

# **CENTRAL IRON ORE LIMITED**

## **Management Discussion and Analysis (Form 51-102F1) For the year ended June 30, 2023**

**Information as of October 28, 2023 unless otherwise stated**

### **Note to Reader**

The following management discussion and analysis of the financial condition and results of operations of Central Iron Ore Limited (“CIO” or “the Company”) should be read in conjunction with the Company’s annual audited financial statements for the year ended June 30, 2023, 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**

CIO’s business has primarily involved acquiring and conducting exploration activities on prospective exploration and mining projects in Australia.

The Company has repositioned its British King and Eureka gold mines into two regional exploration and development gold prospects.

## Exploration and Development Update

During the year ended June 30, 2023, 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:

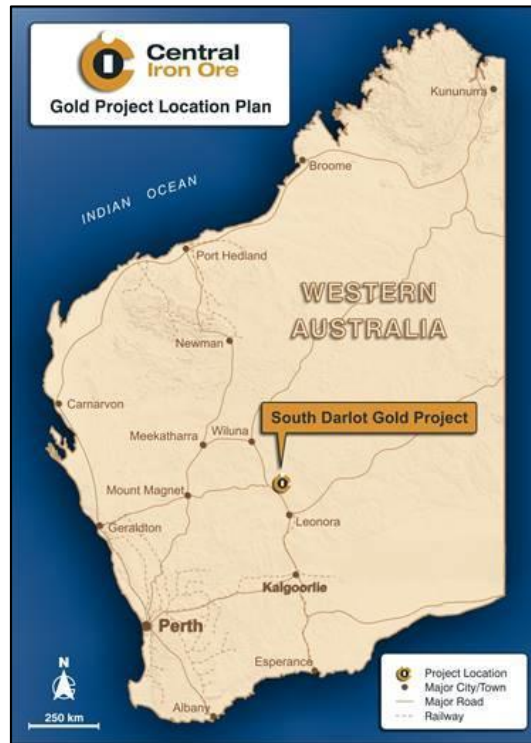
- The British King Mine is now owned 100% beneficially by CIO but is registered at the Department of Mines, Industry Regulation and Safety with an interest of 49%. The Company has received signed transfer forms from BK Gold Mines Pty Limited to Central Iron Ore Limited for the transfer of 51% as agreed in the Tenement Acquisition Agreement dated 30 October 2014. SilverStream SEZC a royalty and streaming company which provided funding to BK Gold Mines Pty Limited refused to remove caveats which prevents registration of the transfers. The Company commenced action in the Supreme Court of Western Australia to have the caveats removed. This matter was settled on 21 September 2023. As a result of the settlement, the Company is now in a position to have its entire 100% ownership of the British King Gold Project registered on the title of the relevant tenements.

The mine 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.

After long negotiations, Darlot Mining Company Pty Ltd (100% owned by Red 5 Limited) and South Darlot Mines Pty Ltd (100% owned by the Company) reached a settlement in which it was agreed that South Darlot Mines Pty Ltd has earned an additional 19% interest in M37/1045, M37/709, M37/631 and M37/552 (taking its interest from 51% to 70%) pursuant to a 2011 farm-in agreement. It was also agreed that Darlot Mining Company Pty Ltd is holding a 70% interest in a portion of two additional tenements, M37/421 and M37/632, on trust for South Darlot Mines Pty Ltd. This Settlement allows further development and exploration to recommence on these tenements.

**Figure 1: Locality map of the South Darlot project**

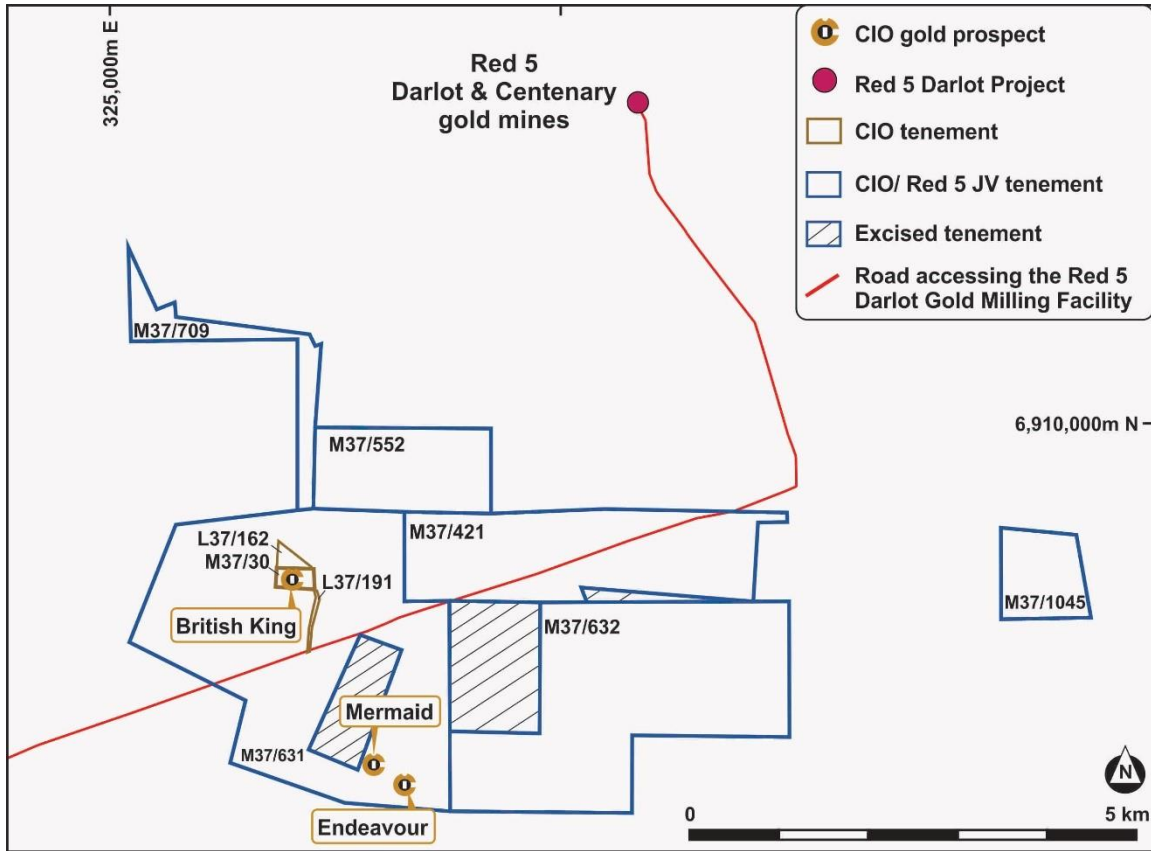


**RED 5 JV Project (Formerly Barrick Joint Venture Project)**

The tenements set out in the table below (“Red 5 JV Tenements”) are the subject of a joint venture between the Company and a subsidiary 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)
Red 5 JV	M37/421	Granted	381
Red 5 JV	M37/552	Granted	200
Red 5 JV	M37/631	Granted	776
Red 5 JV	M37/632	Granted	595
Red 5 JV	M37/709	Granted	98
Red 5 JV	M37/1045	Granted	90

Figure 2: Plan of the South Darlot Project tenements



As at the date of this report, the Company has earned a 70% interest in the Red 5 JV Tenements in accordance with the Red 5 JV and is continuing exploration on the Red 5 JV Tenements. During the year the Joint Venture spent over \$712,245 on the project on the following exploration activities:

At Endeavour, CIO completed an 18-hole RC drilling programme for 1,060 metres. Best results include:

- 22ENRC014: 5 meters @ 11.93 g/t Au from 66 metres; including 1m @ 38.8 g/t Au
- 22ENRC015: 1 meter @ 12.00 g/t Au from 74 metres
- 22ENRC017: 6 meters @ 49.30 g/t Au from 42 metres; including 2m @ 116 g/t Au
- 22ENRC018: 3 meters @ 4.20 g/t Au from 13 metres

Mining Studies on the Endeavour deposit undertaken are as follows:

- a) Waste rock characterisation
- b) Geotechnical analysis
- c) Diamond drilling for comminution test work
- d) Metallurgical test work

At Mermaid, a 15-hole RC drilling programme for 632 metres was completed. Best results include:

- 22MERC002: 6 meters @ 5.35g/t Au from 23 metres
- 22MERC005: 2 meters @ 6.82g/t Au from 54 metres
- 22MERC006: 5 meters @ 4.07g/t Au from 25 metres
- 22MERC008: 3 meters @ 8.58g/t Au from 10 metres
- 22MERC009: 2 meters @ 35.03g/t Au from 67metres
- 22MERC012: 2 meters @ 11.43g/t Au from 10 metres

Phase 2 soil sampling programme consisting of 3,870 soil samples were collected on the same tight sample density of 20mN x 30mE as the Phase 1 programme. Results are currently being analysed.

## BRITISH KING PROJECT

The British King Mine is now owned 100% beneficially by CIO but is registered at the Department of Mines, Industry Regulation and Safety with an interest of 49%. The Company has received signed transfer forms from BK Gold Mines Pty Limited to Central Iron Ore Limited for the transfer of 51% as agreed in the Tenement Acquisition Agreement dated 30 October 2014. SilverStream SEZC a royalty and streaming company which provided funding to BK Gold Mines Pty Limited refused to remove caveats which prevents registration of the transfers. The Company commenced action in the Supreme Court of Western Australia to have the caveats removed. This matter was settled on 21 September 2023. As a result of the settlement, the Company is now in a position to have its entire 100% ownership of the British King Gold Project registered on the title of the relevant tenements.

### MINERAL PROPERTIES (all amounts in Australian dollars) BRITISH KING

Tenement	Status	Area (km <sup>2</sup> )	Grant Date	Expiry Date	Annual Rent	Expenditure
M37/30	Granted	0.1	4/07/1984	3/07/2026	\$198	\$10,000
L37/162	Granted	0.1	25/10/2006	24/10/2027	\$123	
L37/191	Granted	0.1	21/07/2008	20/07/2029	\$ 53	

### 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.

### RED 5 JV

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	\$1,782.00	\$10,000

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.

### QUALIFIED PERSON

Mr Andrew Bewsher who is a Member of the Australian Institute of Geoscientists and has compiled the information within this report relating to mineralisation and drill results. Mr Bewsher 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.

## **CORPORATE UPDATE**

### **Risks and Uncertainties**

The Company is subject to a number of risk factors due to the nature of its business and the 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 Venture Exchange 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 financial statements and management's discussion and analysis of the financial condition, changes in financial condition and results of operations of the Company for the year ended June 30, 2023 do not include the adjustments that would be necessary should the Company be unable to continue as a going concern.

The amount of the Company's administrative expenditures 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 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 and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. There is no assurance that regulatory and environmental approvals will be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or to preclude entirely the economic development of a property. Environmental hazards may exist on the properties which are unknown to the Company at present which have been caused by previous or existing owners or operators of the properties. The Company is currently engaged in exploration with nil to 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, labour disruptions, flooding, explosions, landslides and the inability to obtain suitable or adequate machinery, equipment or labour 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 will be 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 the 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 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, lack of 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 (ceased to be a director, President and CEO on 30 November 2022)
- Anthony Howland-Rose - Director
- David Deitz - Director

### 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 derived a loss during the year ended 30 June 2023 and 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 June 30, 2023, the Company's accumulated losses were \$21,611,308.

### Price Fluctuations: Share Price Volatility

For the year ended June 30, 2023, the closing price of the Company's shares fluctuated from a high of \$0.22 per share to a low of \$0.05 per share. There can be no assurance that continual fluctuations in price will not occur.

## Market Conditions

### Global Economy

Global growth is projected to fall from an estimated 3.5 percent in 2022 to 3.0 percent in both 2023 and 2024. While the forecast for 2023 is modestly higher than predicted in the April 2023 World Economic Outlook (WEO), it remains weak by historical standards. The rise in central bank policy rates to fight inflation continues to weigh on economic activity. Global headline inflation is expected to decline more gradually, and forecasts for inflation in 2024 have been revised upward.

The recent resolution of the US debt ceiling standoff and, earlier this year, strong action by authorities to contain turbulence in US and Swiss banking, reduced the immediate risks of financial sector turmoil. This moderated adverse risks to the outlook. However, the balance of risks of global growth remains tilted to the downside. Inflation could remain high and even rise if further shocks occur, including those from an intensification of the war in Ukraine and extreme weather-related events, triggering more restrictive monetary policy. Financial sector turbulence could resume as markets adjust to further policy tightening by central banks. China's recovery could slow, in part as a result of unresolved real estate problems, with negative cross-border spillovers. Sovereign debt distress could spread to a wider group of economies. On the upside, inflation could fall faster than expected, reducing the need for tight monetary policy, and domestic demand could again prove more resilient.

In most economies, the priority remains achieving sustained disinflation while ensuring financial stability. Therefore, central banks should remain focused on restoring price stability and strengthening financial supervision and risk monitoring. Should market strains materialise, countries should provide liquidity promptly while mitigating the possibility of moral hazard. They should also build fiscal buffers, with the composition of fiscal adjustment ensuring targeted support for the most vulnerable. Improvements to the supply side of the economy would facilitate fiscal consolidation and a smoother decline of inflation toward target levels.

(Source: IMF World Economic Outlook, July, 2023, [www.imf.org](http://www.imf.org))

## Gold Market

Central bank buying slowed in Q2 but remained resolutely positive. This, combined with healthy investment and resilient jewellery demand, created a supportive environment for gold prices.

Q2 gold demand (excluding OTC) dropped slightly by 2% y/y to 921t, driven by a marked deceleration in net central bank buying compared to above average purchases in Q2'22. Inclusive of OTC and stock flows, total demand strengthened 7% y/y to 1,255t.

Despite sales from Turkey in response to specific local market conditions, the 103t of net official sector purchasing in Q2 is in line with the underlying positive trend towards gold among central banks.

Jewellery consumption managed a modest improvement despite the high gold price environment, up 3% y/y at 476t. With jewellery fabrication of 491t, inventories increased by around 15t in Q2, in part as Chinese jewellery consumption failed to meet the trade's optimistic expectations.

Bar and coin investment increased by 6% y/y to 277t in Q2, with Turkey a major driver of growth. And while ETFs saw net outflows of 21t (concentrated in June) these were notably smaller than 47t outflow in Q2'22.

OTC investment jumped in Q2, reaching 335t. Although opaque, demand from this sector of the market was apparent as the gold price found firm support even in the face of ETF outflows and a reduction in COMEX net longs.

Demand for gold used in technology remained very soft thanks to continued weakness in consumer electronics; it held at just 70t for a second consecutive quarter.

Total gold supply was 7% higher y/y at 1,255t, lifted by growth in all segments. Mine production is estimated to have reached a record for H1 of 1,781t.

(Source: World Gold Council, Q2 2023 Gold Demand Trends report, August, 2023, <https://www.gold.org/goldhub/research/gold-demand-trends/gold-demand-trends-q2-2023>)

## 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, 2023. 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.

	2023	2022	2021
Income from continuing operations	68,472	1,297,030	133,251
Net profit/(loss) for the year	(719,873)	937,025	(283,703)
Net profit/(loss) per share <sup>1</sup>	(0.0297)	0.0129	(0.0039)
Total Assets	3,979,350	3,333,861	2,408,213
Total Long-term financial liabilities	1,828,992	451,937	0

<sup>1</sup> Based on 24,236,914 shares issued at June 30, 2023 (72,710,741 at June 30 2022 and 2021)

## 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 year ended 30 June 2023 the Company derived a loss. This loss arose due to impairment of assets, being a bad debt and an adjustment of value of investment in shares in a company listed on the Australian Securities Exchange to market value, legal expenses regarding action against SilverStream SEZC in the Supreme Court of Western Australia, interest on an loan and other administration expenses.

During the 3 financial years ended 30 June 2023, the Company has reported net losses (except for the financial year ended 30 June 2022). The most significant factor affecting losses during financial years is continuing administrative expenses, which include consulting, professional fees, salaries, management fees, office and miscellaneous expenses and stock-based compensation.

Income is predominantly derived from interest income except during the year ended 30 June 2023 when the income constituted a recoupment of expenses of prior years. Interest income is dependent upon interest rates and the amount of financing raised each year by the Company. 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 year ended June 30, 2023 the Company expended \$554,273 on exploration and development activities. This compares with \$233,131 for the corresponding year ended June 30, 2022. These costs have increased compared to the previous financial year owing to more field work being undertaken.

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

Australian \$	2023	2022	2021
<b>Expenses</b>			
British King mine	9,346	18,581	13,586
<b>Capitalized expenses</b>			
British King mine	42,695	38,219	7,758
Darlot/Barrick	502,232	176,331	283,663

## Administrative Expenses

For the year ended June 30, 2023 the Company incurred administrative expenses of \$375,233 compared to \$330,305 for the year ended June 30, 2022.

## Income

Income is normally comprised of sales of tenements, consulting fees, rents and interest income. For the year ended June 30, 2023, the Company derived income of \$68,472, compared to income of \$1,297,030 for the year ended June 30, 2022. The 2023 income comprised management fees from the South Darlot Joint Venture and interest income. The 2022 income constituted a recoupment of expenses of prior years and management fees. Interest income is dependent upon interest rates and the amount of financing raised each year by the Company. Interest rates will vary due to 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 years ended June 30, 2023 and June 30, 2022.

## Net Profit / (losses)

The net loss for the year ended June 30, 2023 was \$719,873 compared with the net profit for the corresponding year ended June 30, 2022 of \$937,025.

## Change in Financial Position

At June 30, 2023, the Company had total assets of \$3,979,350 compared to \$3,333,861 at June 30, 2022. Net assets decreased due to losses. The Company had a cash balance of \$194,277 at June 30, 2023 compared to a cash balance of \$130,934 at June 30, 2022.

At June 30, 2023 the Company had a net working capital surplus of \$226,490 compared to a net working capital surplus of \$169,790 at June 30, 2022. The increase in the net working capital surplus results from an increase in the cash balance.

## SUMMARY OF QUARTERLY INFORMATION (all amounts in Australian dollars)

The following table sets forth a comparison of revenues and earnings for the previous 8 quarters ending with June 30, 2023. 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 Jun 30, 2023	Quarter to Mar 31, 2023	Quarter to Dec 31, 2022	Quarter to Sept 30, 2022	Quarter to Jun 30, 2022	Quarter to Mar 31, 2022	Quarter to Dec 31, 2021	Quarter to Sept 30, 2021
Income from continuing operations	31,866	36,606	0	0	1,297,030	0	0	0
Net profit/(loss) for the period	(183,385)	(128,375)	(358,793)	(49,320)	1,200,155	(76,285)	(134,866)	(51,979)
Net profit/loss per basic and diluted share	(0.0075)	(0.0053)	(0.0148)	(0.0021)	0.0165	(0.0010)	(0.0019)	(0.0007)

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

During the quarter ended 30 June 2023 the Company incurred a loss. During the 4 quarters ended 30 June 2023 the Company consistently reported net losses. These losses arose due to impairment of assets, being a bad debt and an adjustment of value of investment in shares in a company listed on the Australian Securities Exchange to market value, legal expenses regarding action against SilverStream SEZC in the Supreme Court of Western Australia, interest on an loan and other administration expenses. During the 4 quarters ended 30 June 2022 the Company derived profit being a recoupment of expenses of prior year.

Income is predominantly derived from interest income, rental and fees for the management of the Red 5 Joint Venture during the year ended 30 June 2023. Interest income is dependent upon interest rates and the amount of financing raised each year by the Company. 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.

### **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 its 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.

At June 30, 2023, the Company had a net working capital surplus of \$226,490.

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

### **COMMITMENTS**

Certain future exploration expenditures are required to be undertaken by the Company as a minimum retention for exploration permits. These expenditures were set out in Note 23 to the financial statements for June 30, 2023.

Apart from the above, the Company has no other material commitments at this time.

## 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, 2023.

## RELATED PARTY TRANSACTIONS

Total remuneration of each key management personnel and their related parties of the Company for the year ended June 30, 2023, is set out below.

June 30 2023	Short Term Employee Benefits			Post Employment Benefits		Share Based Payments	Total
	Cash Salary & Fees	Cash Bonus	Other	Super- annuation	Retirement Benefits	Options	
<i>Directors</i>							
Brett Hodgins (i)	4,713	-	-	495	-	-	5,208
Katherine Garvey	-	-	-	-	-	-	-
A Howland-Rose	12,500	-	-	1,313	-	-	13,813
David Deitz	11,312	-	-	1,188	-	-	12,500
Richard Homsany	-	-	-	-	-	-	-
<b>Total</b>	<b>28,525</b>	<b>-</b>	<b>-</b>	<b>2,996</b>	<b>-</b>	<b>-</b>	<b>31,521</b>

- (i) Ceased to be a director on 30 November 2022

Total remuneration of each key management personnel and their related parties of the Company for the year ended June 30, 2022 is set out below.

June 30 2022	Short Term Employee Benefits			Post Employment Benefits		Share Based Payments	Total
	Cash Salary & Fees	Cash Bonus	Other	Super- annuation	Retirement Benefits	Options	
<i>Directors</i>							
B Hodgins	11,364	-	-	1,136	-	-	12,500
Katherine Garvey	-	-	-	-	-	-	-
A Howland-Rose	11,364	-	-	1,136	-	-	12,500
David Deitz	11,364	-	-	1,136	-	-	12,500
Richard Homsany	-	-	-	-	-	-	-
<b>Total</b>	<b>34,092</b>	<b>-</b>	<b>-</b>	<b>3,408</b>	<b>-</b>	<b>-</b>	<b>37,500</b>

The Company entered into the following transactions with related parties:

- (i) Paid or accrued \$67,468 (June 30, 2022 - \$40,315) in administration fees to Gullewa Limited the financial office of the Company.
- (ii) Borrowed \$1,377,054 (June 30, 2022 - \$105,150) as working capital from Gullewa Limited.
- (iii) Paid or accrued \$67,690 (June 30, 2022 – \$118,660) in legal fees to Cardinals Corporate Pty Ltd trading as Cardinals Lawyers and Consultants, a related party by way of common directors.

Non-current liabilities at June 30, 2023 include a loan payable to Gullewa Limited, a shareholder of CIO, of \$1,828,992 (June 30, 2022: \$451,937) and current liabilities an amount owing of \$22,333 (June 30, 2022: \$22,333) to Jaybre Geological Consulting Pty Limited, a company related to Brett Hodgins. CIO has received from Jaybre Geological Consulting Pty Ltd (Administrators Appointed) ("Jaybre") a request dated 2 August 2023 for payment of \$430,782.41. CIO responded to the request and disputed the claim. The directors of CIO believe that \$22,333 is due to Jaybre. Gullewa Limited has agreed to defer repayment of the balance owing to it of \$1,828,992 for at least twelve months from the date of signing the financial report, or until such time as the Company is financially independent.

The Company paid or accrued at June 30, 2023 \$79,968 (June 30, 2022 - 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 the number of staff impact the Company's 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, IFRS 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 CEO and the CFO oversee all material transactions and related accounting records. The audit committee of the Company, 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, sundry 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 October 28, 2023:

Authorized and issued share capital:

Class	Par Value	Authorised Common Shares (No par value)	Issued
Common	No par value	Unlimited	24,236,914

A 1 for 3 consolidation of the ordinary shares took place on 12 July 2022.

As at October 28, 2023, nil warrants are outstanding.

## COMPETENT PERSON'S STATEMENT

Mr Andrew Bewsher 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 Bewsher 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").

## OTHER INFORMATION

The Company's website address is [www.centralironorelimited.com](http://www.centralironorelimited.com). Other information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com).

## BY ORDER OF THE BOARD

*"David Deitz"*

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David Deitz  
Director

*"Richard Homsany"*

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Richard Homsany  
Director