CENTRAL IRON ORE LIMITED

Management Discussion and Analysis
(Form 51-102F1)

For the six months ended December 31, 2020

GENERAL

Central Iron Ore Limited ("CIO" or the "Company") was incorporated in Victoria, Australia on February 21, 1996 and currently resides in Sydney, Australia. The address of the Company's corporate office and principal place of business is Level 2, 49-51 York Street, Sydney, NSW 2000, Australia.

This Management's Discussion and Analysis ("MD&A") of the Company has been prepared based on available information up to the date of this report, February 28, 2021, and should be read in conjunction with the Company's condensed interim consolidated financial statements for the six months ended December 31, 2020 as well as the audited consolidated financial statements for the year ended June 30, 2020.

The financial information disclosed in this MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("ISAB"). All monetary amounts are expressed in Australian dollars unless stated otherwise.

The Company's shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol "CIO". Additional information is available on SEDAR at www.sedar.com.

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.

OVERVIEW

Since listing on the 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.

The Company has discontinued exploration of its Tanzanian uranium assets and has repositioned itself into Western Australian regional exploration and development gold

prospects.

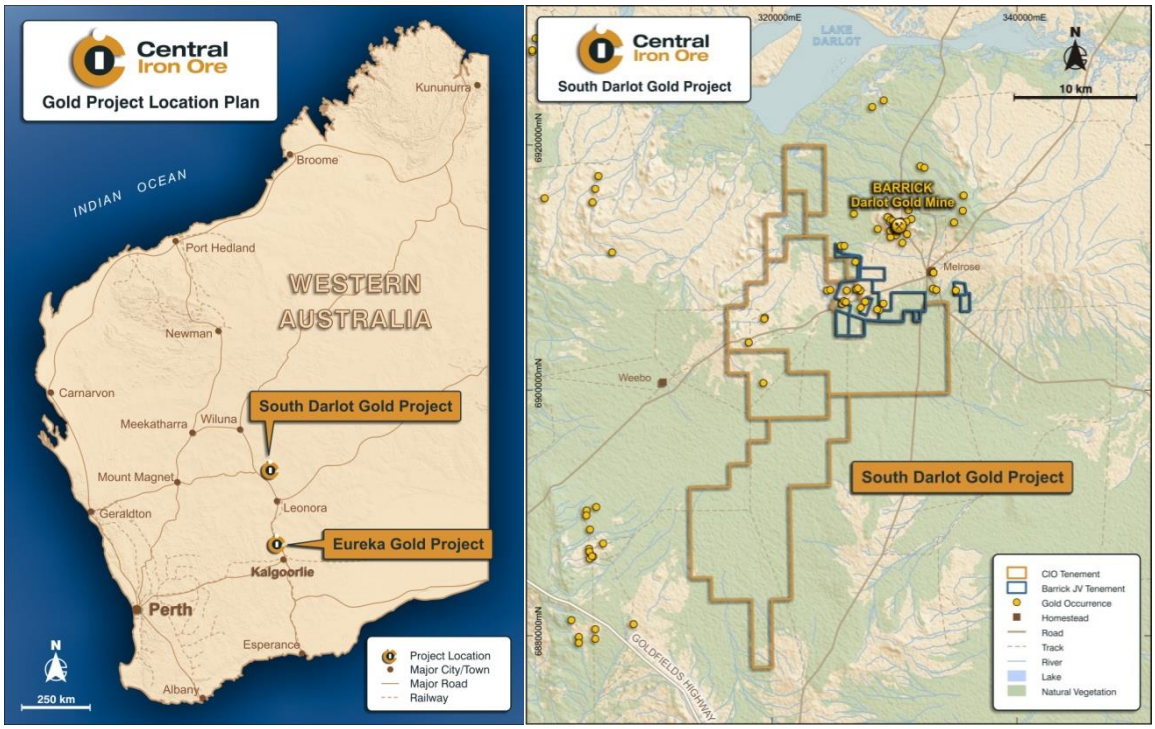
EXPLORATION AND DEVELOPMENT UPDATE

South Darlot Gold Project (Western Australian)

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

- The British King Mine which is 100% beneficially 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 Red 5 Limited's Darlot Mine. The British King Mine is currently in care and maintenance.

- A number of tenements which are subject to a joint venture with subsidiaries of Red 5 Limited ("Red 5"), details of which are set out below, in which CIO has earned a 70% interest. As at the date of this report, the Company view was that it had earned in excess of a 70% interest in the Red 5 JV Tenements but this is disputed by Red 5.



British King Project

The British King Mine which is 100% beneficially 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 Red 5 Limited's Darlot Mine. The British King Mine is currently in care and maintenance.

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

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").

As the Purchaser failed to make any of the payments required under the agreement by October 30, 2020 the Purchaser is required to transfer back to CIO all of its percentage interest in the Project. The purchaser has sent signed transfer notices .When these are registered on the Mining Tenement Register CIO will grant to the Purchaser a gross value royalty in respect of gold extracted from the Project. The percentage royalty interest will be 1.25% .The Purchaser has to remove a mortgage and a caveat in favour of Silverstream which is showing on title, to allow the transfer to be registered.BK Gold Mine Pty Ltd and Silverstream are in dispute on this.We are awaiting a resolution .

The Purchaser currently owes $143,000 for rental arrears on the equipment rental

RED 5 JV Project (Formerly Barrick Joint Venture Project)

The tenements set out in the table below ("Red 5 JV Tenements") are the subject of a joint venture between the Company and subsidiaries of Red 5 Limited ("Red 5 JV"), and are situated southwest of Red 5's Darlot gold mine and are contiguous with CIO's current holdings in the area. The Red 5 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 in excess of a 70% interest in the Barrick JV Tenements in accordance with the Barrick JV and is continuing exploration on the Barrick JV Tenements. This view that it had earned in excess of a 70% interest in the Red 5 JV Tenements is disputed by Red 5.

Quarterly Activity

- Annual reporting obligations for tenements.
- Quarterly HSE inspection.

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

Tenement	Status	Area (km^2)	Grant Date	Expiry Date	Annual Rent	Expenditure
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	

RED 5 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

The Company is in negotiation with Red 5 Limited to resolve the dispute by entering to a Settlement Deed and a new Joint Venture.

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.

SUMMARY OF QUARTERLY INFORMATION

The following table sets out a comparison of revenues and earnings for the previous eight (8) quarters to December 31, 2020. This financial information is derived from the financial statements of the Company.

Australian $	**Quarter to Dec 31, 2020**	**Quarter to Sept 30, 2020**	**Quarter to Jun 30, 2020**	**Quarter to Mar 31, 2020**	**Quarter to Dec 31, 2019**	**Quarter to Sept 30, 2019**	**Quarter to June 30, 2019**	**Quarter to Mar 31, 2019**
Income from continuing operations	4,545	0	120,493	0	0	0	167,030	0
Net income (loss) for the period	(138,277)	(93,318)	134,337	17,346	(49,345)	(9,247)	(758,732)	(33,997)
Net income (loss) per basic and diluted share	(0.0019)	(0.0013)	0.0014	0.0002	(0.0007)	(0.0001)	(0.0104)	(0.0005)

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.

RESULTS OF OPERATIONS

Six Months Ended December 31, 2020 and 2019

Exploration and Development Expenses

For the six months ended December 31, 2020 the Company spent $55,788 on exploration and development activities. This compares with $65,265 for the corresponding period ended December 31, 2019.

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

Australian $	**December 2020**	**December 2019**
Expenses		
Darlot mine	3,472	7,826
Capitalized Expenses		
Darlot mine	55,788	65,264
Yilgarn Project		0

Net Loss

For the six months ended December 31, 2020, the Company incurred net loss of $231,595 as compared to a net loss $58,592 for the same period in 2019.

The significant change of net loss is due to administrative expenses of $183,508 incurred in the six months ended December 31, 2020, compared with $28,879 in the six months ended December 31, 2019.

The higher administrative expenses are mainly caused by legal fee of $59,160 that is in relation with R5 joint venture agreement.

Three Months Ended December 31, 2020 and 2019

Exploration and Development Expenses

For the three months ended December 31, 2020 the Company spent $11,951 on exploration and development activities. This compares with $34,218 for the corresponding period ended December 31, 2019.

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

Australian $	**December 2020**	**December 2019**
Expenses		
Darlot mine	1,403	2,568
Capitalized Expenses		
Darlot mine	10,548	31,650
Yilgarn Project		0

Net Loss

For the three months ended December 31, 2020, the Company incurred net loss of $138,277 as compared to a net loss $49,345 for the same period in 2019.

The significant change of net loss is due to administrative expenses of $106,969 incurred in the three months ended December 31, 2020, compared with $24,890 in the three months ended December 31, 2019.

The higher administrative expenses are mainly caused by legal fee of $59,160 that is in relation with R5 joint venture agreement.

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. 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, 2020 the Company had a net working capital deficit of $5,521.

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

Cash Flows

The Company had a cash balance of $292,334 at December 31, 2020 compared to a cash balance of $199,684 at June 30, 2020.

At December 31, 2020 the Company had a net working capital deficit of $5,521 compared with a net working capital deficit of $591 at June 30, 2020. The decrease in the Company's net working capital results from increased exploration development costs and administration expenditure.

The cash balance increases due to Central Iron Ore Limited received cash of $278,372 by sold 1,290,727 Kingwest Resources Ltd shares on 29th Oct 2020.

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.

RELATED PARTY TRANSACTIONS

Total remuneration of each key management personnel and their related parties of the Company for the six months ended December 31, 2020, is set out below.

December 31 2020	**Short Term Employee Benefits**			**Post Employment Benefits**		**Share Based Payments**	
Directors	Cash Salary & Fees	Cash Bonus	Other	Super-annuation	Retirement Benefits	Options	Total
B Hodgins	6,250	-	-	594	-	-	6,844
Katherine Garvey	5,000	-	-	-	-	-	5,000
A Howland-Rose	6,250	-	-	-	-	-	6,250
Total	17,500	-	-	594	-	-	18,094

Total remuneration of each key management personnel and their related parties of the Company for the six months ended December 31, 2019 is set out below.

December 31, 2019	**Short Term Employee Benefits**			**Post Employment Benefits**		**Share Based Payments**	
Directors	Cash Salary & Fees	Cash Bonus	Other	Super-annuation	Retirement Benefits	Options	Total
B Hodgins	-	-	-	-	-	-	-
R Homsany	-	-	-	-	-	-	-
A Howland-Rose	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

Other transactions with key management personnel

a) The President & Chief Executive Officer of the Company, Mr Brett Hodgins, is a Principal of Jaybre Geological Consulting Pty Ltd, which provides management and consulting services to the Company. For the six months ended December 31, 2020, these were valued at nil.

b) The Chief Financial Officer of the Company, Mr David Deitz is a director of Gullewa Limited, which provides accounting services to the Company. For the six months ended December 31, 2020, these were valued at nil.

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

	Six months ended December 31 2020 $	Six months ended December 31 2019 $
Consulting work – Brett Hodgins (Jaybre Geological Consulting Pty Ltd)	-	-
Consulting work – David Deitz (Jabiru Quil Pty Ltd)	6,250	-
Gullewa Limited – Administration fees	10,650	18,970
Gullewa Limited – Borrowed as working capital	-	-
Legal services – Richard Homsany (Cardinals Corporate Lawyers Pty Ltd)	43,800	-
	60,700	18,970

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

	December 31 2020 $	June 30 2020 $
Jaybre Geological Consulting Pty Ltd	22,333	22,333
Jabiru Quil Pty Ltd	-	-
Gullewa Limited – Administration fees	-	-
Gullewa Limited – Borrowed as working capital	396,609	296,609
Cardinals Corporate Lawyers Pty Ltd	-	-

FINANCIAL INSTRUMENTS

The Company measured its cash, receivables, accounts payable and accrued liabilities, and loan payable at amortized cost. The carrying values of these items approximate their fair value due to the relatively short periods to maturity of the instruments.

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

Credit risk

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

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

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

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2020, the Company had a cash and cash equivalent balance of $292,334 (June 30, 2020 - $199,684) to settle current liabilities of $416,628 (June 30, 2020 - $321,200).

Management believes that it has sufficient funds to meet its current liabilities as they become due.

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

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

Apart from the initiatives discussed above, the Company is not aware of any trends, commitments or events that may affect its liquidity in the foreseeable future. The Company has not made any commitments for capital expenditures, other commitments and contingencies for expenditure are set out in note 15. Material increases or

decreases in the Company's liquidity will be substantially determined by the success or failure of raising additional funds through private placements and its planned exploration programs.

December 31, 2020 the Company had a working capital deficiency of $5,521.

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

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

a) Interest rate risk

The Company has cash balance of $292,334. The interest earned on the cash deposit approximates fair value rates, and the Company is not at a significant risk to fluctuating interest rates. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at December 31, 2020, the Company had a total of $nil in short-term deposits.

The risk that the Company will realize a loss as a result of a decline in the fair value of the short-term investments

included in cash and cash equivalents is minimal because of the short-term nature of these investments.

b) Foreign currency risk

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

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency and net investments in foreign operations.

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

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and iron ore, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

SIGNIFICANT ACOUNTING POLICIES, CRITICAL JUDGMENTS AND ESTIMATES

All of the Company's significant accounting policies and estimates are included in Notes 2 and 3 of its condensed consolidated interim financial statements for the six months ended December 31, 2020 and Note 1 its audited consolidated financial statements for the year ended June 30, 2020.

New accounting standards and interpretations

Accounting standards and amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

SUBSEQUENT EVENTS

None

OUTSTANDING SHARE DATA

As of the date of this MD&A, the 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 the date of this MD&A, there were nil stock options and nil warrants outstanding.

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.

	December 31 2020 $	June 30 2020 $
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	650,000	650,000
Later than one year but not later than five years	350,000	2,000,000
Later than 5 years	1,000,000	2,000,000
	2,000,000	4,650,000

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, 2019 do not include the adjustments that would be necessary should the Company be unable to continue as a going concern.

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

Trends

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

Competitive Conditions

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

Environmental Factors and Protection Requirements

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

Mineral Exploration and Development

The Company's properties are in the exploration and development stage. Development of the Company's properties will only proceed upon obtaining satisfactory exploration results. Mineral exploration and development involve a high degree of risk and few properties which

are explored are ultimately developed into producing mines. There is no assurance that mineral exploration and development activities will result in the discovery of an ore body of commercial minerals on any of the Company's properties. Several years may pass between the discovery of a deposit and its exploitation. Most exploration projects do not result in the discovery of commercially mineralized deposits.

Operating Hazards and Risks

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

Economics of Developing Mineral Properties

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

Commodity Prices

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

Currency Risk

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

Title

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

Governmental Regulation

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

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

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

Management and Directors

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

- Richard Homsany - Chairman
- Brett Hodgins - President / CEO
- Anthony Howland-Rose - Director
- David 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, 2020 the Company's deficit was $21,776,352.

Price Fluctuations: Share Price Volatility

For the quarter ended December 31, 2020, the closing price of the Company's shares fluctuated from a high of $0.055 per share to a low of $0.040 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.

Impact of COVID-19

The Company's business is focused on exploring mineral properties in Western Australia. Management doesn't believe that COVID-19 will have a strong impact on the Company's financial results. Access to the properties might be delayed because of COVID-19 in the future, and as a result, the Company may delay certain aspects of its exploration and remediation work plans accordingly.

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, 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.

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