

Central Iron Ore Limited
ACN 072 871 133
Annual Report
For The Year Ended 30 June 2013

Central Iron Ore Limited ACN 072 871 133

Annual Report - Year ended 30 June 2013

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Central Iron Ore Limited

Corporate Directory

30 June 2013

Stock Exchange Listing

Central Iron Ore Limited (“CIO” or “the Company”) is a public company whose shares are quoted in the Official List of the TSX-V (Toronto Stock Exchange – Venture Exchange). The Company was incorporated in Victoria and is domiciled in Australia.

Directors

Richard Homsany - Chairman
Brett Hodgins
Anthony Howland-Rose
David Taylor (resigned 25 October 2013)

Secretary

Katherine Garvey

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Central Iron Ore Limited

Directors' Report 30 June 2013

Your directors present their report on the Company for the year ended 30 June 2013.

Directors

Brett Hodgins, Richard Homsany, Anthony Howland-Rose and David Taylor were directors of CIO (“**Directors**”) during the whole of the financial year. David Taylor resigned as a director on 25 October 2013.

Directors' Skills, Experience and Expertise

Mr Richard Homsany was appointed to the board of Directors (“**Board**”) on 27 October 2010.
Chairman

Mr Homsany is an experienced corporate lawyer with significant experience in the resources sector. Mr Homsany has extensive experience in corporate law, including advising public resources and energy companies on corporate governance, finance, capital raisings, takeovers, mergers, acquisitions, joint ventures and divestments. Mr Homsany also has significant board experience with publicly listed resource companies including as chairman. He has also worked for an ASX top 50-listed internationally diversified resources company in operations (including at Robe River Iron Ore), risk management and corporate matters.

Mr Homsany is also a Certified Practising Accountant and is a fellow of the Financial Services Institute of Australasia (FINSIA). He has a Commerce Degree and Honours Degree in Law from the University of Western Australia and a Graduate Diploma in Finance and Investment from Financial Service Institute of Australasia.

Mr Brett Hodgins was appointed to the Board on 27 October 2010.
President and Chief Executive Officer

Mr Hodgins has over 15 years of professional experience in the resources sector primarily focused on iron ore mining operations. He began his career as a geologist with Robe River Mining and Rio Tinto Iron Ore. During that time he was involved with the commissioning and development of the West Angelas and Hope Downs operations. Mr Hodgins' recent experience includes General Manager Project Development for Iron Ore Holdings. He brings a wide range of experience in operations and feasibility studies and has a broad knowledge of the iron ore sector.

Mr Hodgins has completed a Science Degree with Honours in Geology from Newcastle University and a Graduate Diploma in Finance and Investment from Financial Services Institute of Australasia.

Central Iron Ore Limited

Directors' Report 30 June 2013

Directors' Skills, Experience and Expertise (Continued)

Mr Anthony Howland-Rose was appointed to the Board on 3 June 2011.
Non-Executive Director

Mr Howland-Rose has 50 years' of experience in exploration, discovery, development and corporate activity worldwide in the junior exploration sector. From 1962 to 1965 he served as Exploration Geophysicist with the Commonwealth Bureau of Mineral Resources (now Geoscience Australia). From 1966 to 1993 he was with the worldwide geophysical consulting, contracting and instrument manufacturing company, Scintrex Limited based in Toronto, Canada. He served as Vice-President and a Director from 1985. He has been involved in a dozen mineral discoveries which included Poseidon's Mt Windarra in 1967, the most recent of which was the Avebury Nickel Project for which he was co-recipient of the Association of Mining & Exploration Companies (AMEC) Prospector of the Year Award in 2007. For the years 1996 to 2008, Tony as a Director and Chairman of Allegiance Mining NL, together with David Deitz, presided over the discovery, drill out, financing and building of the \$180 million Avebury Mine and processing facility. Allegiance Mining NL was acquired by a hostile takeover by Zinifex Limited in 2008 for approximately \$860 million.

He holds a Bachelor of Science Honours Degree in Geology from the Queens University of Belfast, Ireland (1962); Master of Science in Applied Geophysics from London University (1966) and a Diploma of Imperial College (London) in Geophysics (1966). Tony is presently the Executive Chairman of Gullewa Limited and Chairman of Allegiance Coal Limited.

Mr David Taylor was appointed to the Board on 6 February 2009 and resigned on 25 October 2013.
Non-Executive Director

Mr Taylor has a joint degree in business and economics and has over 15 years' experience of in financial services, with careers in Asia, USA and Canada. He began his career in executive search, serving clients such as Goldman Sachs and Morgan Stanley. He was later recruited by a FTSE 100 global media concern in a career that began with software sales to financial institutions and culminated with the successful rollout of a venture capital deal database.

He was later the sales manager at a boutique provider of an alternative asset management software program for institutions. In addition to his role with CIO, he consults to several other TSX listed companies.

Central Iron Ore Limited

Directors' Report 30 June 2013

Directorships of other Listed Companies

Directorships of other listed companies held by Directors in the last 3 years immediately before the end of the financial year are as follows:

<u>Directors</u>	<u>Company</u>	<u>Period of Directorship</u>
Richard Homsany	Merah Resources Limited	2010 - present
	Redstone Resources Limited	2007 – present
Anthony Howland-Rose	Gullewa Limited	2010 - present
	Allegiance Coal Limited	2012 – present

Company Secretary

Ms Katherine Garvey was appointed Company Secretary on 20 December 2011. Ms Garvey is an experienced corporate lawyer with a focus on the Energy & Resources sector, including advising public companies on capital raisings, mergers and acquisitions, corporate matters, sale and purchase agreements, company secretarial, farm ins and joint ventures.

Principal Activities

CIO is an Australian public company listed in Canada (TSX-V) which is currently focused on the exploration and development of iron ore and gold projects located in Western Australia.

Iron Ore Projects

The Company has a total of 16 iron ore tenements covering 1,594km² that are located within the Yilgarn Iron Ore Province (“Yilgarn IOP”) in Western Australia, of which 13 tenements are granted and 3 tenements are pending applications. The Yilgarn IOP is increasingly being recognised as an attractive location for the development of iron ore, given its proximity to rail and access to ports.

Gold Projects

South Darlot Gold Project is approximately 320km northwest of Kalgoorlie and includes the British King gold mine which is 100% owned by the Company and is NI43-101 compliant. CIO has re-focused the gold strategy and is actively working towards a greater tenement expansion in the South Darlot region which will allow for regional and mine site exploration activity.

The Eureka Gold Project is approximately 50km north of Kalgoorlie and includes the Eureka open pit gold mine which is 100% owned by the Company and is NI43-101 compliant. The key focus of activity was mine site exploration and development opportunities. The Company is currently in negotiations to sell the Eureka Gold Project for up to AUD \$2.15 million.

Dividends

No dividends were paid or recommended for payment during the financial year.

Central Iron Ore Limited

Directors' Report 30 June 2013

Review of Operations and State of Affairs

Report on Operating Results

The consolidated loss of the Group for the year ended 30 June 2013 amounted to \$1,458,134 after income tax. This represents a 13% increase on the loss of \$1,287,447 reported for the year ended 30 June 2012.

Report on Statement of Financial Position

During the year ended 30 June 2013, the Company's net assets decreased from \$5,100,542 to \$3,642,408.

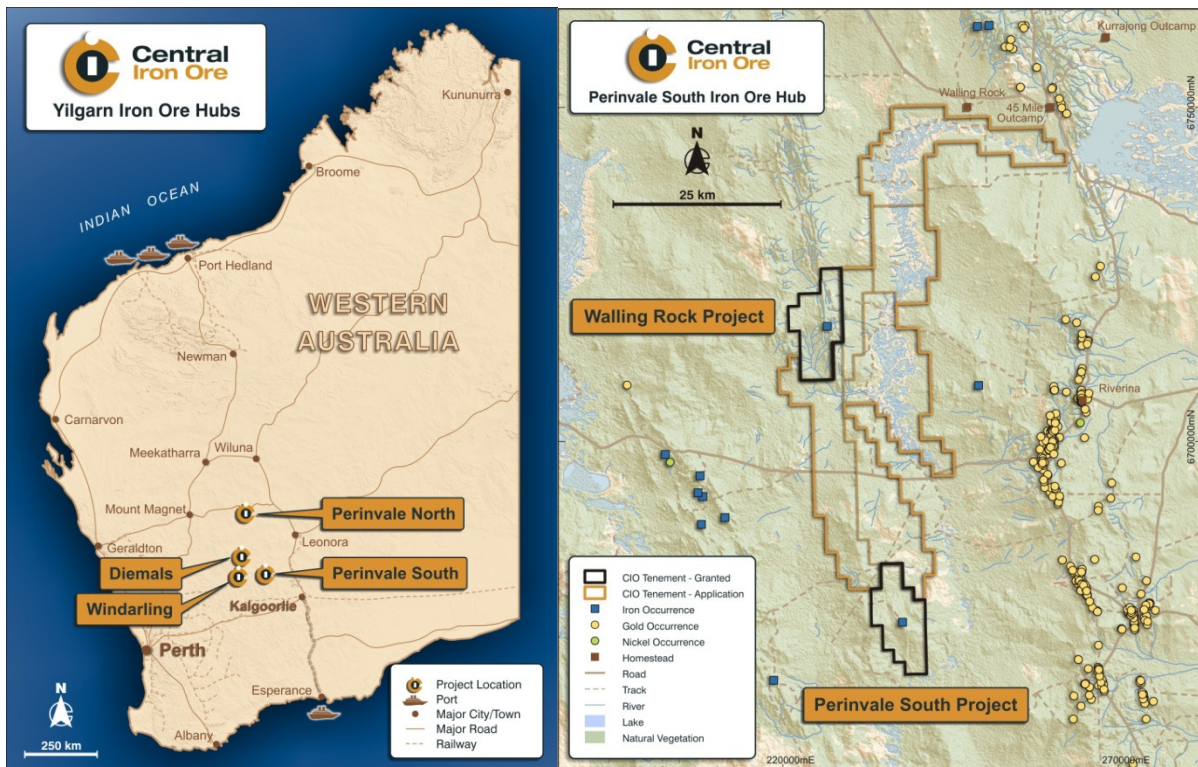
Report on Operations

During the year ended 30 June 2013 the Company:

- (i) Continued its iron ore exploration strategy and;
- (ii) Continued its gold exploration strategy.

YILGARN IRON ORE PROJECT (IOP)

The Company continued its strategy into iron ore via applying for further tenements in the Yilgarn IOP in Western Australia during the year. The applications have been made through the Company's 100% owned subsidiary Central West Resources Pty Ltd. The Company now has a total of 16 iron ore tenements covering 1,594km² that are located within the Yilgarn IOP, of which 13 tenements are granted and 3 tenements are pending applications. The Yilgarn IOP is considered highly prospective, 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, given its proximity to rail and access to ports.



Central Iron Ore Limited

Directors' Report 30 June 2013

Review of Operations and State of Affairs (Continued...)

Report on Operations

The Yilgarn IOP tenements have been divided into four logical infrastructure hubs:

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

Report on Operations

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	Granted	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
Diemals	Diemals North	E77/1749	Granted	111
Diemals	Far East	E77/1757	Granted	114
Diemals	Johnson North	E77/1758	Granted	39

PERNIVALE SOUTH IRON ORE HUB

Two HQ3 core holes were drilled at Walling Rock in August, 2012. The first hole, WRD001, was stepped off a short distance west from surface outcrop of banded iron formation sand drilled vertically to intersect the formations at a shallow depth. WRD002 was drilled in the direction of dip, and intersected the banded iron formation at low angle, below the base of oxidation. The purpose of drilling was to provide the Company with samples for initial metallurgical test-work for this project. The test-work is aimed at prioritising the various options for upgrading the magnetite ore by a combination of magnetic separation and screening

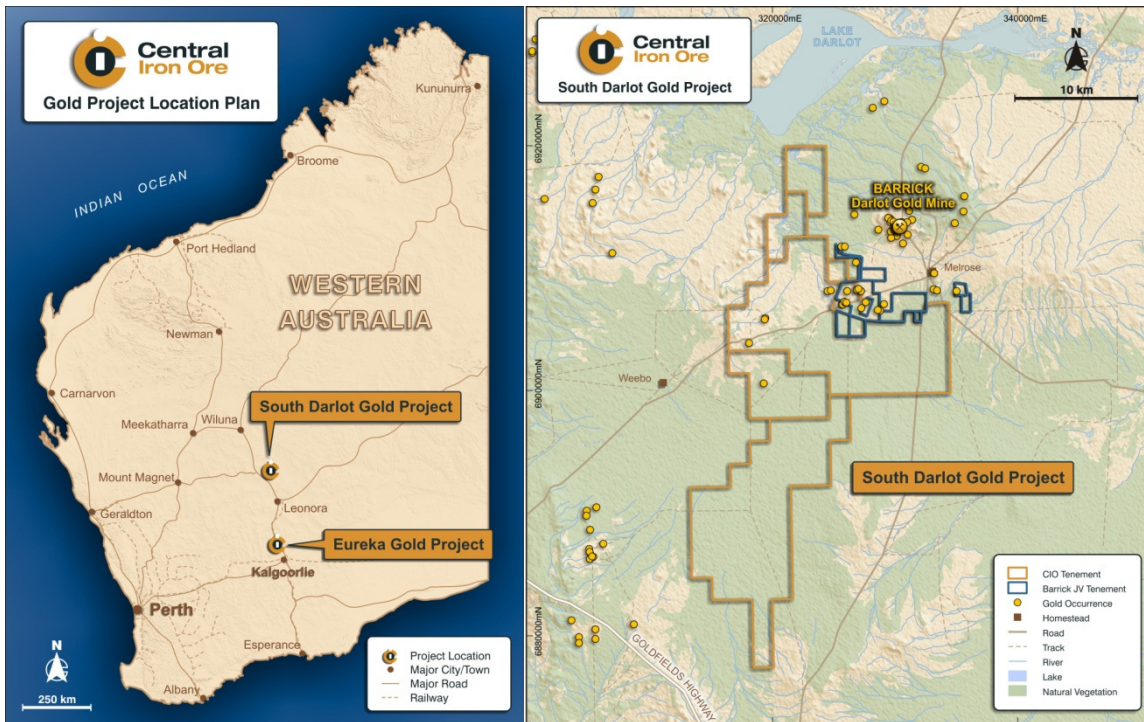
HoleId	East_MGA_Z51	North_MGA_Z51	RL_AHD	Depth	Mag_Azimuth	Inclination
WRD001	227445	6716290	480	103.3	360	-90
WRD002	227405	6716278	475	277	260	-50

Central Iron Ore Limited

Directors' Report 30 June 2013

Report on Operations SOUTH DARLOT GOLD PROJECT

The South Darlot Gold Project area is approximately 320km northwest of Kalgoorlie and includes the British King Mine, which is 100% owned by the Company and is NI43-101 compliant. The British King Mine is 5km west of Barrick Gold Corporation's Darlot Mine. The British King Mine is currently under care and maintenance.



The Company has re-focused its gold strategy and is actively working towards a greater tenement expansion in the South Darlot region which will allow for regional and mine site exploration to commence. The Company's current South Darlot Gold Project tenement package covers 324km².

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

Central Iron Ore Limited

Directors' Report 30 June 2013

Review of Operations and State of Affairs (Continued)

Barrick JV Project

The Barrick Joint Venture Project is an agreement (“Barrick Agreement”) between CIO (through a 100% CIO owned subsidiary, South Darlot Mines Pty Ltd) and Barrick (Plutonic) Limited and Barrick (Darlot) NL (together “Barrick”) to joint venture by way of earn-in into Barrick’s Southern Darlot Gold Project area (“Barrick Joint Venture”).

Barrick’s Darlot gold mine is an underground operation located on the Yandal Greenstone Belt, approximately 680km northeast of Perth, Western Australia. Ore is treated by conventional carbon-in-leach at the on-site mill. Proven and probable mineral reserves as of 31 December 2009 were estimated at 444,000 ounces of gold.

The Barrick Joint Venture tenements are situated south west of Barrick’s Darlot gold mine and are contiguous with CIO’s current holdings in the area, which include the British King gold mine which is 100% owned by the Company and is NI43-101 compliant. CIO’s current South Darlot regional tenement package comprises some 336 km² of highly prospective country under tenure. The tenements covered by the Barrick Joint Venture 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

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.

The company has currently spent to date is in excess of AUD\$675,000. A formal joint venture agreement is in the process of being drafted between Barrick and CIO but has not yet been finalised.

In addition to substantially increasing its effective contiguous tenement interests within its South Darlot Gold Project Area (“SDGPA”), the Barrick Agreement gives CIO access to Barrick’s extensive project data base and knowledge over the area of the Barrick Joint Venture tenements. It consolidates and gives the Company access to a number of known anomalies within the area of the Barrick Joint Venture tenements. CIO is hopeful it can and will advance these to the point they might be exploited to the benefit of the Barrick Joint Venture parties.

Central Iron Ore Limited

Directors' Report

30 June 2013

Review of Operations and State of Affairs (Continued)

On 8 November 2012 CIO announced that significant gold intercepts have been revealed through the Company's recent drilling program at its South Darlot Gold Project. The results from the first 14 holes, which included gold grades of up to 159 grams per tonne (g/t) support historical and earlier work conducted on the project area. The recent drilling program focused on the first 2 of the 31 gold targets identified within the South Darlot Gold Project Area (being 24 targets located on tenements that are the subject of the Barrick JV and 7 targets on 100% CIO owned tenements). Barrick is currently considering selling the tenement attached to the joint venture.

Endeavour Prospect

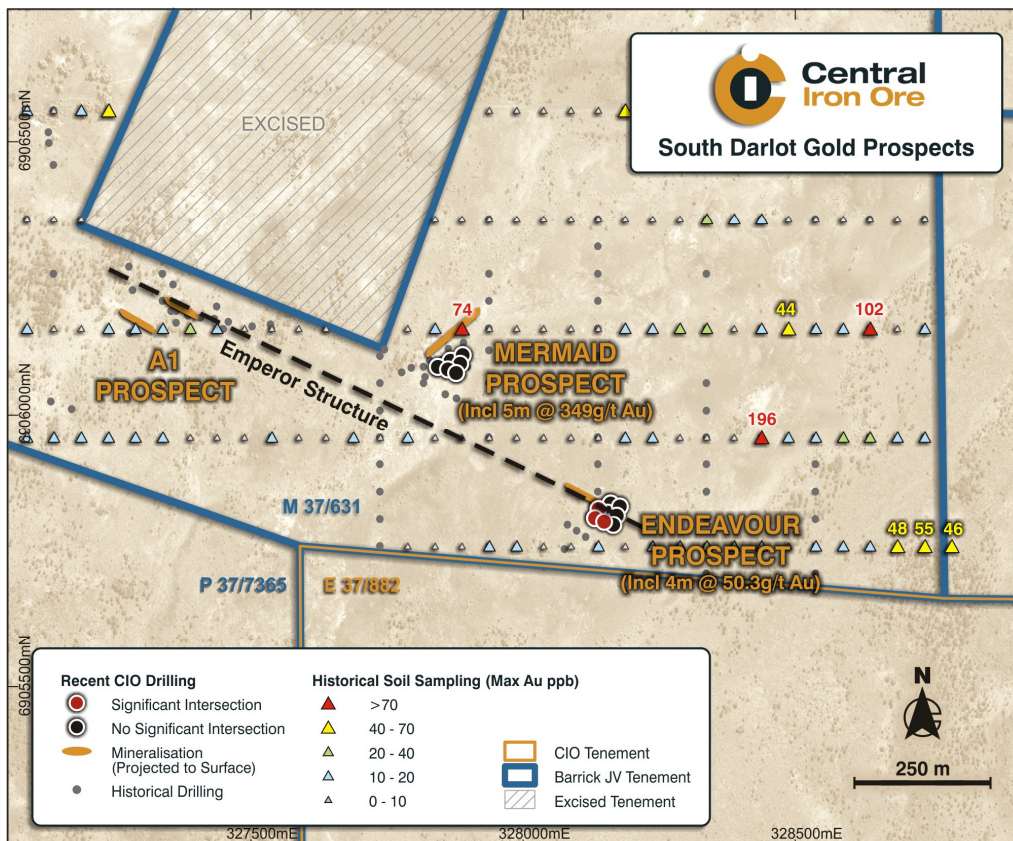
The drilling at the Endeavour Prospect included 5 holes for resource definition, 2 holes for metallurgical test work and 1 diamond tail 1 hole for geotechnical test work. A total of 554 metres were drilled at the Endeavour Prospect as part of this program. The highlights of the drill results include:

- 4m at 50.3 g/t Au including 1m at 158 g/t Au from 43m.
- 7m at 27.1g/t Au including 1m at 159 g/t Au from 46m.
- 4m at 23.2 g/t Au including 1m at 81.8 g/t Au from 28m.

The drill results confirm and extend the results from historical drilling while recent surface sampling and mapping infer further extensions. The significant historical results for the Endeavour Prospect were:

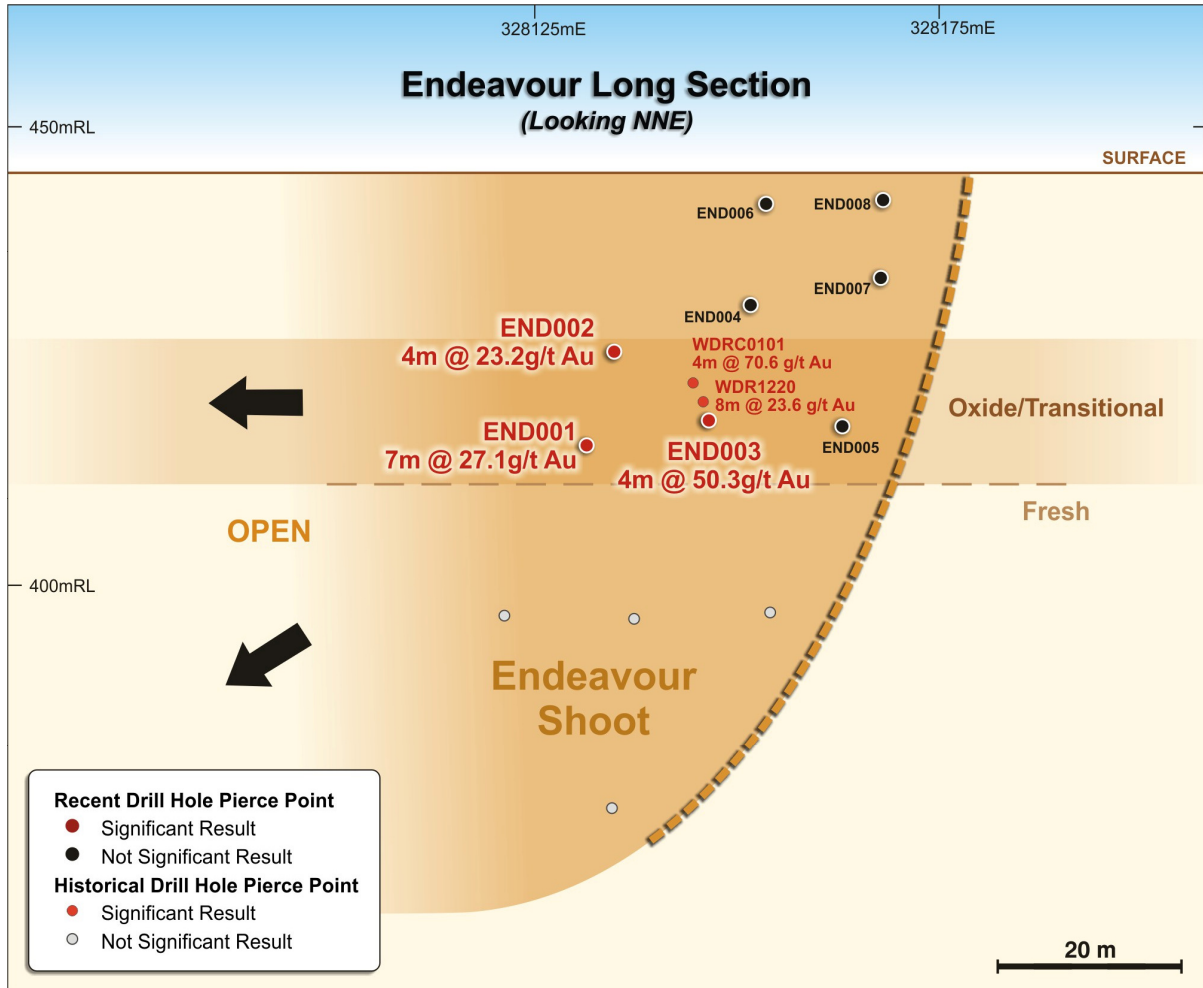
- 4m at 70.6 g/t Au from 36m.
- 8m at 23.6g/t Au from 34m.

The widths described are drill intersection lengths and the true widths have not been estimated. The true widths will be estimated as part of the exploration target process.



Geotechnical Data

Diamond drilling at the Endeavour Prospect (END005) totalled 51.6m (40m precollar) and intercepted the gold-hosting shear at 42m. Geotechnical rock mass measurements have been attained from the drill core. In addition 148 orientated discontinuity measurements were collected. Excellent drill core preservation will ensure functional reuse of the drill core as the Endeavour Prospect progresses.



Emperor Structure (2.5km strike length)

The recent drilling also confirmed a west-north-west (WNW) trending shear zone named the Emperor Structure. It has been interpreted from a linear trend of historical gold workings, gold occurrences within drill holes, as well as observations from the diamond drill core and RC chips of the recent drilling at the Endeavour Prospect. Interpretations generated from aeromagnetic and gravity geophysics supports the view that the structure extends further to the WNW ultimately causing a >100m displacement of stratigraphy. This gives the structure a 2.5km strike length, a direct association with gold endowment, and a favourable geological setting to host significant gold accumulation. Currently, vein-hosted gold mineralisation has been modelled at the A1 Prospect and the Endeavour Prospect. Potential exists to explore for extensions of this structure to the ESE as well as across strike.

Central Iron Ore Limited

Directors' Report

30 June 2013

Review of Operations and State of Affairs (Continued)

A1 Prospect Historical Results

The significant historical results for the A1 Prospect were:

- 1m at 19.2 g/t Au from 22m.
- 2m at 4.3g/t Au from 37m.

The Company envisages that an exploration target will be completed for the Endeavour prospect in the next few weeks.

Mermaid Prospect

The drilling at the Mermaid Prospect included 3 reverse circulation drill holes for resource definition, 2 holes for metallurgical test work and 1 diamond tail for geotechnical test work. A total of 463 metres will drilled at the Mermaid Prospect as part of this program. The highlight drill results include:

- 3m at 1.8g/t Au including 1m at 3.8 g/t Au from 66m.
- 1m at 1.2 g/t Au from 57m.
- 1m at 1.6 g/t Au from 51m.
- 1m at 1.6 g/t Au from 56m.
- 1.35m at 1.9 g/t Au from 86.15m.

The drill results confirm the structure identified from historical drilling and recent surface sampling and mapping. The significant historical results for the Mermaid Prospect were:

- 5m at 348.9 g/t Au including 1m at 1510g/t Au from 79m.
- 3m at 13.0g/t Au from 11m.
- 4m at 13.0g/t Au from 7.9m.

The widths described are drill intersection lengths and the true widths have not been estimated. The true widths will be estimated as part of the exploration target process.

Geotechnical Data

Diamond drilling at the Mermaid Prospect (MER004) totalled 42.4m (59.9m precollar) and intercepted the gold mineralised quartz vein at 85.8m. Geotechnical rock mass measurements have been attained from the drill core. In addition 99 orientated discontinuity measurements were collected. Excellent drill core preservation will ensure functional reuse of the drill core as the Mermaid Prospect progresses.

Mermaid Structure

The recent drilling confirmed the geometry and orientation of a vein-hosted gold structure at the Mermaid Prospect. It has been interpreted that this structure has very high gold intercepts that are not consistent throughout the structure (this feature is commonly known as the "nugget effect"). Future exploration is required to quantify this effect and exploration will continue to the west, to focus on the interpreted intersection of the Mermaid structure and the Emperor shear zone.

Central Iron Ore Limited

Directors' Report 30 June 2013

Review of Operations and State of Affairs (Continued)

Quality Control and Analytical Procedures

The Company has a rigorous QA/QC program in place to ensure best practices in sampling and analysis of drill samples. Commercial standards, blanks and duplicates were inserted in every batch of samples submitted for analysis in accordance with industry practice. Gold analysis was carried out by ASL in Kalgoorlie Western Australia, with a 30 g charge by Fire Assay with Atomic Absorption finish method. ALS are certified and registered in each region with global application of standard procedures and audits to maintain standard practice throughout the laboratory network.

Summary of Drill Results

Prospect	Hole Id	Easting	Northing	AHD (RL)	From	To	Width (m)	Grade (g/t Au)
Endeavour	END0001	6905811	328131	446.2	46	53	7	27.1
including					46	47	1	159.0
Endeavour	END0002	6905825	328136	446.2	28	32	4	23.2
including					29	30	1	81.8
Endeavour	END0003	6905804	328145	446.3	43	47	4	50.2
including					44	45	4	158.0
Endeavour	END0004	6905822	328153	446.3				
Endeavour	END0005	6905795	328163	446.3				
Endeavour	END0006	6905837	328157	446.3				
Endeavour	END0007	6905816	328169	446.3				
Endeavour	END0008	6905831	328173	446.3				
Endeavour	WDRC0101	328138	6905812	450	36	40	3	70.6
Endeavour	WDR1220	328138	6905807	450	34	42	8	23.6
Mermaid	MER0001	6906086	327839	445.5	57	58	1	1.2
Mermaid	MER0002	6906082	327860	445.5	66	69	3	1.8
including					68	69	1	3.8
Mermaid	MER0003	6906098	327865	445.5	51	52	1	1.6
and					56	57	1	1.6
Mermaid	MER0004	6906072	327875	445.6	86.15	87.5	1.35	1.9
and					88.5	89	.5	1.9
Mermaid	MER0005	6906094	327882	445.5				
Mermaid	MER0006	6906110	327886	445.6				
<i>Mermaid</i>	<i>WDRC0099</i>	<i>327858</i>	<i>6906077</i>	<i>450</i>	<i>79</i>	<i>84</i>	<i>5</i>	<i>348.9</i>
<i>including</i>							<i>1</i>	<i>1,510</i>
<i>Mermaid</i>	<i>PDERB0002</i>	<i>327867</i>	<i>6906120</i>	<i>450</i>	<i>11</i>	<i>14</i>	<i>3</i>	<i>13.0</i>
<i>Mermaid</i>	<i>WDRC0111</i>	<i>327829</i>	<i>6906100</i>	<i>450</i>	<i>31</i>	<i>35</i>	<i>4</i>	<i>7.9</i>
<i>AI</i>	<i>BRC0093</i>	<i>327363</i>	<i>6906189</i>	<i>450</i>	<i>22</i>	<i>23</i>	<i>1</i>	<i>19.2</i>
<i>AI</i>	<i>WDRC0033</i>	<i>327363</i>	<i>6906167</i>	<i>450</i>	<i>37</i>	<i>39</i>	<i>2</i>	<i>4.3</i>

Italics indicates historical results

The widths described are drill intersection lengths

Central Iron Ore Limited

Directors' Report

30 June 2013

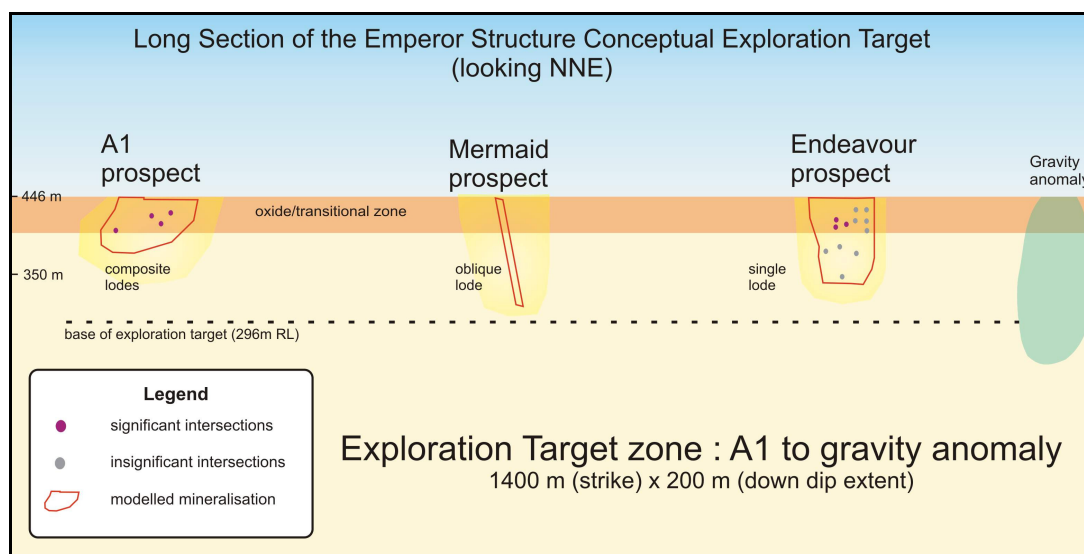
Review of Operations and State of Affairs (Continued)

Emperor Structure Exploration Target

On 22 January 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 from historical gold workings, gold occurrences within historical drill holes, aeromagnetic and gravity geophysics as well as 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 structure is 1,400m.
- The geometry of the Structure remains constant over their 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%.
- It 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 announcement 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 National Instrument 43-101 - Standards of Disclosure for Mineral Projects (“NI 43-101”).

Central Iron Ore Limited

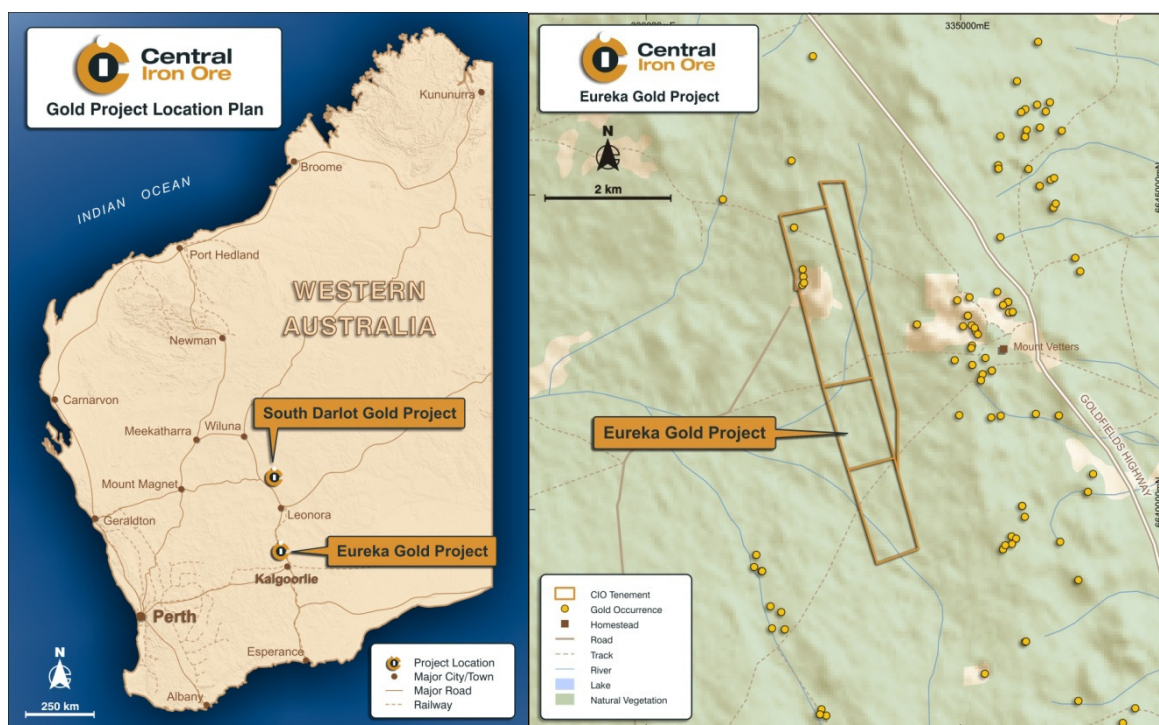
Directors' Report
30 June 2013

Review of Operations and State of Affairs (Continued)

EUREKA GOLD PROJECT

The Eureka gold project is approximately 50km north of Kalgoorlie and includes the Eureka open pit gold mine which is 100% owned by the Company and is NI43-101 compliant. The Eureka gold mine is currently under care and maintenance. The Company's tenement package comprising the Eureka gold project covers 563 hectares.

Project	Tenement	Status	Area (ha)
Eureka Gold	M24/189	Granted	218.15
Eureka Gold	M24/584	Granted	110.5
Eureka Gold	M24/585	Granted	104.5
Eureka Gold	M24/586	Granted	130



Eureka Sale

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 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.

CIO's current negotiations for the sale of its Eureka Gold Project is up to AUD\$2.15m with initial cash payment of \$250,000.

Central Iron Ore Limited

Directors' Report 30 June 2013

Review of Operations and State of Affairs (Continued)

Matters subsequent to the end of the financial year and likely future developments

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.

Environmental Regulations

The Company currently conducts exploration and development activities in 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 and enforcement, 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 at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of 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.

Shares under option

There are no unissued ordinary shares of the Company under option at the date of this report.

No option holder has any right under the options to participate in any other share issue of the Company or of any entity.

Central Iron Ore Limited

Directors' Report 30 June 2013

Shares under warrant

Unissued ordinary shares of the Company under warrant at the date of this report are as follows:

Date Warrant Granted	Expiry Date	Issue Price of Shares (CAD)	Number Under Warrant
28/10/2010	27/10/2013	\$0.10	5,000,000
27/01/2011	26/01/2014	\$0.10	5,000,000
27/05/2011	26/05/2015	\$0.30	10,000,000
27/05/2011	26/05/2013	\$0.20	-
			<hr/> <hr/> 20,000,000

Information on Directors

Particulars of Directors' interests in shares and options of the Company:

Director	Experience	Special Responsibilities	Particulars of Directors interest in shares and options of the Company	
			Ordinary Shares	Options
R Homsany	Director since October 2010	Chairman	-	-
B Hodgins	Director since October 2010	President & CEO	400,000	-
A Howland-Rose	Director since June 2011	Non-Executive Director	-	-
D Taylor	Director since February 2009 Resigned 25 October 2013	Non-Executive Director	105,000	250,000

Meeting of Directors

The number of meetings of the Company's Board and of each Board committee held during the year ended 30 June 2013, and the number of meetings attended by each Director were:

	Number Attended	Number Eligible
Richard Homsany	6	6
Brett Hodgins	6	6
Anthony Howland-Rose	6	6
David Taylor	6	6

Share Options

No shares or interests in the Company were issued during or since the end of the 2013 financial year.

Insurance of Officers

The Company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith. During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Central Iron Ore Limited

Directors' Report 30 June 2013

Information on Directors (Continued)

Indemnity and insurance of auditor

The Company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Non-audit Services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important.

Details of the amounts paid or payable to the auditors for audit and non-audit services provided during the year are set out below.

	Consolidated	
	2013	2012
	\$	\$
During the year the following fees were paid or payable for services provided by the auditor.		
Assurance services		
Audit Services		
Deloitte Touche Tohmatsu:		
Audit and review of financial reports	30,000	-
Williams Hall Chadwick:		
Audit and review of financial reports and other work <i>under the Corporations Act 2001</i>	-	29,250
Davidson & Company LLP:		
Audit of Financial Reports in Canada	-	20,000
<i>Total remuneration for audit services</i>	30,000	49,250

Central Iron Ore Limited

Directors' Report 30 June 2013

The Board has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* ("Corporations Act"). The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act for the following reasons:

- all non-audit services have been reviewed to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in Professional Statement F1, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the company or jointly sharing economic risk and rewards.

A copy of the auditors' independence declaration is required under section 307C of the Corporations Act and is set out on page 19.

Signed in accordance with a resolution of the Board made pursuant to s.298(2) of the Corporations Act 2001.



.....
Brett Hodgins
Director

Perth
28 October 2013

The Board of Directors
Central Iron Ore Limited
Suite 1, Level 2
49-51 York Street
SYDNEY NSW 2000

Dear Board Members

Central Iron Ore Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Central Iron Ore Limited.

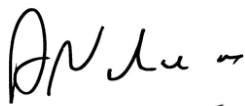
As lead audit partner for the audit of the financial statements of Central Iron Ore Limited for the financial year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Alfred Nehama
Partner
Chartered Accountants
Sydney, 28 October 2013

Independent Auditor's Report to the members of Central Iron Ore Limited

Report on the Financial Report

We have audited the accompanying financial report of Central Iron Ore Limited ("the Company"), which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the Company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 22 to 57.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the entity's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Central Iron Ore Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

In our opinion:

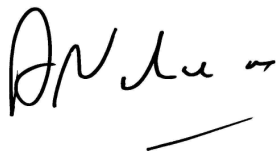
- (a) the financial report of Central Iron Ore Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the consolidated entity incurred a net loss of \$1,458,134 (2012: \$1,287,447) and experienced net cash outflows from operating and investing activities of \$1,420,948 (2012: \$1,504,824). These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the company and consolidated entity's ability to continue as going concerns and therefore, the company and consolidated entity may be unable to realise their assets and discharge their liabilities in the normal course of business.



DELOITTE TOUCHE TOHMATSU



Alfred Nehama
Partner
Chartered Accountants
Sydney, 28 October 2013

Central Iron Ore Limited

Financial Report – 30 June 2013

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This financial report covers both the separate financial statements of Central Iron Ore Limited as an individual entity and the consolidated financial statements for the consolidated entity consisting of Central Iron Ore Limited and its subsidiaries. The financial report is presented in the Australian currency.

Its registered office and principal place of business are detailed on page 1.

A description of the nature of the consolidated entity's operations and its principal activities is included in the director's report on pages 2 to 18, which are not part of this financial report.

The financial report was authorised for issue by the directors on 28 October 2013. The directors have the power to amend and reissue the financial report.

Central Iron Ore Limited

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2013 (expressed in Australian Dollars)

	Note	June 30 2013 \$	June 30 2012 \$
Interest income	3	57,101	107,488
Other income	3	51,358	156,111
Amortisation		65,082	248,444
Consulting fees		453,129	624,353
Professional fees		127,790	308,795
Listing and filing fees		28,609	22,784
Office and miscellaneous expenses		94,701	87,897
Impairment expense		625,348	-
Property investigation costs		34,644	113,253
Salaries and management fees		104,955	77,700
Travel and accommodation		32,335	67,820
Net loss before tax		(1,458,134)	(1,287,447)
Income tax expense	6	-	-
Net loss for the year		(1,458,134)	(1,287,447)
Other comprehensive income, net of income tax		-	-
Total comprehensive loss for the year		(1,458,134)	(1,287,447)
Earnings per share			
Basic and diluted loss per common share		(0.020)	(0.018)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Central Iron Ore Limited

Consolidated Statement of Financial Position

As at 30 June 2013

(expressed in Australian Dollars)

	Note	2013 \$	2012 \$
ASSETS			
Current assets			
Cash and cash equivalents	7	229,087	1,650,035
Trade and other receivables	8	32,772	52,918
TOTAL CURRENT ASSETS		<u>261,859</u>	<u>1,702,953</u>
NON CURRENT ASSETS			
Receivables	9	204,044	170,864
Property, plant & equipment	10	611,190	688,634
Exploration and evaluation assets	10	2,807,835	2,687,423
TOTAL NON-CURRENT ASSETS		<u>3,623,069</u>	<u>3,546,941</u>
TOTAL ASSETS		<u>3,884,928</u>	<u>5,249,874</u>
LIABILITIES			
Current liabilities			
Trade and other payables	11	192,520	99,332
Provisions	12	50,000	50,000
TOTAL CURRENT LIABILITIES		<u>242,520</u>	<u>149,332</u>
TOTAL LIABILITIES		<u>242,520</u>	<u>149,332</u>
NET ASSETS		<u>3,642,408</u>	<u>5,100,542</u>
EQUITY			
Contributed equity	13	23,671,655	23,671,655
Accumulated losses	14	(20,029,247)	(18,571,113)
TOTAL EQUITY		<u>3,642,408</u>	<u>5,100,542</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Central Iron Ore Limited

Consolidated Statement of Changes in Equity For the year ended 30 June 2013 (expressed in Australian Dollars)

	Fully paid ordinary shares	Share based payments reserve	Retained earnings	Total
	\$	\$	\$	\$
Balance at 1 July 2011	23,671,655	-	(17,283,666)	6,387,989
Loss for the year	-	-	(1,287,447)	(1,287,447)
Total comprehensive loss for the year	-	-	(1,287,447)	(1,287,447)
Balance at 30 June 2012	23,671,655	-	(18,571,113)	5,100,542
Balance at 1 July 2012	23,671,655	-	(18,571,113)	5,100,542
Loss for the year	-	-	(1,458,134)	(1,458,134)
Total comprehensive loss for the year	-	-	(1,458,134)	(1,458,134)
Balance at 30 June 2013	23,671,655	-	(20,029,247)	3,642,408

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Central Iron Ore Limited

Consolidated Statement of Cash Flows For the year ended 30 June 2013 (expressed in Australian Dollars)

	Note	2013 \$	2012 \$
Cash Flows from Operating Activities			
Receipts from customers		56,494	164,718
Payments to suppliers and employees		(755,912)	(1,477,906)
Interest received		57,101	107,488
		<hr/>	<hr/>
Net Cash Outflow from Operating Activities	15	<hr/> (642,317) <hr/>	<hr/> (1,205,700) <hr/>
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(309)	(3,153)
Security deposits		(33,180)	(5,130)
Payment for exploration activities		(745,760)	(290,841)
		<hr/>	<hr/>
Net Cash Outflow from Investing Activities		<hr/> (778,631) <hr/>	<hr/> (299,124) <hr/>
Net Cash Inflow from Financing Activities			
		<hr/> -	<hr/> -
Net decrease in cash and cash equivalents		(1,420,948)	(1,504,824)
Cash and cash equivalents at beginning of financial year		1,650,035	3,154,859
		<hr/>	<hr/>
Cash and cash equivalents at the end of financial year	7	<hr/> <hr/> 229,087	<hr/> <hr/> 1,650,035

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Central Iron Ore Limited

Notes to the Consolidated Financial Statements – 30 June 2013

Note 1: Summary of Significant Accounting Policies

The financial accounting policies adopted in the preparation of the financial report are set out below. Their policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for Central Iron Ore Limited as an individual entity and the consolidated entity consisting of Central Iron Ore Limited and its subsidiaries. Refer to Note 23 for details of subsidiaries.

a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board; Urgent Issues Group Interpretations and the *Corporations Act 2001*.

Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporation Act 2001, Accounting Standards and Interpretations, and comply with other requirement of the law. The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ('IFRS').

Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Critical accounting 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, impairment assessment of long lived assets, and future reclamation provisions.

Going concern

The consolidated financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

During the year ended 30 June 2013 the consolidated entity incurred a net loss of \$1,458,134 (2012: \$1,287,447) and experienced net cash outflows from operating and investing activities of \$1,420,948 (2012: \$1,504,824).

The ability of the company and the consolidated entity to continue as going concerns is dependent on their ability to:

1. Finalise the sale of the Eureka tenement
2. Obtain additional funding to meet working capital requirements to fund additional future projects.

Based upon the company's cash flow forecast, the company will be required to raise additional funding of at least \$410,000 by February 2014 to enable the company to meet its expenditure commitments and pay its debts as when the fall due through to October 2014. The company expects \$250,000 initially will be raised from the sale of the Eureka tenement as described below.

Central Iron Ore Limited

Notes to the Financial Statements – 30 June 2013

Note 1: Summary of Significant Accounting Policies (cont'd)

In order to raise sufficient additional funding to meet the requirements of the consolidated entity and to manage its future cash outflows, since 30 June 2013 the directors have undertaken the following initiatives:

- Entered into discussions with potential purchasers for the Eureka tenement;
- Undertaken a programme to continue to monitor the consolidated entity's ongoing working capital requirements; and
- Continued their focus on maintaining an appropriate level of corporate overheads in line with the consolidated entity's available cash resources.

The company has historically been able to raise equity funding to meet its ongoing working capital requirements. The directors are confident that the company will be able to raise the necessary funding to meet future working capital requirements during the period of at least 12 months from the date signing of this financial report.

In the event of being unable to obtain funding in the short-term, the directors will seek to put on hold discretionary project expenditure until such time as additional equity funding can be raised.

At the date of this report, and having considered the above factors, the directors are confident that the company and the consolidated entity will be able to continue as going concerns. Notwithstanding this, if additional funding to meet working capital requirements is not obtained, there is significant uncertainty whether the company and the consolidated entity will continue as going concerns and, therefore whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

No adjustments have been made relating to the recoverability and classification of recorded asset values and the amount and classification of liabilities that might be necessary should the company and the consolidated entity be unable to continue as going concerns.

b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Central Iron Ore Limited as at 30 June 2013 and the results of all subsidiaries for the year then ended. Central Iron Ore Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group (refer to note 1(l)).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Central Iron Ore Limited.

Central Iron Ore Limited

Notes to the Financial Statements – 30 June 2013

Note 1: Summary of Significant Accounting Policies (cont'd)

b) Exploration and evaluation expenditure

Exploration and evaluation expenditure is accumulated separately for each area of interest. Such expenditure comprises net direct costs, but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest. Expenditure in respect of any area of interest or mineral resource is carried forward provided that:

- The company's rights of tenure to that area of interest are current;
- Such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively by its sale; or
- Exploration and/or evaluation activities in the areas of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas are continuing.

Exploration expenditure which no longer satisfies the above policy is written off. Evaluation expenditure for each area of interest or mineral resource is carried forward, but only to the extent to which its recoupment out of revenue to be derived from the relevant area of interest or mineral resource, or from sale of that area of interest, is reasonably assured.

When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off firstly against any existing provision for that expenditure, with any remaining balance being charged to earnings.

d) 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 capitalised 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.

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 recognised in profit or loss. Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalised cost, except where a reduction in costs is greater than the unamortised capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognised in profit or loss.

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

e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Central Iron Ore Limited's functional and presentation currency.

Central Iron Ore Limited

Notes to the Financial Statements – 30 June 2013

Note 1: Summary of Significant Accounting Policies (cont'd)

e) Foreign currency translation (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Translation differences on financial assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale financial assets are included in the fair value reserve in equity.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each income statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are taken into shareholders' equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the income statement, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

f) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The normal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of finance liabilities for disclosure purposes is estimated by discounting the future contractual cash flow at the current market interest rate that is available for similar financial instruments.

Central Iron Ore Limited

Notes to the Financial Statements – 30 June 2013

Note 1: Summary of Significant Accounting Policies (cont'd)

h) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that the future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

At 30 June 2013 deferred tax assets were re-assessed and have not been recognised as it has not yet become probable that they will be recovered and utilised.

i) Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation in assets is calculated as follows:

Plant & Equipment	15% to 18.75% Diminishing Value Method
Office Equipment	7.5% to 25% Straight Line Method
	10% to 37.5% Diminishing Value Method
Mine Property	12.5% Straight Line Method

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, it is company policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

Central Iron Ore Limited

Notes to the Financial Statements – 30 June 2013

Note 1: Summary of Significant Accounting Policies (cont'd)

j) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options are offset against the proceeds received.

k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

l) Acquisition of assets

The purchase method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition, plus incidental costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their market price as at the acquisition date. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of the acquisition. The discount rate used is the incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

m) Earnings per share

(i) Basic earnings per share

Basic earnings per share is determined by dividing net loss after income tax attributable to members of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year; adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Central Iron Ore Limited

Notes to the Financial Statements – 30 June 2013

Note 1: Summary of Significant Accounting Policies (cont'd)

n) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, allowances, rebates and taxes.

The company recognises revenue when the amount of revenue can be readily measured, it is probable that future economic benefit will flow to the entity and specific criteria have been met for each of the company's activities as described below.

Revenue is recognised for the major business activities as follows:

(i) Consulting

Sales relating to consulting services are recognised in the accounting period in which the services are rendered.

(ii) Interest Income

Interest income is recognised on a time proportion basis using the effective interest method.

(iii) Other income

Other revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

o) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

p) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

q) Borrowings

Borrowings are initially recognised at fair value, net of transactions costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Central Iron Ore Limited

Notes to the Financial Statements – 30 June 2013

Note 1: Summary of Significant Accounting Policies (cont'd)

r) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases (Note 21). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

s) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the income statement within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

t) Investment and other financial assets

Classification

The company classifies its investments in the following categories: available-for-sale assets and loans and receivables. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

(i) Available-for-sale financial assets

Available-for-sale financial assets are financial assets held for sale. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in the category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturity greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised as trade-date, the date on which the company commits to purchase or sell the asset. When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains or losses from investment securities.

Central Iron Ore Limited

Notes to the Financial Statements – 30 June 2013

Note 1: Summary of Significant Accounting Policies (cont'd)

Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method.

Financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss' category are presented in the income statement within other income or other expenses in the period in which they arrive.

Fair value

The fair value of quoted investments is based on current bid prices.

Impairment

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 recognised 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.

Provisions

Provisions for legal action costs and make good obligations are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of managements' best estimate of the expenditure required to settle the present obligation at the balance sheet date.

u) Employee benefits

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long term employee benefits

The liability for long service leave has not been recognised in the financial statements since it is not material and the single employee had only been employed for a short period of time at balance date. No retirement benefit obligations, termination benefits or share based payments have been incurred during the year.

(iii) Share-based payments

Share-based compensation benefits are provided to employees via the Central Iron Ore Limited Option Plan.

Central Iron Ore Limited

Notes to the Financial Statements – 30 June 2013

Note 1: Summary of Significant Accounting Policies (cont'd)

The fair value of options granted under the Central Iron Ore Limited Option Plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the income statement with a corresponding adjustment to equity.

v) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

w) Adoption of new and revised accounting standards

During the current year, the Group adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these Standards has not significantly impacted the recognition, measurement and disclosure of any transactions.

x) New accounting standards for application in future periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2013. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 9 Financial Instruments, 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and 2012-6 Amendments to Australian Accounting Standards arising from AASB 9

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2015 and completes phase I of the IASB's project to replace IAS 39 (being the international equivalent to AASB 139 'Financial Instruments: Recognition and Measurement'). This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a

Central Iron Ore Limited

Notes to the Financial Statements – 30 June 2013

Note 1: Summary of Significant Accounting Policies (cont'd)

change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The consolidated entity will adopt this standard from 1 July 2015 but the impact of its adoption is yet to be assessed by the consolidated entity.

AASB 10 Consolidated Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2013. The standard has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns (e.g. dividends, remuneration, returns that are not available to other interest holders including losses) from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights (e.g. voting rights, potential voting rights, rights to appoint key management, decision making rights, kick out rights) that give it the current ability to direct the activities that significantly affect the investee's returns (e.g. operating policies, capital decisions, appointment of key management). The consolidated entity will not only have to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes. The adoption of this standard from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 11 Joint Arrangements

This standard is applicable to annual reporting periods beginning on or after 1 January 2013. The standard defines which entities qualify as joint ventures and removes the option to account for joint ventures using proportional consolidation. Joint ventures, where the parties to the agreement have the rights to the net assets will use equity accounting. Joint operations, where the parties to the agreements have the rights to the assets and obligations for the liabilities will account for the assets, liabilities, revenues and expenses separately, using proportionate consolidation. The adoption of this standard from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 12 Disclosure of Interests in Other Entities

This standard is applicable to annual reporting periods beginning on or after 1 January 2013. It contains the entire disclosure requirement associated with other entities, being subsidiaries, associates and joint ventures. The disclosure requirements have been significantly enhanced when compared to the disclosures previously located in AASB 127 'Consolidated and Separate Financial Statements', AASB 128 'Investments in Associates', AASB 131 'Interests in Joint Ventures' and Interpretation 112 'Consolidation - Special Purpose Entities'. The adoption of this standard from 1 July 2013 will significantly increase the amount of disclosures required to be given by the consolidated entity such as significant judgements and assumptions made in determining whether it has a controlling or non-controlling interest in another entity and the type of non-controlling interest and the nature and risks involved.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and it provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach would be used to measure assets whereas liabilities would be based on transfer value. As the standard does not introduce any new requirements for the use of fair value, its impact on adoption by the consolidated entity from 1 July 2013 should be minimal, although there will be increased disclosures where fair value is used.

AASB 127 Separate Financial Statements (Revised)

AASB 128 Investments in Associates and Joint Ventures (Reissued)

These standards are applicable to annual reporting periods beginning on or after 1 January 2013. They have been modified to remove specific guidance that is now contained in AASB 10, AASB 11 and AASB 12. The adoption of these revised standards from 1 July 2013 will not have a material impact on the consolidated entity.

Central Iron Ore Limited

Notes to the Financial Statements – 30 June 2013

Note 1: Summary of Significant Accounting Policies (cont'd)

AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

This revised standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments make changes to the accounting for defined benefit plans and the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. The later will require annual leave that is not expected to be wholly settled within 12 months to be discounted allowing for expected salary levels in the future period when the leave is expected to be taken. The adoption of the revised standard from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement

These amendments are applicable to annual reporting periods beginning on or after 1 July 2013, with early adoption not permitted. They amend AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). The adoption of these amendments from 1 July 2013 will remove the duplication of information relating to individual KMP in the notes to the financial statements and the directors report. As the aggregate disclosures are still required by AASB 124 and during the transitional period the requirements may be included in the Corporations Act or other legislation, it is expected that the amendments will not have a material impact on the consolidated entity.

AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards

The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments make numerous consequential changes to a range of Australian Accounting Standards and Interpretations, following the issuance of AASB 10, AASB 11, AASB 12 and revised AASB 127 and AASB 128. The adoption of these amendments from 1 July 2013 will not have a material impact on the consolidated entity.

Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine and AASB 2011-12 Amendments to Australian Accounting Standards arising from Interpretation 20.

This interpretation and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The Interpretation clarifies when production stripping costs should lead to the recognition of an asset and how that asset should be initially and subsequently measured. The Interpretation only deals with waste removal costs that are incurred in surface mining activities during the production phase of the mine. The adoption of the interpretation and the amendments from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities

The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The disclosure requirements of AASB 7 'Financial Instruments: Disclosures' (and consequential amendments to AASB 132 'Financial Instruments: Presentation') have been enhanced to provide users of financial statements with information about netting arrangements, including rights of set-off related to an entity's financial instruments and the effects of such rights on its statement of financial position. The adoption of the amendments from 1 July 2013 will increase the disclosures by the consolidated entity.

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities.

The amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of "currently has a legally enforceable right of set-off"; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The adoption of the amendments from 1 July 2014 will not have a material impact on the consolidated entity.

Central Iron Ore Limited

Notes to the Financial Statements – 30 June 2013

Note 1: Summary of Significant Accounting Policies (cont'd)

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle.

The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments affect five Australian Accounting Standards as follows: Confirmation that repeat application of AASB 1 (IFRS 1) 'Firsttime Adoption of Australian Accounting Standards' is permitted; Clarification of borrowing cost exemption in AASB 1; Clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; Clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transaction costs in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 'Income Taxes'; and clarification of the financial reporting requirements in AASB 134 'Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities. The adoption of the amendments from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 2012-9 Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039

This amendment is applicable to annual reporting periods beginning on or after 1 January 2013. The amendment removes reference in AASB 1048 following the withdrawal of Interpretation 1039. The adoption of this amendment will not have a material impact on the consolidated entity.

AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments

These amendments are applicable to annual reporting periods beginning on or after 1 January 2013. They amend AASB 10 and related standards for the transition guidance relevant to the initial application of those standards. The amendments clarify the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments. The adoption of these amendments will not have a material impact on the consolidated entity.

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets

The amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed. The adoption of the amendments from 1 July 2014 may increase the disclosures by the consolidated entity.

Central Iron Ore Limited

Notes to the Financial Statements – 30 June 2013

Note 2: Financial risk management

The Group'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 Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Board controls overall risk management and the investment of excess liquidity.

- (a) Market risk
- (i) Foreign exchange risk

The Group and the parent entity operate internationally and are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Canadian dollar.

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.

Group companies are required to manage their foreign currency risk against their functional currency. The financial statements are presented in Australian dollars which is the Group's functional and presentation currency. The Group does not hedge its foreign exchange risk exposure.

The Group's exposure to foreign currency risk at the reporting date was as follows:

	2013		2012	
	CAD\$	US\$	CAD\$	US\$
Cash at bank	183	-	118,918	-

The carrying amounts of the parent entity's financial assets and liabilities are denominated in Australian dollars except as set out below:

	2013	2012
	CAD\$	CAD\$
Cash at bank	183	118,918

Group and parent entity sensitivity

The Group's and parent entity's exposure to foreign currency movements is not material. The Group's and parent entity's sensitivity to cash flow and fair value interest rate risk is not material.

- (a) Credit risk

The credit risk in respect of financial assets of the Group which have been recognised in the statement of financial position is generally the carrying amount, net of any provision for diminution in value.

- (b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through adequate capital raising with a variety of counterparties. Surplus funds are generally only invested in short term cash deposit accounts with banks. The Group does not have access to bank overdraft facilities.

- (c) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of investments in unlisted subsidiaries is assumed to equal cost at balance date. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair value due to their short-term nature.

Central Iron Ore Limited

Notes to the Financial Statements – 30 June 2013

Note 3: Revenue

	Consolidated	
	2013	2012
	\$	\$
Interest	57,101	107,488
Total revenue from continuing operations	57,101	107,488
Rent	-	4,387
Forfeited deposit for Sale of Eureka Gold Project – realised	50,000	150,000
Sundry income	1,358	1,725
	51,358	156,111

Note 4: Segment

A business segment is identified for a group of assets and operation engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments.

The consolidated entity operates in one business segment being exploration and evaluation. Its main business is exploration and mining for precious and other minerals. The consolidated entity operates in two main geographical areas.

	Australia	Canada	Consolidated
	\$	\$	\$
2013			
Total segment revenue	108,458	-	108,458
Segment result	(1,458,134)	-	(1,458,134)
Profit (Loss) before income tax			(1,458,134)
Income tax expense			-
Profit (Loss) for the year			(1,458,134)
Segment assets	3,884,745	183	3,884,928
Segment liabilities	242,520	-	242,520
	Australia	Canada	Consolidated
	\$	\$	\$
2012			
Total segment revenue	263,598	-	263,598
Segment result	(1,287,447)	-	(1,287,447)
Profit (Loss) before income tax			(1,287,447)
Income tax expense			-
Profit (Loss) for the year			(1,287,447)
Segment assets	5,249,691	183	5,249,874
Segment liabilities	149,332	-	149,332

Segment revenues and expenses are allocated based on the country in which the transactions occurred or are directly attributable to a segment. Segment assets and capital expenditure are allocated based on where the assets are located.

Central Iron Ore Limited

Notes to the Financial Statements – 30 June 2013

Note 5: Expenses

	Consolidated	
	2013	2012
	\$	\$
Profit before income tax includes the following specific items.		
Depreciation		
Office plant and equipment	1,851	3,915
Mining plant and equipment	-	179,104
British King Mine	63,231	65,425
Total depreciation	65,082	248,444

Note 6: Income Tax

(a) Income tax equivalent expense (credit)

Current tax expense	-	-
Deferred tax expense	-	-
Income tax expense (credit) attributable to profit (loss) from continuing operations	-	-

Reconciliation of income tax equivalent expense (credit) to prima facie tax equivalent payable

(b) Profit (loss) from continuing operations before income tax	(1,458,033)	(1,287,447)
Tax at Australian tax rate of 30%	437,410	386,234
Adjustment for items not deductible in calculating taxable income	-	-
	437,410	386,234
Income tax losses and temporary differences not recognised as deferred tax asset	(437,410)	(386,234)
Income tax equivalent expense	-	-
Tax Losses		
(c) Tax losses for which no deferred tax asset has been recognised		
Tax losses	13,238,155	11,780,102
Potential Benefit	3,971,441	3,534,031

Central Iron Ore Limited

Notes to the Financial Statements – 30 June 2013

Note 7: Current Assets – Cash and cash equivalents

	Consolidated	
	2013	2012
	\$	\$
Cash at bank and on hand	229,087	650,035
Term Deposits	-	1,000,000
	229,087	1,650,035

The Group's and the parent entity's exposure to interest rate risk is discussed in note 2.

Note 8: Current Assets – Trade and other Receivables

Trade receivables	2,682	-
GST receivable	11,643	39,258
Prepayments	18,447	13,659
	32,772	52,918

Note 9: Non-Current Assets – Receivables

Security deposit re office premises	30,090	26,981
Indemnity for Bank Guarantee - Eureka	74,856	70,142
Indemnity for Performance Bond – British King	88,098	73,741
Indemnity for Performance Bond – Yilgarn	11,000	-
	204,044	170,864

Group	2013	
	Carrying Amount	Fair Value
	\$	\$
Security deposit re office premises	30,090	30,090
Indemnity for Bank Guarantee – Eureka	74,856	74,856
Indemnity for Performance Bond – British King	88,098	88,098
Indemnity for Performance Bond – Yilgarn	11,000	11,000
	204,044	204,044

The fair values are based on cash flows measured at cost for the Security Deposit and other receivables. The indemnities are based on cash flows measured at cost plus interest paid on the invested funds.

(a) Risk Exposure

Information about the Group's exposure to credit risk, foreign exchange and interest rate risk is provided in Note 2.

Central Iron Ore Limited

Notes to the Financial Statements – 30 June 2013

Note 10: Property, Plant and Equipment

	Mine property \$	PP&E \$	Office equipment \$	Total \$
Year end June 30, 2013				
Opening net book value	535,303	150,668	2,663	688,634
Additions	309	-	-	309
Disposals	-	(12,671)	-	(12,671)
Depreciation charge	-	(63,231)	(1,851)	(65,082)
Closing net book amount	<u>535,612</u>	<u>74,766</u>	<u>812</u>	<u>611,190</u>
At June 30, 2013				
Cost or Fair Value	1,433,173	405,369	32,722	1,871,264
Accumulated depreciation	(897,561)	(330,603)	(31,910)	(1,260,074)
Net book amount	<u>535,612</u>	<u>74,766</u>	<u>812</u>	<u>611,190</u>
Year end June 30, 2012				
Opening net book value	752,151	212,940	6,578	971,669
Additions	-	3,153	-	3,153
Disposals	-	-	-	-
Transfer to exploration and evaluation assets	(37,744)	-	-	(37,744)
Depreciation charge	(179,104)	(65,425)	(3,915)	(248,444)
Closing net book amount	<u>535,303</u>	<u>150,668</u>	<u>2,663</u>	<u>688,634</u>
At June 30, 2012				
Cost or Fair Value	1,432,864	460,777	32,722	1,926,363
Accumulated depreciation	(897,561)	(310,109)	(30,059)	(1,237,729)
Net book amount	<u>535,303</u>	<u>150,668</u>	<u>2,663</u>	<u>688,654</u>
Year end June 30, 2011				
Opening net book value	942,804	244,206	9,656	1,196,666
Additions	-	6,664	-	6,664
Disposals	-	-	-	-
Depreciation charge	(190,653)	(37,930)	(3,078)	(231,661)
Closing net book amount	<u>752,151</u>	<u>212,940</u>	<u>6,578</u>	<u>971,669</u>
At June 30, 2011				
Cost or Fair Value	1,470,608	457,624	32,722	1,960,954
Accumulated depreciation	(718,457)	(244,684)	(26,144)	(989,285)
Net book amount	<u>752,151</u>	<u>212,940</u>	<u>6,578</u>	<u>971,669</u>

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.

Central Iron Ore Limited

Notes to the Financial Statements – 30 June 2013

Note 10: Property, Plant and Equipment (cont'd)

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.

	Consolidated	
	2013	2012
	\$	\$
Costs carried forward in respect of areas of interest in:		
Exploration and/or evaluation-intangible	2,807,835	2,687,423
Cost		
Balance at beginning of year	2,687,423	2,358,837
Acquisition of exploration and evaluation assets	745,760	290,842
Transfer from property, plant and equipment	-	37,744
Impairment	(625,348)	-
Balance at end of year	2,807,835	2,687,423

The ultimate recoupment of costs carried forward as exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective area of interest.

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.

The Eureka Gold Project is approximately 50km north of Kalgoorlie and includes the Eureka open pit gold mine which is 100% owned by the Company and is NI43-101 compliant. The key focus of activity was mine site exploration and development opportunities. The Company is currently in negotiations to sell the Eureka Gold Project for up to AUD \$2.15 million.

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.

Central Iron Ore Limited

Notes to the Financial Statements – 30 June 2013

Note 10: Property, Plant and Equipment (cont'd)

Yilgarn Iron Ore Project (cont'd)

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.

During the financial year end 30 June 2013, Pacific One Limited and the company entered negotiations to extend the term enabling Pacific to farm in for 51% of the company from 2 years to 3 years. Other than this variation, all other provisions of the agreement remain in full force.

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.

During the year ended 30 June 2013, the Company has spent the minimum to earn an interest 51% of the Joint Venture. CIO is continuing to sole fund a further \$250,000 with a view to earn an additional 19%. A formal joint venture agreement is in the process of being drafted between Barrick and CIO but has not yet been finalised.

Note 11: Current Liabilities – Trade and other payables

	Consolidated	
	2013	2012
	\$	\$
Trade payables	28,940	89,983
Other payables (i)	163,580	-
Payables to related parties (ii)	-	9,349
	<u>192,520</u>	<u>99,332</u>

(i) Other payables include a loan of \$163,580 from Gullewa Limited was entered into during the year ended June 30, 2013. Loan is interest free and repayable at call. As of June 30, 2013 Gullewa Limited holds 36.1% of the Company's shares.

(ii) Payables to related parties are the amount of director's fees, accountancy and consultancy accrued but not yet paid.

Information about the Group's exposure to foreign exchange risk is provided in Note 2.

Central Iron Ore Limited

Notes to the Financial Statements – 30 June 2013

Note 12: Current Liabilities – Provisions

	Consolidated	
	2013 \$	2012 \$
Rehabilitation - Mine	50,000	50,000
	50,000	50,000

Note 13: Contributed Equity

	2013 Shares	2012 Shares	2013 \$	2012 \$
a) Share Capital:				
Ordinary Shares fully paid	72,710,741	72,710,741	23,671,655	23,671,655

b) Movements in ordinary Share Capital:

Date	Details		Number of Shares	Issue Price	AUD \$
30 June 2010	Balance		19,950,741		18,431,005
7 September 2010	Issue of Shares to Consultants	(i)	1,000,000	AUD\$0.10	100,000
27 October 2010	Subscription agreement – Tranche 1	(ii)	5,000,000	CAD \$0.0525	259,738
27 October 2010	Subscription agreement – Tranche 2	(iii)	25,000,000	CAD\$0.06	1,501,752
15 February 2011	Issued to MINC (broker)	(iv)	1,760,000	AUD\$0.07	123,200
16 May 2011	Private Placement	(v)	20,000,000	CAD\$0.20	3,887,388
30 June 2011	Share issue costs		-		(631,429)
30 June 2011	Balance		72,710,718		23,671,654
30 June 2012/13	Balance		72,710,741		23,671,654

Central Iron Ore Limited

Notes to the Financial Statements – 30 June 2013

Note 13: Contributed Equity (cont'd)

- (i) Issued an aggregate of 1,000,000 common shares at a deemed price of AUD\$0.10 per share as partial consideration for services rendered by three arm's length consultants in relation to the identification of areas in the Gadacie and Lake Barlee areas of Western Australia prospective for iron ore exploration.
- (ii) Closed Tranche 1 of its previously announced Capital Raising of CAD\$1,760,000 for gross proceeds of CAD\$262,500. Pursuant to agreements entered into between the Company and each of Brooklyn Bay Pty Ltd. ("Brooklyn") and Golden Sword Investments Pty Ltd. ("GSI"), the Company issued 5,000,000 shares at CAD\$0.0525 per share equally to Brooklyn and GSI each with an attached warrant exercisable at CAD\$0.10 up to 36 months from the issue.
- (iii) Tranche 2 of the capital raising for gross proceeds of CAD\$1,500,000 to the Company consisted of 25,000,000 shares at CAD\$0.06 per share as follows:
1. Brooklyn – 22,500,000 shares
 2. GSI – 2,500,000 shares
- Each share to be issued under Tranche 2 has an attached one-fifth of one warrant, each whole warrant exercisable at CAD\$0.10 cents up to 36 months from the issue date.
- (iv) 1,760,000 shares were issued to Australian Stockbroking and Advisory Services Ltd, being the fee for acting as lead manager providing investor introductions and general corporate advice.
- (v) The Private Placement consisted of 20,000,000 units (the "Units") at a price of CAD\$0.20 per Unit for aggregate gross proceeds of CAD\$4,000,000 (which included the exercise in full of the Agent's option to arrange for the purchase and sale of an additional 5,000,000 Units). Each Unit was comprised of one common share of the Company (a "Common Share") and one-half of one common share purchase warrant (a "Warrant"). Each whole Warrant is exercisable for a period of 24 months following the closing of the Private Placement (the "Closing Date") at an exercise price of CAD\$0.30 per Common Share, provided that if the closing price of the Common Shares on the TSX Venture Exchange is equal to or greater than CAD\$0.75 per Common Share for a period of 20 consecutive trading days at any time after four months and one day after the Closing Date, the Company may accelerate the expiry date of the Warrants by giving notice to the holders of Warrants to the 30th day after the date on which such notice is given by the Company.
- c) The number of unissued ordinary shares relating to options not exercised at year-end:

Details	Notes	Number of Options 2013	Number of Options 2012
Options exercisable on or before 25/01/2013 at CAD\$0.25	(i)	-	700,000
Balance		-	700,000

- (i) 700,000 options expired during 2013.

d) Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares, is entitled to one vote, and upon a poll each share is entitled to one vote.

Central Iron Ore Limited

Notes to the Financial Statements – 30 June 2013

Note 13: Contributed Equity (cont'd)

e) Warrants

	June 30, 2013		June30, 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	(2,000,000)	-	(910,514)	0.5
Outstanding, end of period	20,000,000	0.20	22,000,000	0.20

Details

Notes	Number of Warrants 2013	Number of Warrants 2012
-------	----------------------------	----------------------------

Warrants exercisable at the following price and expiration dates:

26/05/2015 @ CAD \$0.30	(i)	10,000,000	10,000,000
26/05/2013 @ CAD \$0.20		-	2,000,000
27/10/2013 @ CAD \$0.10	(ii)	5,000,000	5,000,000
26/01/2014 @ CAD \$0.10	(iii)	5,000,000	5,000,000
Balance		20,000,000	22,000,000

- (i) 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 has been granted.
- (ii) 5,000,000 warrants were issued on 28 October 2010 as part of a non-brokered private placement of its previously announced Capital Raising of CAD\$1.76 million for gross proceeds of CAD\$262,500. Pursuant to agreements entered into between the Company and each of Brooklyn Bay Pty Ltd. (“Brooklyn”) and Golden Sword Investments Pty Ltd. (“GSI”), the Company issued 5 million shares at CAD\$0.0525 per share equally to Brooklyn and GSI each with an attached warrant exercisable at CAD\$0.10 up to 36 months from the issue.
- (iii) 5,000,000 warrants were issued on 27 January 2011 as part of a non-brokered private placement of its previously announced Capital Raising of CAD\$1.76 million for gross proceeds of CAD\$1.5 million to the Company consisted of 25 million shares at CAD\$0.06 per share as follows:
1. Brooklyn – 22.5 million shares
 2. GSI – 2.5 million shares

Each share to be issued under Tranche 2 has an attached one-fifth of one warrant, each whole warrant exercisable at CAD\$0.10 up to 36 months from the issue date.

Central Iron Ore Limited

Notes to the Financial Statements – 30 June 2013

Note 14: Accumulated Losses

	Consolidated	
	2013	2012
	\$	\$
Accumulated losses at the beginning of the financial year	18,571,113	17,283,666
Loss attributable to members of Central Iron Ore Limited	1,458,134	1,287,447
	<hr/>	<hr/>
Accumulated losses at the end of the financial year	20,029,247	18,571,113
	<hr/>	<hr/>

Note 15: Reconciliation of loss after income tax to net cash inflow from operating activities

Net loss for the year	(1,458,033)	(1,287,447)
Loss on disposal of assets	12,053	-
Depreciation	65,082	248,444
Impairment of exploration and evaluation assets	625,348	-
<i>Changes in operating assets and liabilities</i>		
(Increase) / decrease in trade and other receivables	20,146	8,607
Increase / (decrease) in trade & other payables	93,188	(175,304)
	<hr/>	<hr/>
Net cash outflow from operating activities	(642,317)	(1,205,700)
	<hr/>	<hr/>

Central Iron Ore Limited

Notes to the Financial Statements – 30 June 2013

Note 16: Earnings per share

	Consolidated	
	2013	2012
	\$	\$
Basic earnings per share	(0.020)	(0.018)
Diluted earnings per share	(0.020)	(0.018)

Weighted average number of shares used as the denominator

	Consolidated	
	2013	2012
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	72,710,741	72,710,741
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	72,710,741	72,710,741
Reconciliation of earnings used in calculating earnings per share		
Net profit/(loss)	(1,458,134)	(1,287,447)
Earnings used in calculating basic earnings per share	(1,458,134)	(1,287,447)

20,000,000 (2011: 22,000,000) warrants and nil (2011: 700,000) options are excluded from the above calculation as they would be antidilutive for the period.

Note 17: Key Management Personnel Disclosures

Directors

The following persons were directors of Central Iron Ore Limited during the financial year.

Chairman

Richard Homsany

Executive Director – President and Chief Executive Officer

Brett Hodgins

Non-executive Director

Anthony Howland-Rose

David Taylor

Other key management personnel

The following persons also had authority and responsibility for the planning, directing and controlling various activities of the company during the financial year.

Katherine Garvey

Company Secretary

Hugh Pinniger

Chief Operating Officer

Central Iron Ore Limited

Notes to the Financial Statements – 30 June 2013

Note 17: Key Management Personnel Disclosures (cont'd)

Principals used to determine the nature and amount of remuneration

Fees and payments to directors reflect the demands which are made on, and the responsibilities of, the directors. Executive remuneration and other terms of employment are reviewed annually by the committee having regard to performance-related bonuses and fringe benefits.

Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the company's operations.

Remuneration of non-executive directors is determined by the Board within the maximum amount approved by the shareholders from time to time.

Details of Remuneration

Details of the remuneration of each key management personnel and their related parties of Central Iron Ore Limited are set out in the following tables.

June 30 2013	Short Term Employee Benefits			Post-Employment Benefits		Share Based Payments	Total
	Cash Salary & Fees	Cash Bonus	Other	Super- annuation	Retirement Benefits	Options	
<i>Directors</i>							
D Taylor	57,572	-	-	-	-	-	57,572
B Hodgins	-	-	-	-	-	-	-
R Homsany	15,000	-	-	-	-	-	15,000
A Howland-Rose	33,750	-	-	-	-	-	33,750
Total	106,332	-	-	-	-	-	106,332

Total remuneration of each key management personnel and their related parties of Central Iron Ore Limited for the year ended 30 June 2011 is set out below.

June 30 2012	Short Term Employee Benefits			Post-Employment Benefits		Share Based Payments	Total
	Cash Salary & Fees	Cash Bonus	Other	Super- annuation	Retirement Benefits	Options	
<i>Directors</i>							
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
Total	180,927	-	-	-	-	-	180,927

Central Iron Ore Limited

Notes to the Financial Statements – 30 June 2013

Note 17: Key Management Personnel Disclosures (cont'd)

Other transactions with key management personnel

	2013	2012
	\$	\$
Consulting work – Brett Hodgins (Jaybre Consulting Pty Ltd)	218,575	280,077
Accounting services – Graham Hurwitz (Hurwitz Geller Pty Ltd)	17,829	62,553
Legal services – Richard Homsany (Cardinals Corporate Lawyers Pty Ltd)	33,233	88,189
	<u>269,637</u>	<u>430,819</u>

Equity instrument disclosures relating to key management personnel

Ordinary Shares

The number of shares in the company held during the financial year by each director of Central Iron Ore Limited, including their personally-related entities, are set out below.

Name	Number at 1/07/12	Number Acquired	Number Disposed	Number at 30/06/13
Brett Hodgins	-	400,000	-	400,000
Anthony Howland-Rose	-	-	-	-
David Taylor	105,000	-	-	105,000
Richard Homsany	-	-	-	-
	<u>105,000</u>	<u>-</u>	<u>-</u>	<u>105,000</u>

Anthony Howland-Rose is a substantial shareholder of Gullewa Limited. Gullewa Limited is the owner of 100% of the shares in Brooklyn Bay Pty Ltd. Brooklyn Bay holds 26,250,000 common shares in CIO. Further, Brooklyn Bay holds the following warrants:-

Details	Notes	Number of Warrants 2013	Number of Warrants 2012
Warrants exercisable at the following price and expiration dates:			
27/10/2013 @ CAD \$0.10		2,500,000	2,500,000
26/01/2014 @ CAD \$0.10		4,500,000	4,500,000
26/05/2015 @ CAD \$0.30		625,000	625,000
Balance		<u>7,625,000</u>	<u>7,625,000</u>

Brett Hodgins has a 50% interest in Golden Sword Investments Pty Ltd through his superannuation fund and a holding company. Golden Sword Investments holds 5,000,000 common shares in CIO. Further, Golden Sword Investments holds the following warrants:-

Details	Notes	Number of Warrants 2013	Number of Warrants 2012
Warrants exercisable at the following price and expiration dates:			
27/10/2013 @ CAD \$0.10		2,500,000	2,500,000
26/01/2014 @ CAD \$0.10		500,000	500,000
Balance		<u>3,000,000</u>	<u>3,000,000</u>

Central Iron Ore Limited

Notes to the Financial Statements – 30 June 2013

Note 18: Related Party Transactions

a) Directors and specified executives

Disclosures relating to directors and specified executives are set out in Note 17.

Note 19: Retirement Benefits of Directors

No amounts have been paid in connection with the retirement of Directors and Executive Officers, other than payments made in accordance with Superannuation Guarantee Legislation. These amounts have been included in Directors' Remuneration disclosed within Note 17.

Note 20: Remuneration of Auditors

Consolidated	
2013	2012
\$	\$

During the year the following fees were paid or payable for services provided by the auditor.

Assurance services

Audit services

Audit and review of financial reports and other audit work *under the Corporations Act 2001*

Deloitte Touche Tohmatsu	30,000	-
Williams Hall Chadwick	-	29,250
Other Audit services		
Audit of financial reports in Canada:		
Davidson & Company LLP	-	20,000
Total remuneration for audit services	30,000	49,250

A copy of the auditors' independence declaration is required under section 307C of the *Corporations Act 2001* and is set out on page 19.

Central Iron Ore Limited

Notes to the Financial Statements – 30 June 2013

Note 21: Commitments

Consolidated	
2013	2012
\$	\$

(a) Operating Lease commitments

Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:

Within one year	-	42,075
Later than one year but not later than five years	-	38,589
Non-cancellable operating lease	-	80,664

The lease was for office space for 36 months from 1 June 2011. During the 2012 year the lease was terminated early.

(b) Exploration and evaluation expenditure

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 and at other times. These obligations are not provided for in the financial statements and are payable:

Not later than one year	709,560	709,560
Later than one year but not later than five years	2,166,540	2,166,540
Later than 5 years	1,802,740	2,512,300
	4,678,840	5,388,400

Central Iron Ore Limited

Notes to the Financial Statements – 30 June 2013

Note 22: Parent entity disclosure

In accordance with the Corporations Amendment (Corporate Reporting Reform) Act 2010 and the Corporations Act 2001 the following summarised parent information is set out below. As at, and throughout, the financial year ending 30 June 2012 the parent company of the Group was Central Iron Ore Limited.

	2013	2012
	\$	\$
Profit of parent entity		
Loss for the year	(1,436,974)	(1,142,352)
Total comprehensive income for the year	<u>(1,436,974)</u>	<u>(1,142,352)</u>
Financial position of the parent entity as at 30 June		
Current assets	259,720	1,689,690
Total assets	3,756,338	3,670,158
Current liabilities	242,250	149,336
Total liabilities	<u>242,250</u>	<u>149,336</u>
Net assets	<u>3,773,538</u>	<u>5,210,512</u>
Total equity of the parent entity comprising of		
Issued capital	23,671,654	23,671,654
Retained profits	<u>(19,898,116)</u>	<u>(18,461,142)</u>
Total equity attributable to shareholders of Central Iron Ore Ltd	<u>3,773,538</u>	<u>5,210,512</u>

Note 23: Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy in note 1(b).

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding (a)	
			2013	2012
			%	%
Mineral Evaluation Limited (deregistered 14 August 2012)	Australia	Ordinary	-	100
Central West Resources Pty Ltd	Australia	Ordinary	100	100
International Gold Mining Pty Ltd	Australia	Ordinary	100	100
Central East Resources Pty Ltd	Australia	Ordinary	100	100
Central South Resources Pty Ltd	Australia	Ordinary	100	100
Central North Resources Pty Ltd	Australia	Ordinary	100	100
South Darlot Mines Pty Ltd	Australia	Ordinary	100	100
South Darlot Gold Pty Ltd	Australia	Ordinary	100	100
South Darlot Resources Pty Ltd	Australia	Ordinary	100	100

Note

(a) The proportion of equity holding is equal to the proportion of voting power held.

Central Iron Ore Limited

Directors' Declaration 30 June 2013

In the Directors' opinion:

- (1) the financial statements and notes set out on pages 22 to 56 are in accordance with the *Corporations Act 2001* and;
 - (i) comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards; and
 - (ii) give a true and fair view of the financial position as at 30 June 2013 and of the performance of the year ended on that date of the company and consolidated group.
- (2) In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Brett Hodgins
Director

Perth
28 October 2013