses, which includes consulting, professional fees, salaries, management fees, office and miscellaneous expenses. Other factors affecting losses include amortization and exploration and development costs.

Income is predominantly derived from interest income. Interest income is dependent upon interest rates and the amount of financing raised each year by the Company (if any). Interest rates will vary due to market conditions and the Company has no control over the fluctuation of rates.

No cash dividends have been declared or paid since the date of incorporation and the Company has no present intention of paying dividends on its common shares. The Company anticipates that all available funds will be invested to finance the growth of its business.

Exploration and Development Expenses

For the quarter ended March 31, 2013 the Company spent \$101,930 on exploration and development activities. This compares with \$50,469 for the corresponding quarter ended March 31, 2012. These costs have increased compared to the previous financial year owing to field work.

Expensed and capitalized exploration and development costs, on a property by property basis are as follows:

Australian \$	March 2013	March 2012	March 2011
Expenses			
British King Project	4,537	26,372	107,880
Eureka Gold Project	0	0	5,487
Tanzania	0	0	36,199
Yilgarn Iron Ore Project	0	7,057	9,997
Capitalized expenses			
British King Project	83,584	13,807	0
Eureka Gold Project	9,059	3,233	0
Yilgarn Iron Ore Project	4,751	0	0

Administrative Expenses

For the quarter ended March 31, 2013 the Company incurred administrative expenses of \$125,449 compared to \$438,592 for the quarter ended March 31, 2012, representing a decrease of 71%.

Income

Income is normally comprised of interest income For the quarter March 31, 2013 the Company earned income of \$2,545, compared to income of \$48,477 for the quarter ended March 31, 2012. Interest income is dependent upon interest rates and the amount of financing raised each year by the Company (if any). Interest rates vary due to factors such as market conditions and the Company has no control over the fluctuation of rates

Income Taxes

No provision has been made for income tax liability for the quarters ended March 31, 2013 and March 31, 2012.

Net Losses

The net loss for the quarter ended March 31, 2013 was \$127,441 compared with the net loss for the corresponding quarter ended March 31, 2012 of \$423,544.

Change in Financial Position

At March 31, 2013 the Company had total assets of \$4,562,113 compared to \$5,599,746 at March 31, 2012. Net assets decreased owing mainly to the use of cash. The Company had a cash balance of \$319,963 at March 31, 2013 compared to a cash balance of \$2,062,917 at March 31, 2012.

At March 31, 2013 the Company had a net working capital surplus of \$175,101 compared with a net working capital surplus of \$2,005,497 at March 31, 2012. The decrease in the Company's net working capital surplus results from exploration development costs and administration expenditure.

SUMMARY OF QUARTERLY INFORMATION (all amounts in Australian dollars)

The following table sets out a comparison of revenues and earnings for the previous eight (8) quarters to March 31, 2013. This financial information is derived from the financial statements of the Company. The Company prepares financial information according to Canadian GAAP and all information is reported in Australian dollars.

Australian \$	Quarter to Mar 31, 2013	Quarter to Dec 31, 2012	Quarter to Sept 30, 2012	Quarter to June 30, 2012	Quarter to March 31, 2011	Quarter to Dec 31, 2011	Quarter to Sept 30, 2011	Quarter to June 30, 2011
Income from continuing operations	2,545	2,545	37,194	11,601	48,477	161,274	42,247	12,603
Net profit/loss for the period	(127,441)	(127,441)	(295,688)	(387,616)	(423,523)	(296,752)	(179,556)	(482,443)
Net profit/loss per basic and diluted share	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)	(0.00)	(0.01)

The Company has not recognized any revenue or incurred any loss from discontinued operations or extraordinary items since becoming a reporting issuer.

During the eight quarters, the Company has consistently reported net losses. The most significant factor affecting quarterly losses during the last 8 quarters is continuing administrative expenses, which includes amortization, consulting fees, interest, professional fees, listing and filing fees, expenses office and miscellaneous, property investigation costs, salaries and management fees and travel and accommodation costs.

Income is derived from interest, income, rental and a non-refundable deposit on the entry into a sale and purchase agreement for the Eureka Gold Project. Interest income is dependent upon interest rates and the amount of financing raised each year by the Company (if any). Interest rates vary due to factors such as market conditions and the Company has no control over the fluctuation of rates.

No cash dividends have been declared or paid since the date of incorporation and the Company has no present intention of paying dividends on its common shares. The Company anticipates that all available funds will be invested to finance the growth of its business.

LIQUIDITY AND CAPITAL RESOURCES

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. For other Commitments see Note 15 to the Interim Financial Statements for March 31, 2013. 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.

As at March 31, 2013 the Company had a net working capital surplus of \$175,101.

The Company will meet its future cash commitments through further capital raisings as and when required.

COMMITMENTS

Certain future exploration activities are required to be undertaken by the Company in order to ensure it meets the minimum annual expenditure requirements for its mining tenements, as imposed by the Western Australian Department of Mines and Petroleum.

For details of the Company's Exploration and Other Commitments see Note 15 to the Interim Financial Statements for March 31, 2013.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not engaged in any off-balance sheet arrangements such as obligations under guarantee contracts, a retained or contingent interest in assets transferred to an unconsolidated entity, any obligation under derivative instruments or any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company or engages in leasing, hedging or research and development services with the Company.

ACCOUNTING POLICIES

Accounting policies are listed in Note 3 to the Financial Statements for June 30, 2012.

RELATED PARTY TRANSACTIONS

The Company entered into transactions with related parties, details of which are set out below:

- 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 Central Iron Ore Limited. For the nine months ended March 31, 2013 these were valued at \$216,705 (March 31, 2012: \$75,668).

- c) The Company's Chief Financial Officer, 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).

Included in the Company's accounts payable is an amount of \$5,775 (June 30, 2012–\$9,349, July 01, 2011 - \$40,007) due to directors and former directors of the Company.

These transactions were in the normal course of operations and, in management's opinion, were undertaken with the same terms and conditions as transactions with unrelated parties.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's size and number of staff impact its internal controls. Due to the limited number of staff it is not possible to achieve complete segregation of duties. Similarly the Company must engage accounting assistance with respect to complex, non-routine accounting issues, Canadian GAAP matters, tax compliance and reporting for its international operations.

Notwithstanding these weaknesses, the Company's internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements and that information is timely and accurately disclosed consistent with Canadian securities laws and regulations.

Although the identified weaknesses may be considered to increase the risk that a material misstatement in the Company's financial statements would not be prevented or detected, neither has resulted in a material misstatement in the financial statements.

The Company's Chief Executive Officer and Chief Financial Officer oversee all material transactions and related accounting records. The audit committee of the Company, along with management, reviews the financial statements of the Company on a quarterly basis.

While management and the board of directors of the Company work to mitigate the risk of a material misstatement in the Company's financing reporting, the Company's

control system, no matter how well designed or implemented, can only provide reasonable, but not absolute, assurance of detecting, preventing and deterring errors and fraud.

FINANCIAL INSTRUMENTS

Fair value estimates of financial instruments are made at a specific point of time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matter of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of cash, receivables, and accounts payable and accrued liabilities and amounts due to related parties approximate their fair market value because of the short-term nature of these instruments.

FIRST TIME ADOPTION OF IFRS

As stated in Note 2, the consolidated financial statements of the Company at June 30, 2012 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 that 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. There were no quantitative differences between the methods and the Company did not recognize stock-based compensation charges on the statement of operations upon transition on July 1, 2010.

(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.

Outstanding Share Data As Of May 30, 2013:

Authorized and issued share capital:

Class	Par Value	Authorised Common Shares (No par value)	Issued
Common	No par value	Unlimited	72,710,741

As at May 30, 2013, there were nil stock options and 20,000,000 warrants outstanding.

QUALIFIED PERSON'S STATEMENT

Technical aspects of this MD&A were prepared and verified by Mr Andrew Spinks, B.App.Sc, Grad.Dip (Mining), who is a member of AusIMM, and a consultant geologist. He is a Qualified Person as defined in National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") and is the technical person responsible for this MD&A. The qualified person has verified the data disclosed in this MD&A.

OTHER INFORMATION

The Company's website address is www.centralironorelimited.com. Other information relating to the Company may be found on SEDAR at www.sedar.com.

BY ORDER OF THE BOARD

"Brett James Hodgins"

Brett James Hodgins, Director
President and CEO

"Richard Homsany"

Richard Homsany, Director
Chairman