CENTRAL IRON ORE LIMITED

Management Discussion and Analysis
(Form 51-102F1)

For the quarter ended December 31, 2016

Information as of February 28, 2017 unless otherwise stated

Note to Reader

The following management discussion and analysis of the financial condition and results of operations of Central Iron Ore ("CIO" or "the Company") should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2016, together with the notes thereto, as well as the Company's previous financial and MD&A reports. These annual audited financial statements have been prepared in accordance with International Financial Reporting Interpretation (IFRS).

Forward-Looking Information

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

Business of the Company

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

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

On November 10, 2015, CIO announced that it has entered into an agreement for the AUD$1.1 million sale of its British King Gold Mine ("Project") in Western Australia to BK Gold Mines Pty Ltd ("Purchaser").

The consideration payable by the Purchaser for the acquisition of the Project includes a AUD$250,000 payment on completion of the acquisition, with the balance of the consideration to be paid in three tranches upon the satisfaction of certain production milestones from the Project, as set out below.

Tranche 1: The Purchaser must deliver to CIO 150 troy ounces of gold upon the production and sale of 5,000 troy ounces of gold from the Project, upon which the Purchaser will acquire a further 14% interest in the Project (resulting in a total interest for the Purchaser of 65%).

Tranche 2: The Purchaser must deliver to CIO 175 troy ounces of gold upon the production and sale of 7,500 troy ounces of gold from the Project, upon which the Purchaser will acquire a further 15% interest in the Project (resulting in a total interest for the Purchaser of 80%).

Tranche 3: The Purchaser must deliver to CIO 215 troy ounces of gold upon the production and sale of 10,000 troy ounces of gold from the Project, upon which the Purchaser will acquire a further 20% interest in the Project (resulting in a total interest for the Purchaser of 100%).

Exploration and Development Update

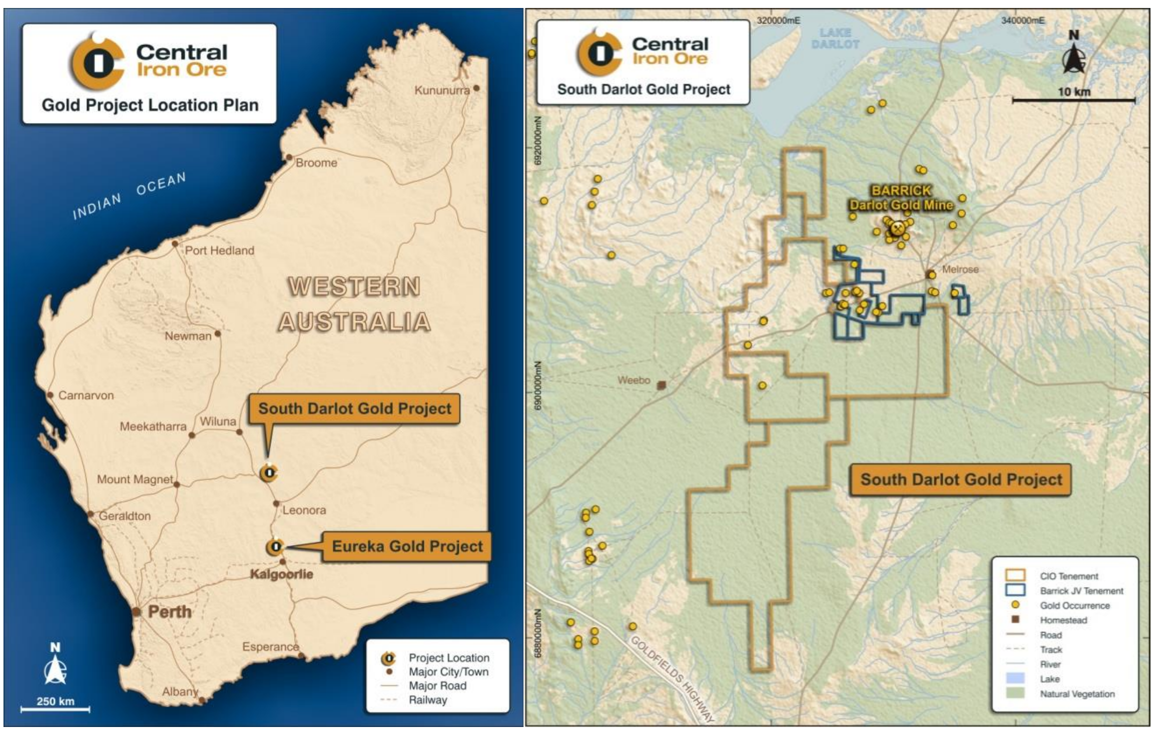
During the quarter ended 31 December 2016, the Company:

- continued its gold exploration strategy.

SOUTH DARLOT GOLD PROJECT (Western Australia)

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

- The British King Mine which is 49% owned by the Company and which is National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI43-101") compliant. The British King Mine is 5km southwest of Barrick Gold Corporation Limited's Darlot Mine. The British King Mine is currently in production.
- A 100% CIO owned tenement package covering 267km^2.
- A number of tenements which are subject to a joint venture with subsidiaries of Barrick Gold Corporation Limited ("Barrick"), details of which are set out below, in which CIO has earned a 70% interest.



The Company's current 100% owned South Darlot Gold Project tenement package covers 267km^2. Details of the Company's 100% owned South Darlot Gold Project and British King Project tenements are set out below.

Project	Tenement	Status	Area (km^2)
South Darlot	E37/882	Granted	84
South Darlot	E37/1054	Granted	33
South Darlot	E37/1085	Granted	24
South Darlot	E37/1086	Granted	3
South Darlot	E37/1106	Granted	123

Project	Tenement	Status	Area (km^2)
British King	M37/30	Granted	0.1
British King	L37/162	Granted	0.1

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

Quarterly Activity

- Annual reporting obligations for tenements.
- Geological mapping and soil sampling programs.
- Quarterly HSE inspection.

Bririsħ King Sale

On November 10, 2014, CIO announced that it has entered into an agreement for the AUD$1.1 million sale of its British King Gold Mine ("Project") in Western Australia to BK Gold Mines Pty Ltd ("Purchaser").

The consideration payable by the Purchaser for the acquisition of the Project includes a AUD$250,000 payment on completion of the acquisition, with the balance of the consideration to be paid in three tranches upon the satisfaction of certain production milestones from the Project, as set out below.

Tranche 1: The Purchaser must deliver to CIO 150 troy ounces of gold upon the production and sale of 5,000 troy ounces of gold from the Project, upon which the Purchaser will acquire a further 14% interest in the Project (resulting in a total interest for the Purchaser of 65%).

Tranche 2: The Purchaser must deliver to CIO 175 troy ounces of gold upon the production and sale of 7,500 troy ounces of gold from the Project, upon which the Purchaser will acquire a further 15% interest in the Project (resulting in a total interest for the Purchaser of 80%).

Tranche 3: The Purchaser must deliver to CIO 215 troy ounces of gold upon the production and sale of 10,000 troy ounces of gold from the Project, upon which the Purchaser will acquire a further 20% interest in the Project (resulting in a total interest for the Purchaser of 100%).

In the event that the Purchaser fails to make any of the payments referred to above by the date required under the agreement, the Purchaser will be required to transfer back to CIO all of its then existing percentage interest in the Project and CIO will grant to the Purchaser a gross value royalty in respect of gold extracted from the Project. The percentage royalty interest will be determined as follows:

Purchaser Project interest	Gross Value Royalty
51%	1.25%
65%	1.625%
80%	2%
100%	2.5%

In addition to the consideration set out above, the Purchaser will pay AUD$5,000 per month to CIO for rental of the equipment located at the Project site, until such time as the Purchaser acquires a 100% interest in the Project (subject to the earlier termination of the agreement).

Completion of the sale and purchase of the Project is conditional upon and subject to the satisfaction of a number of conditions precedent including CIO obtaining any consents, approvals, authorisations or clearances which are required for the sale and purchase of the Project (including any required TSXV approvals), the Purchaser obtaining finance for the acquisition on terms acceptable to it (acting reasonably) and the Project being free of any security interest by November 14, 2014 or by such later date as the parties may agree in writing.

Barrick Joint Venture Project (Western Australia)

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

Project	Tenement	Status	Area (ha)
Barrick JV	M37/421	Granted	381
Barrick JV	M37/552	Granted	200
Barrick JV	M37/631	Granted	776
Barrick JV	M37/632	Granted	595
Barrick JV	M37/709	Granted	98
Barrick JV	M37/1045	Granted	90

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

As at the date of this report, the Company has earned a 70% interest in the Barrick JV Tenements in accordance with the Barrick JV and is continuing exploration on the Barrick JV Tenements.

During the year ended June 30, 2014, Barrick's interest in the Darlot region were acquired by Gold Fields Limited.

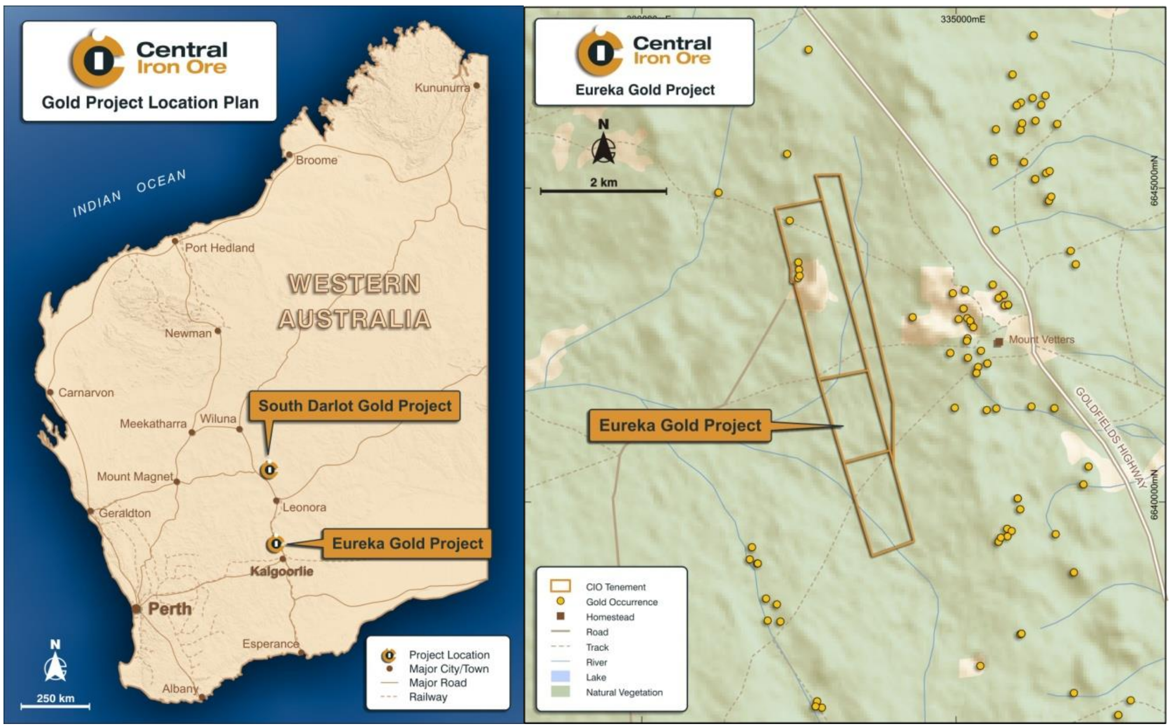
Quarterly Activity

- Annual reporting obligations for tenements.
- Geological mapping and soil sampling program.
- Quarterly HSE inspection.

EUREKA GOLD PROJECT (Western Australia)

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



Quarterly Activity

- Quarterly HSE inspection
- Annual reporting obligations for tenements.
- Ongoing discussions and due diligence for funding of the Eureka Project.

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").

MINERAL PROPERTIES (all amounts in Australian dollars)

Tenement	Status	Area (km^2)	Grant Date	Expiry Date	Annual Rent	Expenditure
M24/189	Granted	2.18	15/02/1988	14/02/2030	$3,035.34	$21,900
M24/584	Granted	1.10	25/10/2000	24/10/2021	$1,538.46	$11,100
M24/585	Granted	1.04	25/10/2000	24/10/2021	$1,455.30	$10,500
M24/586	Granted	1.30	25/10/2000	24/10/2021	$1,801.80	$13,000
E37/882	Granted	84	26/03/2008	25/03/2017	$8,856.21	$84,000
E37/1054	Granted	33	1/04/2011	30/03/2018	$1,332.21	$20,000
E37/1085	Granted	24	12/08/2011	11/08/2016	$1,021.50	$20,000
E37/1086	Granted	3	12/08/2011	11/08/2016	$273.00	$10,000
E37/1106	Granted	123	22/06/2012	21/06/2017	$4,784.70	$41,000
M37/30	Granted	0.1	4/07/1984	3/07/2026	$159.50	$10,000
L37/162	Granted	0.1	25/10/2006	24/10/2027	$99.33	

Barrick JV Tenement Package

Tenement	Status	Area (ha)	Grant Date	Expiry Date	Annual Rent	Expenditure
M37/421	Granted	381	24/11/1993	23/11/2035	$6,075.95	$38,100
M37/552	Granted	200	5/12/2008	4/12/2029	$3,190.00	$20,000
M37/631	Granted	776	23/05/2007	22/05/2028	$12,393.15	$77,700
M37/632	Granted	595	23/05/2007	22/05/2028	$9,490.25	$59,500
M37/709	Granted	98	23/01/2008	22/01/2029	$1,563.00	$10,000
M37/1045	Granted	90	25/02/2009	24/02/2030		$10,000

CORPORATE UPDATE

BRITISH KING SALE

On November 10, 2014, CIO announced that it has entered into an agreement for the AUD$1.1 million sale of its British King Gold Mine ("Project") in Western Australia to BK Gold Mines Pty Ltd ("Purchaser").

The consideration payable by the Purchaser for the acquisition of the Project includes a AUD$250,000 payment on completion of the acquisition, with the balance of the consideration to be paid in three tranches upon the satisfaction of certain production milestones from the Project, as set out below.

Tranche 1: The Purchaser must deliver to CIO 150 troy ounces of gold upon the production and sale of 5,000 troy ounces of gold from the Project, upon which the Purchaser will acquire a further 14% interest in the Project (resulting in a total interest for the Purchaser of 65%).

Tranche 2: The Purchaser must deliver to CIO 175 troy ounces of gold upon the production and sale of 7,500 troy ounces of gold from the Project, upon which the Purchaser will acquire a further 15% interest in the Project (resulting in a total interest for the Purchaser of 80%).

Tranche 3: The Purchaser must deliver to CIO 215 troy ounces of gold upon the production and sale of 10,000 troy ounces of gold from the Project, upon which the Purchaser will acquire a further 20% interest in the Project (resulting in a total interest for the Purchaser of 100%).

RISKS AND UNCERTAINTIES

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

General

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

The Company's financial statements and discussion and analysis of the financial condition, changes in financial condition and results of operations of the Company for the year ended June 30, 2016 do not include the adjustments that would be necessary should the Company be unable to continue as a going concern.

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

Trends

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

Competitive Conditions

The resource industry is intensively competitive in all of its phases. The Company competes with other mining companies for the acquisition of mineral claims and other mining interests as well as for the recruitment and retention of qualified employees and contractors. The Company competes with many other companies that have substantially greater financial resources than the Company and its ability to compete is dependent of being able to raise additional funds as and when required.

Environmental Factors and Protection Requirements

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

Mineral Exploration and Development

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

Operating Hazards and Risks

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

Economics of Developing Mineral Properties

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

Commodity Prices

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

Currency Risk

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

Title

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

Governmental Regulation

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

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

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

Management and Directors

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

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

Conflicts of Interest

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

Limited Operating History: Losses

The Company has experienced losses in previous years of its operations. There can be no assurance that the Company will operate profitably in the future, if at all. As at December 31, 2016 the Company's deficit was $21,137,070.

Price Fluctuations: Share Price Volatility

For the quarter ended December 31, 2016, the closing price of the Company's shares fluctuated from a high of $0.025 per share to a low of $0.01 per share. There can be no assurance that continual fluctuations in price will not occur.

Exploration Target

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

Market Conditions

Global Economy

After a lackluster outturn in 2016, economic activity is projected to pick up pace in 2017 and 2018, especially in emerging market and developing economies. However, there is a wide dispersion of possible outcomes around the projections, given uncertainty surrounding the policy stance of the incoming U.S. administration and its global ramifications. The assumptions underpinning the forecast should be more specific by the time of the April 2017 World Economic Outlook, as more clarity emerges on U.S. policies and their implications for the global economy.

With these caveats, aggregate growth estimates and projections for 2016–18 remain unchanged relative to the October 2016 World Economic Outlook. The outlook for advanced economies has improved for 2017–18, reflecting somewhat stronger activity in the second half of 2016 as well as a projected fiscal stimulus in the United States. Growth prospects have marginally worsened for emerging market and developing economies, where financial conditions have generally tightened. Near-term growth prospects were revised up for China, due to expected policy stimulus, but were revised down for a number of other large economies—most notably India, Brazil, and Mexico.

This forecast is based on the assumption of a changing policy mix under a new administration in the United States and its global spillovers. Staff now project some near-term fiscal stimulus and a less gradual normalization of monetary policy. This projection is consistent with the steepening U.S. yield curve, the rise in equity prices, and the sizable appreciation of the U.S. dollar since the November 8 election. This WEO forecast also incorporates a firming of oil prices following the agreement among OPEC members and several other major producers to limit supply.

While the balance of risks is viewed as being to the downside, there are also upside risks to near-term growth. Specifically, global activity could accelerate more strongly if policy stimulus turns out to be larger than currently projected in the United States or China. Notable negative risks to activity include a possible shift toward inward-looking policy platforms and protectionism, a sharper than expected tightening in global financial conditions that could interact with balance sheet weaknesses in parts of the euro area and in some emerging market economies, increased geopolitical tensions, and a more severe slowdown in China.

Developments in the second half of 2016

Global output growth is estimated at about 3 percent (at an annualized rate) for the third quarter of 2016—broadly unchanged relative to the first two quarters of the year. This stable average growth rate, however, masks divergent developments in different country groups. There has been a stronger-than-expected pickup in growth in advanced economies, due mostly to a reduced drag from inventories and some recovery in manufacturing output. In contrast, it is matched by an unexpected slowdown in some emerging market economies, mostly reflecting idiosyncratic factors. Forward-looking indicators such as purchasing managers' indices have remained strong in the fourth quarter in most areas.

Among advanced economies, activity rebounded strongly in the United States after a weak first half of 2016, and the economy is approaching full employment. Output remains below potential in a number of other advanced economies, notably in the euro area. Preliminary third-quarter growth figures were somewhat stronger than previously forecast in some economies, such as Spain and the United Kingdom, where domestic demand held up better than expected in the aftermath of the Brexit vote. Historical growth revisions indicate that Japan's growth rate in 2016 and in preceding years was stronger than previously estimated.

The picture for emerging market and developing economies (EMDEs) remains much more diverse. The growth rate in China was a bit stronger than expected, supported by continued policy stimulus. But activity was weaker than expected in some Latin American countries currently in recession, such as Argentina and Brazil, as well as in Turkey, which faced a sharp contraction in tourism revenues. Activity in Russia was slightly better than expected, in part reflecting firmer oil prices.

Commodity prices and inflation. Oil prices have increased in recent weeks, reflecting an agreement among major producers to trim supply. With strong infrastructure and real estate investment in China as well as expectations of fiscal easing in the United States, prices for base metals have also strengthened. Headline inflation rates have recovered in advanced economies in recent months with the bottoming out of commodity prices, but core inflation rates have remained broadly unchanged and generally below inflation targets. Inflation ticked up in China as capacity cuts and higher commodity prices have pushed producer price inflation to positive territory after more than four years of deflation. In other EMDEs, inflation developments have been heterogeneous, reflecting differing exchange rate movements and idiosyncratic factors.

Financial market developments. Long-term nominal and real interest rates have risen substantially since August (the reference period for the October 2016 WEO), particularly in the United Kingdom and in the United States since the November election. As of January 3, nominal yields on 10-year U.S. Treasury bonds have increased by close to one percentage point since August, and 60 basis points since the U.S. election. These changes have been mostly driven by an anticipated shift in the U.S. policy mix. Specifically, U.S. fiscal policy is projected to become more expansionary, with stronger future demand implying more inflationary pressure and a less gradual normalization of U.S. monetary policy. The increase in euro area long-term yields since August was more moderate—some 35 basis points in Germany but 70 basis points in Italy, reflecting elevated political and banking sector uncertainties. The U.S. Federal Reserve raised short-term interest rates in December, as expected, but in most other advanced economies the monetary policy stance has remained broadly unchanged. In emerging market economies, financial conditions were heterogeneous but generally tightened, with higher long-term interest rates on local-currency bonds, especially in emerging Europe and Latin America. Policy rate changes since August also reflected this heterogeneity—with rate hikes in Mexico and Turkey and cuts in Brazil, India, and Russia—as did changes in EMBI (Emerging Market Bond Index) spreads.

Exchange rates and capital flows. The U.S. dollar has appreciated in real effective terms by over 6 percent since August. The currencies of advanced commodity exporters have also strengthened, reflecting the firming of commodity prices, whereas the euro and especially the Japanese yen have weakened. Several emerging market currencies depreciated substantially in recent months—most notably the Turkish lira and the Mexican peso—while the currencies of several commodity exporters—most notably Russia—appreciated. Preliminary data point to sharp non-resident portfolio outflows from emerging markets in the wake of the U.S. election, following a few months of solid inflows.

Forecast

Global growth for 2016 is now estimated at 3.1 percent, in line with the October 2016 forecast. Economic activity in both advanced economies and EMDEs is forecast to accelerate in 2017–18, with global growth projected to be 3.4 percent and 3.6 percent, respectively, again unchanged from the October forecasts.

Advanced economies are now projected to grow by 1.9 percent in 2017 and 2.0 percent in 2018, 0.1 and 0.2 percentage points more than in the October forecast, respectively. As noted, this forecast is particularly uncertain in light of potential changes in the policy stance of the United States under the incoming administration. The projection for the United States is the one with the highest likelihood among a wide range of possible scenarios. It assumes a fiscal stimulus that leads growth to rise to 2.3 percent in 2017 and 2.5 percent in 2018, a cumulative increase in GDP of ½ percentage point relative to the October forecast. Growth projections for 2017 have also been revised upward for Germany, Japan, Spain, and the United Kingdom, mostly on account of a stronger-than-expected performance during the latter part of 2016. These upward revisions more than offset the downward revisions to the outlook for Italy and Korea.

The primary factor underlying the strengthening global outlook over 2017–18 is, however, the projected pickup in EMDEs' growth. As discussed in the October WEO, this projection reflects to an important extent a gradual normalization of conditions in a number of large economies that are currently experiencing macroeconomic strains. EMDE growth is currently estimated at 4.1 percent in 2016, and is projected to reach 4.5 percent for 2017, around 0.1 percentage point weaker than the October forecast. A further pickup in growth to 4.8 percent is projected for 2018.

Notably, the growth forecast for 2017 was revised up for China (to 6.5 percent, 0.3 percentage point above the October forecast) on expectations of continued policy support. However, continued reliance on policy stimulus measures, with rapid expansion of credit and slow progress in addressing corporate debt, especially in hardening the budget constraints of state-owned enterprises, raises the risk of a sharper slowdown or a disruptive adjustment. These risks can be exacerbated by capital outflow pressures, especially in a more unsettled external environment.

Nigeria's forecasts were also revised up, primarily reflecting higher oil production due to security improvements.

Growth forecasts for 2017 were instead revised down in a number of other regions:

In India, the growth forecast for the current (2016–17) and next fiscal year were trimmed by one percentage point and 0.4 percentage point, respectively, primarily due to the temporary negative consumption shock induced by cash shortages and payment disruptions associated with the recent currency note withdrawal and exchange initiative.

Elsewhere in emerging Asia, growth was also revised down in Indonesia, reflecting weaker-than-projected private investment, and in Thailand, in light of a slowdown in consumption and tourism.

In Latin America, the growth downgrade reflects to an important extent more muted expectations of short-term recovery in Argentina and Brazil following weaker-than-expected growth outturns in the second half of 2016, tighter financial conditions and increased headwinds from U.S.-related uncertainty in Mexico, and continued deterioration in Venezuela.

In the Middle East, growth in Saudi Arabia is expected to be weaker than previously forecast for 2017 as oil production is cut back in line with the recent OPEC agreement, while civil strife continues to take a heavy toll on a number of other countries.

Risks

Risks to the global growth outlook are two sided but are assessed to be skewed to the downside, especially over the medium term:

Recent political developments highlight a fraying consensus about the benefits of cross-border economic integration. A potential widening of global imbalances coupled with sharp exchange rate movements, should those occur in response to major policy shifts, could further intensify protectionist pressures. Increased restrictions on global trade and migration would hurt productivity and incomes, and take an immediate toll on market sentiment.

In those advanced economies where balance sheets remain impaired, an extended shortfall in private demand and inadequate progress on reforms (including bank balance sheet repair) could lead to permanently lower growth and inflation, with negative implications for debt dynamics.

In addition to the risks already mentioned in the previous section, underlying vulnerabilities remain among some other large emerging market economies. High corporate debt, declining profitability, weak bank balance sheets, and thin policy buffers imply that these economies are still exposed to tighter global financial conditions, capital flow reversals, and the balance sheet implications of sharp depreciations. In many low-income economies, low commodity prices and expansionary policies have eroded fiscal buffers and led in some cases to a precarious economic situation, heightening their vulnerability to further external shocks.

Geopolitical risks and a range of other noneconomic factors continue to weigh on the outlook in various regions—civil war and domestic conflict in parts of the Middle East and Africa, the tragic plight of refugees and migrants in neighboring countries and in Europe, acts of terror worldwide, the protracted effects of a drought in eastern and southern Africa, and the spread of the Zika virus. If these factors intensify, they would deepen the hardship in directly affected countries. Increased geopolitical tensions and terrorism could also take a large toll on global market sentiment and economic confidence.

On the upside, the support to activity from policy stimulus in the United States and/or China could turn out to be larger than what has been incorporated into current forecasts, which also would result in a stronger pickup of activity in their trading partners unless the positive spillovers are tempered by protectionist trade policies. Upside risks also include higher investment if confidence in the recovery of global demand strengthens, as some financial market indicators seem to suggest.

(Source: IMF World Economic Outlook, January, 2017, www.imf.org)

Gold Market

A four-year high in investment drove price gains and demand growth 2016 full year gold demand gained 2% to reach a 3year high of 4,308.7t. Annual inflows into ETFs reached 531.9t, the second highest on record. Declines in jewellery and central bank purchases offset this growth. Annual bar and coin demand was broadly stable at 1,029.2t, helped by a Q4 surge.

Highlights

2016 was the second best year for ETFs on record. Global demand for goldbacked ETFs and similar products (ETFs) was 531.9t the highest since 2009. Q4 saw outflows.

Bar and coin demand sprang into life in Q4. Having been subdued for most of the year, the price fall in Q4 was the buying opportunity many retail investors had been waiting for. Q4 was China's strongest quarter for bar and coin demand since Q2 2013.

The gold price ended the year up 8%. Having risen 25% by the end of September, gold relinquished some of its gains in Q4 following Trump's conciliatory acceptance speech and the FOMC's interest rate rise.

2016 saw a 7year low for jewellery demand. Rising prices for much of the year, regulatory and fiscal hurdles in India and China's softening economy were key reasons for weakness in the sector.

India's shock demonetisation policy brought the market to a virtual standstill. An initial rush for gold following the policy announcement came to a swift halt in the ensuing cash crunch.

Central bank demand was the lowest since 2010. Net purchases (383.6t) were 33% lower than 2015, due in part to increased pressure on FX reserves. Despite this, 2016 was the 7th consecutive year of net purchases by central banks.

Mine production

Mined gold totalled 3,236t in 2016, virtually unchanged from 2015. Production peaked in Q3, when 850.4t was brought on to the market, before falling back to 810.9t in Q4 (2% yoy).

Indonesia saw the largest gains in Q4 (more than 7t yoy). This was due to the mining of higher grade ore – something of a current industry trend – at Grasberg, which promises to boost Indonesian production further in 2017. Production in Suriname also grew in Q4 (3t yoy), as Newmont's Merian mine began commercial production in October.
Russian Q4 production (6t yoy) was hit by flooding at some of the largest operations, while production in Mongolia fell by 5t yoy due to the mining of lower grade ore at Oyu Tolgoi. The Q4 decline in Mali (4t yoy) was partly due to a comparison with a high base quarter.

Plateauing production is inevitable given industry cost cutting since 2013. Gold miners recognise that the capital intensive nature of the industry is driven by two key factors: the costs of extracting gold from the ground, and the costs associated with replacing those gold reserves. Despite the need for strategic reserve levels to be maintained, the project pipeline is considerably thinner and exploration budgets were cut in recent years.

But 2016 signalled a renewed vigour for exploration; increased project development may be around the corner. Higher local gold prices, coupled with lower costs, allowed producers to reap higher margins. Coffers were boosted, providing opportunities for a pickup in brownfield and, to a lesser extent, greenfield spending. In November, a Moody's report predicted that the higher average gold price in 2016 will spur an increase in capital spending over the coming year. SNL Metals & Mining, in its recent Gold Mined Supply Report, also highlighted renewed interest in exploration in the latter part of 2016. Acacia Mining is a prime example; it expects its 2017 greenfield budget to be around 15% higher than in 2016 , with CEO Brad Gordon telling Reuters , "This is part of our long-term strategy to invest in exploration when the rest of the industry is walking away from that".

(Source: World Gold Council, Gold Demand Trends Full Year 2016 report, February, 2017, http://www.gold.org/supply-and-demand/gold-demand-trends/back-issues/gold-demand-trends-full-year-2016)

SELECTED FINANCIAL INFORMATION

The following table sets forth selected financial information of the Company for, and as at the end of, each of the last three financial years of the Company up to and including June 30, 2016. This financial information is derived from the financial statements of the Company. The Company prepares financial information according to IFRS and all information is reported in Australian dollars.

	June 2016	**June 2015**	**June 2014**
Income from continuing operations	57,203	40,785	6,634
Net loss for the year	52,130	(348,114)	(706,152)
Net loss per share	(0.0007)	(0.010)	(0.01)
Total Assets	3,132,237	2,904,582	3,374,754
Total Long-term financial liabilities	50,000	50,000	50,000

RESULTS OF OPERATIONS AND FINANCIAL CONDITION

(all amounts in Australian dollars)

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

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

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

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

Exploration and Development Expenses

For the quarter ended December 31, 2016 the Company spent $29,102 on exploration and development activities. This compares with $123,477 for the corresponding quarter ended December 31, 2015. These costs have decreased compared to the previous financial year owing to funding.

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

Australian $	**December 2016**	**June 2016**	**June 2015**
Expenses			
British King mine	3,980	263,464	15,987
Eureka mine	0	56,968	7,993
Tanzania	0	0	0
Yilgarn	0	17,712	5,138
Capitalized Expenses			
British King mine	27,952	7,673	124,116
Eureka mine	300	1,918	26,604
Yilgarn Project	850	5,368	45,100

Administrative Expenses

For the quarter ended December 31, 2016 the Company incurred administrative expenses of $7,138 compared to $9,398 for the quarter ended Decembrt 30, 2015

Income

Income is normally comprised of interest income. For the quarter December 31, 2016 the Company earned income of $15,000, compared to income of $31,043 for the quarter ended December 31, 2015. Interest income is dependent upon interest rates and the amount of financing raised each year by the Company (if any). Interest rates vary due to factors such as market conditions and the Company has no control over the fluctuation of rates.

Income Taxes

No provision has been made for income tax liability for the quarters ended December 31, 2016 and December 31, 2015.

Net Losses

The net loss for the quarter ended December 31, 2016 was $15,405 compared with the net loss for the corresponding quarter ended December 31, 2015 of $144,115.

Change in Financial Position

At December 31, 2016 the Company had total assets of $3,197,469 compared to $2,858,436 at December 31, 2015. Net assets decreased owing mainly to the use of cash. The Company had a cash balance of $25,311 at December 31, 2016 compared to a cash balance of $140,150 at December 31, 2015.

At December 31, 2016 the Company had a net working capital deficit of $539,969 compared with a net working capital surplus of $35,589 at December 31, 2015. The decrease in the Company's net working capital surplus results from exploration development costs and administration expenditure.

SUMMARY OF QUARTERLY INFORMATION (all amounts in Australian dollars)

The following table sets out a comparison of revenues and earnings for the previous eight (8) quarters to December 31, 2016. This financial information is derived from the financial statements of the Company. The Company prepares financial information according to Canadian GAAP and all information is reported in Australian dollars.

Australian $	Quarter to Dec 31, 2016	Quarter to Sept 30, 2016	Quarter to Jun 30, 2016	Quarter to Mar 31, 2016	Quarter to Dec 31, 2015	Quarter to Sept 30, 2015	Quarter to Jun 30, 2015	Quarter to Mar 31, 2015
Income from continuing operations	15,000	25,349	20,379	381	31,043	5,400	40,785	471
Net profit/loss for the period	(1,5,405)	13,979	(52,130)	(145,002)	(128,345)	(144,115)	(348,114)	(29,546)
Net profit/loss per basic and diluted	(0.0002)	0.0002	(0.01)	(0.002)	(0.0018)	(0.002)	(0.0048)	0.0004

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

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

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

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

LIQUIDITY AND CAPITAL RESOURCES

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

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

Apart from the initiatives discussed above, the Company is not aware of any trends, commitments or events that may affect its liquidity in the foreseeable future. The Company has not made any commitments for capital expenditures. For other Commitments see Note 15 to the Interim Financial Statements for December 31, 2016. Material increases or decreases in the Company's liquidity will be substantially determined by the success or failure of raising additional funds through private placements and its planned exploration programs.

As at December 31, 2016 the Company had a net working capital deficit of $539,969.

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

COMMITMENTS

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

For details of the Company's Exploration and Other Commitments see Note 15 to the Financial Statements for June 30, 2016.

OFF-BALANCE SHEET ARRANGEMENTS

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

ACCOUNTING POLICIES

Accounting policies are listed in Note 1 to the Financial Statements for June 30, 2016.

RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

(a) Paid or accrued $3,905 (Dec 31, 2015 - $105,210) in consulting fees (Jaybre Geological Consulting Pty Ltd), to directors of the Company.

(b) Paid or accrued $14,405 (Dec 31, 2015 - $0) in accounting fees (Gullewa Limited) to officers of the Company.

(c) Paid or accrued $0 (Dec 31, 2015 – $0) in legal fees to Cardinals Corporate Pty Ltd trading as Cardinals Lawyers and Consultants, a related party by way of common directors.

Included in non-current liabilities - loans payable at December 31, 2016 was $Nil (December 31, 2015 - $Nil) owed to companies owned by directors and former directors of the Company. The Company paid or accrued $Nil (December 31, 2015 - $Nil) in interest expense related to the loans payable due to related parties.

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

INTERNAL CONTROLS OVER FINANCIAL REPORTING

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

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

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

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

While management and the board of directors of the Company work to mitigate the risk of a material misstatement in the Company's financing reporting, the Company's control system, no matter how well designed or implemented, can only provide reasonable, but not absolute, assurance of detecting, preventing and deterring errors and fraud.

FINANCIAL INSTRUMENTS

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

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

Outstanding Share Data as of February 28, 2017:

Authorized and issued share capital:

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

As at February 28, 2017, there were nil stock options and nil warrants outstanding.

QUALIFIED PERSON'S STATEMENT

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

OTHER INFORMATION

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

BY ORDER OF THE BOARD

"Brett James Hodgins"
Brett James Hodgins, Director
President and CEO

"Richard Homsany"
Richard Homsany, Director
Chairman