MAYAN IRON CORPORATION LTD

ACN [136 636 005]

2010

ANNUAL REPORT

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Corporate Directory

Directors

Bruce McLeod
Non-Executive Chairman

Bruce Richardson
Managing Director

Nicholas Revell
Non-Executive Director

Company Secretary

Rowan Caren

Auditors

Stantons International
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West Perth WA 6005

Registered and Principal Office

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West Perth WA 6005

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Email: info@mayaniron.com

Web Address

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Share Registry

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PO Box 535
Applecross WA 6953

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Solicitors to the Company

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Chairman's Report

Dear Shareholder,

The 2010 financial year was one of tremendous achievement for Mayan Iron despite the difficulties evidenced in financial markets.

During the year the Company secured a major investment from Mr Wu Xiaonian, Chairman, and major shareholder of Shanxi Jianbang Group Co., Ltd a steel mill in China and an importer of 4 million tons of iron ore per annum. In addition the company in July 2009 entered into a non-legally binding Memorandum of Understanding with Shanxi Jianbang to negotiate terms for an off-take agreement. These achievements represented a major milestone in the development of the Company.

Significant progress was also made with the company's tenement applications in Guatemala. Ten Exploration Licence applications were lodged and in October 2009 three of these were granted by the Government of Guatemala. The Company conducted a scout drilling program in these granted tenements in November 2009 and exploration targets were identified in two of the granted tenement areas which now require detailed exploration.

In the second half of the financial year the Company focused upon raising funds through an Initial Public Offering (IPO) to fund exploration to determine the extent and depth of the target areas and to conduct test work to determine the iron sand characteristics and the economic viability of the mining areas within the granted tenements. Work has now commenced on the granted tenements with the Company expecting to provide an update on progress over the next few weeks.

By the end of the financial year Mayan Iron had lodged its Prospectus with the Australian Securities Exchange (ASX), the offer to raise $2.5 million had closed oversubscribed and the company awaited formal listing on the ASX.

As Chairman of the Board of Mayan Iron I would like to recognise the efforts made by the management team and thank shareholders for the support they have provided the company in its formative year. We look forward to reporting success with the exploration program which is the focus of the company over 2010/11.

Mr Bruce McLeod

Chairman of Directors

Operations Report

Guatemala Iron Sand Project

Location Background - Guatemala

The Republic of Guatemala is one of the five countries located in Central America. Bordered by Belize, El Salvador, Honduras, Mexico and the Pacific Ocean, Guatemala has a land area of 108,889 km^2 with an estimated population of 13.3 million. The official language of Guatemala is Spanish. Guatemala's territory is mostly mountainous with coastal plains and rolling plateaus. Natural resources include petroleum, nickel, rare woods, fish, gum and hydropower.

Location Map - Guatemala

Political & Regulatory Environment for Investment in Mineral Resources

Guatemala is a presidential representative democratic republic, whereby the President of Guatemala is both head of state and head of government. Executive power is exercised by the government. There is a multi-party system and legislative power is vested in both the government and the Congress of the Republic. The judiciary is independent of the executive and the legislature.

In 2007 elections were held in Guatemala which was won by the UNE (Unidad Nacional de la Esperanza) and its candidate Alvaro Colom was elected as President.

The Guatemalan government supports the development of the mining industry, and foreign investment with a system of tenure administered by the Ministry of Energy and Mines.

Foreign investment legislation in Guatemala forbids all discriminatory actions towards foreign investors and allows for the free expatriation of capital.

Direct foreign investment in Guatemala has increased from US$110 million in 2001 to US$535 million in 2007. Guatemala is becoming an important destination for foreign investment in the Central American region. An active labour force, good infrastructure and its strategic location with access to both the Pacific and Atlantic Oceans is attracting foreign companies to invest in the country.

Guatemala has the largest economy of the Central American region and has experienced economic growth of 4-5% over the past decade. It is a country with political and financial stability, abundant natural resources and opportunities for foreign investment. The Guatemalan economy has changed dramatically in recent years. The major growth sectors are manufacturing and services. Agriculture remains strong and incorporates high levels of technology use and as a result there has been a dynamic growth in related sectors such as transport and logistics.

Tikal Minerals S.A. Iron Sand Project

Iron sand deposits occur in Guatemala along the Pacific coastal plain where they are present as beach deposits and raised beaches extending inland as platforms from the coast. The Pacific coastal plain in Guatemala extends for some 260 km along the coastline and is approximately 22km to 50 km in width. Major rivers that drain the coastal plain are responsible for the transport of the magnetite bearing material from the hinterland to the beach depositional environment.

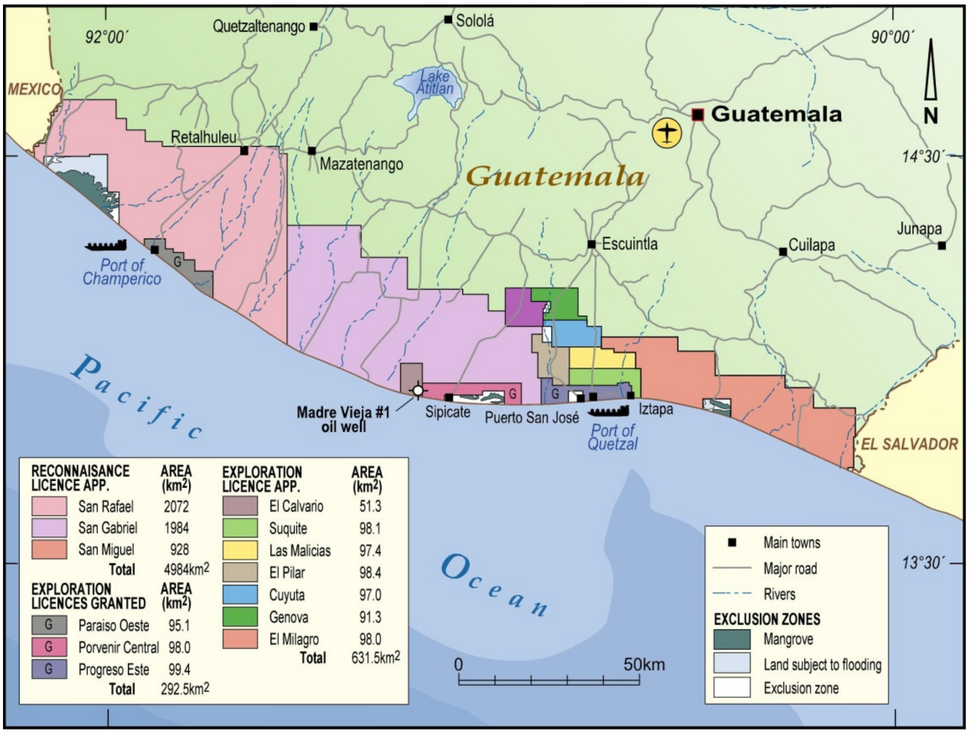
In June 2009, Mayan acquired Tikal Minerals S.A., a company incorporated in the Republic of Guatemala with Reconnaissance Licence applications covering an area of 5,912 sq km on-shore along the Pacific Ocean coastline of Guatemala.

Guatemala Iron Sands

Tenement Application Status

The Company's subsidiary, Tikal Minerals S.A., lodged ten Exploration Licence applications in July and August 2009. At the time of the lodging the applications for the ten Exploration Licences the Company also lodged applications for three Reconnaissance Licences with area of 4,984 km^2, maintaining its rights to the areas covered by the earlier Reconnaissance Licences applications lodged by Tikal Minerals S.A.

Three Exploration Licences were granted in October 2009, Paraiso Oeste, Porvenir Central and Progreso Este covering a total area of 292.5 km^2. The remaining seven exploration licence applications covering an area of 631.5 km^2 are still being processed by the Government of Guatemala.



Map of the 3 reconnaissance licence applications, 3 granted exploration licences and 7 exploration licence applications

Deposit Formation & Grade

All of the areas covered by the granted Exploration Licences and the Exploration and Reconnaissance Applications are on-shore. The iron sand deposits have been sourced from the erosion of inland Quaternary andesitic basalts which contain magnetite. The volcanic rock fragments are transported by major rivers to the coast where they are deposited and reworked by wave action which liberates the magnetite. As a result large deposits of iron sand have accumulated on the Pacific Coastal plain of Guatemala. Guatemalan iron sands of titaniferous magnetite extend along the beach facies of the coastal plain for approximately 260 km and are potentially world class in terms of linear size. The iron sand deposits of Guatemala are modelled on those of Indonesia and also New Zealand where mining has successfully occurred for over 30 years.

A scout drilling program conducted by Mayan in November 2009 confirmed that the iron sand deposits extend to a depth of at least 9 metres in one of Mayan's granted licences. Results from previous surface sampling programs suggest that these iron sand deposits can extend up to 34 km inland. To date, these sampling and drilling programs have returned assays indicating Fe grade of between 5% and 18%. However, detailed exploration involving grid pattern drilling of target areas is required to determine the extent and depth of the raised beach platforms as they encroach inland and the consistency of the iron sand grades both in a horizontal and vertical direction.

Exploration targets* have been estimated for two of the granted exploration licence areas. The exploration target* at Progreso Este is estimated to range in total between 780-975Mt grading between 5 -18% Fe and the exploration target* at Porvenir Central is estimated to range between 802-1001 Mt grading between 5 -12% Fe.

An exploration program has been proposed to develop the deposits to a JORC compliant measured resource in two years at an estimated cost of $1,990,000.

The first stage of the exploration program will be to conduct an aeromagnetic survey of the Exploration Licence areas. The survey will identify high priority targets within the Exploration Licence areas which will be the focus of the aircore sampling program. It is expected that the aeromagnetic survey will be completed before the end of this calendar year. As a result the aircore sampling program that was to have been conducted in September has been delayed until the aeromagnetic survey has been completed. A drilling contractor for the first stage of the exploration program has been appointed. In addition, the company through its subsidiary Tikal Minerals S.A., has appointed a full-time consultant as its Exploration Program Manager who will coordinate the aeromagnetic survey and the aircore sampling program.

Deposit Locations

Two of the granted exploration licence areas on the pacific coastal plain of Guatemala, Progreso Este and Porvenir Central are in close proximity to the main pacific coast port of the country, Peurto Quetzal. Progreso Este surrounds Peurto Quetzal with parts of the granted exploration licence only a few kilometres from the port. Porvenir Central is approximately 20 kilometres from the port. Road and rail infrastructure in the area are of high quality providing access to the port area. Peurto Quetzal is already used as a bulk export port, with a depth of 12 metres and capable of accommodating Panamax size vessels. This would allow for shipments of up to 65,000 dwt of iron sand to customers in China and is expected to be a benefit to the Company's future prospects of competing with iron sand producers located in other parts of the world. The company has applied to the Puerto Quetzal port authority for storage and shipping of iron sand through the port.

Puerto Quetzal

*These exploration target estimates however, are conceptual in nature based upon preliminary activities only which cannot be verified until detailed exploration drilling is carried out over the 2 years. There is currently insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the determination of a mineral resource

The third granted exploration licence, Paraiso Oeste is located approximately 200km from Puerto Quetzal but surrounds a new port currently under construction, Puerto Chamerico.

Given the location of the licences and applications it is considered by the company that product costs to the port will be lower than other offshore iron sand producers and from inland magnetite deposits being developed in other parts of the world. Given that the wave action has liberated the magnetite from the volcanic rock fragments the beneficiation of sand to a useable product is also expected to be lower than other forms of magnetite.

Further metallurgical test work will be carried out to determine the iron sand characteristics to assist in the mineral processing. A scoping study will be conducted to determine the economic viability of mining and processing the iron sand.

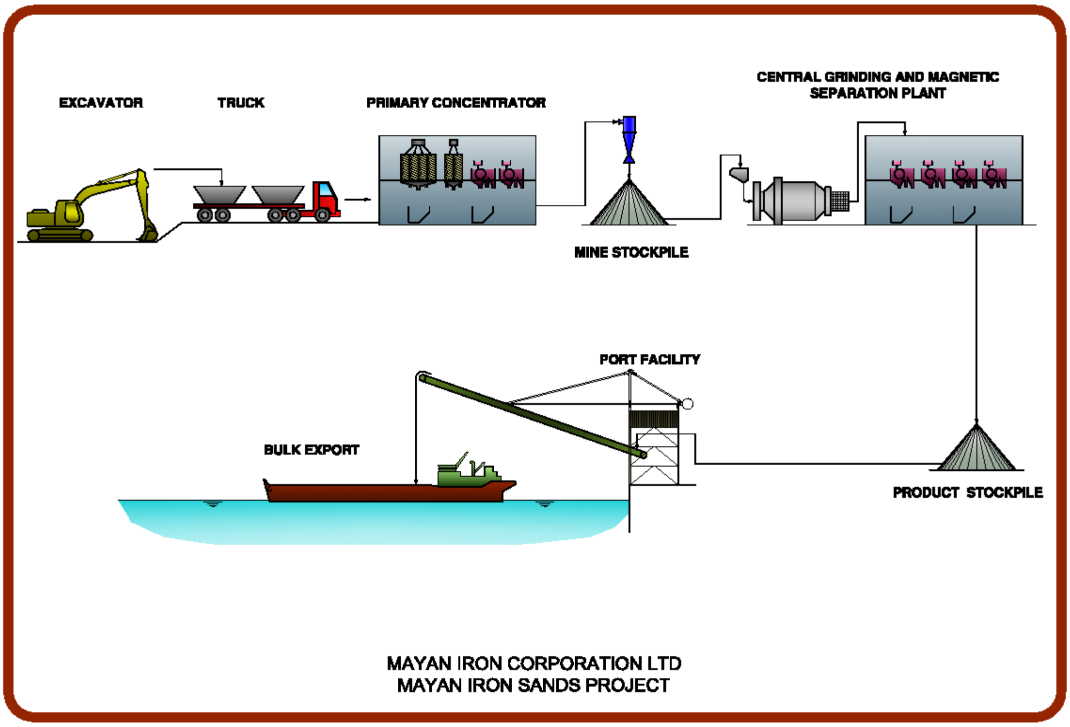
Environmental Mitigation Study

Environmental Mitigation Studies have been submitted to the Guatemala government as part of the company's obligations for the granted exploration licences. The study was coordinated by Jorge Eduardo Romero an advisor to the company based in Guatemala and completed in February 2010. These studies examined the potential socio-cultural and environmental impact on the people of Guatemala during the proposed exploration program and recommended a number of measures for the Company to implement to minimise the potential impact of the drilling program. The Environmental Mitigation Studies were conducted to identify any issues that may need to be avoided by the Company to ensure support from the local community and government bodies with interests in the areas.

The Government of Guatemala notified the Company in August 2010 that the Environmental Mitigation Study had been conditionally accepted for Porvenir Central. The Government of Guatemala notified the Company that it needed to elaborate on some aspects and obtain approval from the Ministry of Environment and Natural Resources (MARN) by providing an Environmental Impact Assessment for Porvenir Central. The Company has appointed an environmental consultancy company based in Guatemala, SIGA, to assist with the preparation of the Environmental Impact Assessment. SIGA has already commenced preparing this report.

Mining Process Option

A dry mining technique is likely to be used, with excavators, front end loaders and magnetic separation. However the final process to be used will be determined after the exploration program has been completed and the final selection of the deposit to be mined has been determined. A number of variables will need to be taken into account when deciding upon the mining process including water table depth and the mineralogy of the selected deposit.



Proposed pilot plant - dry mining

The Market Opportunity

The Directors undertaken their own market research for the Company's products and have identified iron ore users in Japan and China with the letter seen as offering the greatest market opportunity. This market research identified that China and Japan import iron sand from New Zealand. In recent years China has surpassed Japan as the main importer of iron sand from New Zealand. Exports of iron sand from New Zealand to China reached 803,000t in 2005 while exports to Japan declined from a peak of over 1,000,000t in 1999 to 170,000t in 2005. In 2007 New Zealand Steel's total export of iron sand was 577,000 tons, of which 475,000 tons was exported to China.

The Directors of the Company have noted that China is leading the world's economic recovery with a growth rate of over 8% which is expected to continue in 2010. China's need for iron ore is expected to continue to grow as its investment in the local infrastructure fuels demand.

Discussions have been held with several iron ore importers and steel mills in China and in July 2009, the Company entered into a non-legally binding Memorandum of Understanding with Shanxi Jianbang Group Co., Ltd (Shanxi Jianbang) of the People's Republic of China to negotiate terms for an off-take agreement. In 2009, Shanxi Jianbang imported more than 4 million tons of iron ore and produced over 2 million tons of raw steel and 1 million tons of special steel. The Company is a licensed importer and trader of iron ore. Shanxi Jianbang has ambitious plans for increased production of steel as well as the expansion of its iron ore trading business within China. The congruency of these plans with those of Mayan Iron is considered to make Shanxi Jianbang a natural strategic partner for the Company. The Mayan Board expects to secure a legally binding agreement for the supply of iron as a result of further negotiations with Shanxi Jianbang once the specifications of the final product that can be supplied has been determined.

Mr Wu Xiaonian, Chairman,Shanxi Jianbang Group Co., Ltd and Bruce Richardson, Managing Director, Mayan Iron Corporation Ltd in front of Shanxi Jianbang Group Co,. Ltd iron ore stockpile and blast Furnaces. These are not assets of the Company.

Competent Person Statement

In accordance with Listing Rule 5.6 of the Australian Stock Exchange Limited, the geological information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Nicholas Revell, a Member of The Australasian Institute of Mining and Metallurgy. Mr Revell is employed by Rubyrich Pty Limited and consults to the Company. Mr Revell has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Revell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Mayan Iron Corporation Limited

(ABN 46 136 636 005)

Annual Financial Report

for the period from

17 April 2009 to 30 June 2010

Your directors submit the annual financial report of the consolidated entity for the period from incorporation on 17 April 2009 to 30 June 2010. In order to comply with the provisions of the Corporations Act, the directors report as follows:

Directors

The names of directors who held office during or since the end of the period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Bruce William McLeod, B.Sc (Maths), M.Com (Econ)
Non Executive Chairman – appointed 30 April 2009

Mr McLeod has had 20 years experience in the Australian capital markets. He has been involved in raising debt and equity capital for a number of public and private businesses, property and resources projects, as well as the takeover and rationalisation of listed and unlisted companies. Prior to this he was Executive Director for the Bank of America subsidiary BA Australia Limited where he was responsible for the financial and capital market operations. In the early 1980's he spent several years in the stockbroking industry in New Zealand before moving to Australia.

Mr McLeod is, and has been since November 1996, a non executive director of Carnegie Wave Energy Limited, an ASX listed company and the Executive Chairman of Imperial Corporation Limited (ASX listed) since 1996. Mr McLeod was a 1998 founder of the Pooncarie Mineral Sands Joint Venture; the joint venture was consolidated into Bemax Resources Limited (Bemax) in 2000. Over 8 years Bemax developed into one of Australia's premier mineral sands miners. Mr McLeod resigned from the Bemax board in 2008 following its takeover in July 2008 for an enterprise value of just under $500 million.

During the last three years, Mr McLeod has also served as a director of the following listed companies:
- Carnegie Wave Energy Limited*
- Imperial Corporation Limited*
- Bemax Resources Limited
- Fall River Resources Limited

** denotes current directorships*

Bruce Andrew Richardson, B.A (Hons)
Managing Director – appointed 30 April 2009

Mr Richardson has spent over 25 years developing business opportunities in China and is fluent in Mandarin. He has held senior positions in industry and government. He has 16 years experience in the private sector having worked as General Manager of Foster's Group for a period of 3 years and oversaw the doubling of capacity of the brewery in Shanghai. He has also worked as General Manager of UK based Bulmers Ltd production and marketing operations in China and General Manager of a business consultancy company based in Beijing.

Mr Richardson has also 10 years experience in the public sector having worked as an Australian Trade Commissioner in the Australian Embassy in Beijing, with responsibility for the resources portfolio, and Trade Development Director, Australian Commerce & Industry Office Taipei, Taiwan. In 2006/07 Mr Richardson worked for the Government of Western Australia as Manager China, Department of Industry and Resources developing business and political relationships with China. Mr Richardson has lived in China for over 15 years where he has an extensive business network, particularly in the iron and steel industry. In the past two years Mr Richardson has been involved in the development of resource projects and in attracting Chinese investment to these projects.

Mr Richardson has no other public company directorships and has not held any public directorships in the last three years.

Nicholas Gerard Revell, B.Sc (Geology)
Non-Executive Director - appointed 22 January 2010

Mr Revell has over 20 years experience in mine geology and exploration geology. He has worked for 14 years as a mine geologist for major companies including iron ore producers North Ltd WA (Robe River and Associates), Fortescue Metals Group and Macarthur Minerals Ltd as well as gold and base metals producers. For the past 6 years Mr Revell has run a mining consulting company specialising in mine development, due diligence and property valuation at all stages of development and in particular managing and coordinating exploration programs. He is a qualified Competent Person as defined by the 2004 edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). In addition, Mr Revell has experience as a board director and is Non-Executive Technical Director of ASX listed Riviera Resources Limited.

During the last three years, Mr Revell has also served as a director of the following listed company:
- Riviera Resources Limited*
- Australasian Consolidated Limited*
- ** denotes current directorships*

Elisha Meredith Lamb – Director appointed 17 April 2009, resigned 3 March 2010
– Secretary appointed 17 April 2009, resigned 25 May 2009

Ms Lamb has been involved in the day to day operation of a number of companies. During the last three years, Ms Lamb has not served as a director of any listed companies.

Rowan St John Caren, B.Com CA
Company Secretary, appointed 4 August 2010

Mr Caren graduated with a Bachelor of Commerce (Accounting) from the University of Western Australia and is a member of the Institute of Chartered Accountants in Australia. He qualified with PricewaterhouseCoopers and worked for them in Australia and overseas for six years. He has since been directly involved in the exploration industry for a further 15 years, initially with a minerals explorer based in Perth but with operations in South America and Asia, for which he acted as an executive and company secretary. In 2004 he created a specialist company secretarial and advisory consultancy, Dabinett Corporate Pty Ltd. Dabinett Corporate provides financial and corporate services to several listed and unlisted companies involved in the resources, industrial and property sectors.

During the last three years, Mr Caren has not served as a director of any listed companies.

Lynton McCreery, CPA
Company Secretary appointed 26 May 2009, resigned 4 August 2010

Mr McCreery has been Secretary of a number of listed public companies over the past 29 years. He is an Associate Member of the Australian Society of Certified Practising Accountants.

Directors' interests in the shares and options of the company and related bodies corporate

As at the date of this report, the interests of the directors in the shares and options of Mayan Iron Corporation were:

	Number of other options	Number of fully paid ordinary shares
Bruce McLeod	1,174,964	1,192,000
Bruce Richardson	1,174,964	2,600,000
Nicholas Revell	-	-

The options are exercisable at 20 cents on or before 31 May 2016.

Share Options

Details of unissued ordinary shares under option are as follows:

	Number of options	Exercise price	Expiry date
Unlisted options	3,524,892	20 cents	31 May 2016

There were no ordinary shares issued during the period as a result of the exercise of options.

Dividends

No dividends have been paid or declared since the start of the period and the directors do not recommend the payment of a dividend in respect of the period.

Principal Activities

The principal activities of the entities within the consolidated entity during the year were the exploration for mineral sands in Guatemala.

There have been no significant changes in the nature of those activities during the period.

Review of operations

The Company was incorporated on 17 April 2009 with the purpose of investing in exploration projects and in particular the Guatemalan iron sands project. In June 2009, the Company acquired Tikal Minerals SA, a company incorporated in Guatemala. The Company has subsequently been granted three Exploration Licences for iron sands deposits. And initial exploration activities have commenced.

Subsequent to the period end, on 6 July 2010, the Company was admitted to the Official List of ASX following an initial public offering that raised $2,500,000.

Operating results for the year

Net loss attributable to equity holders of the parent for the period ended 30 June 2010 was $2,458,388. Basic loss per share was 5.99 cents.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the consolidated entity to the date of this report, not otherwise disclosed in this report.

Significant events after balance date

There has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years, other than as follows:-

- On 6 July 2010, the Company was admitted to the Official List of ASX, following completion of an initial public offering that raised $2,500,000.

Likely developments and expected results

Disclosure of information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity. Therefore, this information has not been presented in this report.

Environmental legislation

The Company's projects are subject to Guatemalan laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all exploration, these projects would be expected to have a variety of environmental impacts should development proceed. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws and industry standards. Areas disturbed by the Company's activities will be rehabilitated as required by Guatemalan laws and regulations.

Environmental Mitigation Studies have been submitted to the Guatemala government as part of the Company's obligations for the granted Exploration Licences. These studies were completed in February 2010 and examined the potential social-cultural and environmental impact on the people of Guatemala during the proposed exploration program and recommended a number of measures for the Company to implement to minimise the potential impact of the drilling program. The Environmental Mitigation Studies are not a mandatory requirement of the exploration licence but have been conducted to identify any issues that may need to be considered by the Company to ensure support from the local community and government bodies with interests in the areas.

Indemnification and insurance of Directors and Officers

The Company has agreed to indemnify the following current officers of the Company, Mr B McLeod, Mr B Richardson, Mr N Revell and Mr R Caren, against all liabilities to another person (other than the Company or related body corporate) that may arise from their position as officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company has also agreed to indemnify the current directors of its controlled entities for all liabilities to another person (other than the Company or related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The total amount of premium paid was $7,391.

Remuneration report (audited)

The Remuneration Report is set out under the following main headings:

A. Principles used to determine the nature and amount of remuneration
B. Details of remuneration
C. Service agreements
D. Share-based compensation

The information provided under headings A-D includes remuneration disclosures that are required under Accounting Standard AASB 124 Related Party Disclosures. These disclosures have been transferred from the financial report and have been audited.

This report outlines the remuneration arrangements in place for directors and executives of Mayan Iron Corporation (the "company").

A. Principles used to determine the nature and amount of remuneration

Remuneration philosophy

The performance of the Group depends upon the quality of its directors and executives. To prosper, the Group must attract, motivate and retain highly skilled directors and executives.

To this end, the Group embodies the following principles in its compensation framework:

- Provide competitive rewards to attract high calibre executives;
- Link executive rewards to shareholder value;
- Significant portion of executive compensation 'at risk', dependent upon meeting pre-determined performance benchmarks; and
- Establish appropriate, demanding performance hurdles in relation to variable executive compensation

Remuneration consists of fixed remuneration and variable remuneration.

Fixed Remuneration

Fixed remuneration is reviewed annually by the Board of Directors. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices.

Variable Remuneration

Messrs McLeod and Richardson were involved in the creation of the Company and therefore hold significant numbers of shares and options. The board does not consider it necessary at the present time to take additional steps to link the remuneration of Directors with the creation of shareholder wealth. Given the current structure, there exists a direct link between the creation of shareholder wealth performance and the financial rewards for the directors. Mr Revell does not hold any options.

Remuneration Reviews

The Board of Directors of the Parent is responsible for determining and reviewing compensation arrangements for the directors, the Managing Director and all other key management personnel.

The Board of Directors assesses the appropriateness of the nature and amount of compensation of key management personnel on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

Remuneration structure

In accordance with best practice Corporate Governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level that provides the company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process. Non-executive directors receive a fee for being a director of the company. The compensation of non-executive directors for the period ending 30 June 2010 is detailed below.

Senior manager and executive director remuneration

Objective
The entity aims to reward executives with a level and mix of compensation commensurate with their position and responsibilities within the entity so as to:

- reward executives for company, business unit and individual performance against targets set to appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link rewards with the strategic goals and performance of the company; and
- ensure total compensation is competitive by market standards.

Compensation consists of the following key elements:

- Fixed Compensation; and
- Variable Compensation - Long Term Incentive (LTI).

The proportion of fixed compensation and variable compensation (potential short term and long term incentives) is established for each key management person by the Directors.

Fixed Compensation
Objective
Fixed compensation is reviewed annually by the Directors. The process consists of a review of individual performance, relevant comparative compensation in the market and internally and, where appropriate, external advice on policies and practices.

Structure
Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans.

Variable Pay — Long Term Incentive (LTI)
Objective
The objective of the LTI plan is to reward executives in a manner that aligns this element of compensation with the creation of shareholder wealth. As such LTI grants are only made to executives who are able to influence the generation of shareholder wealth and thus have a direct impact on the Company's performance against the relevant long term performance hurdle.

Structure
LTI grants to key management personnel are delivered in the form of options.

B. Details of remuneration for the year ended 30 June 2010

	Primary benefits		Post employment	Equity	Total	% of Remuneration received as Options
Directors	Salary & Fees	Non Monetary Benefits	Superannuation	Options		
B McLeod	-	1,478	-	64,623	66,101	98%
B Richardson [1]	188,836	1,478	-	64,623	254,937	25%
N Revell	-	1,478	-	-	1,478	0%
A Lamb	20,000	1,479	-	64,623	86,102	75%
Total Directors	**208,836**	**5,913**	**-**	**193,869**	**408,618**	**47%**
Specified Executives						
R Caren	-	-	-	-	-	0%
L McCreery	43,189	1,478	-	-	44,667	0%
Total Specified Executives	**43,189**	**1,478**	**-**	**-**	**44,667**	**0%**
Total Directors and Specified Executives	**252,025**	**7,391**	**-**	**193,869**	**453,285**	**43%**

A company associated with Bruce Richardson received fees of $59,950 from the promoters of the Company (before the company was incorporated) for consulting services provided in developing the Project.

C. Service agreements

Employment Contract

The Managing Director, Mr Bruce Richardson is employed under contract. The current employment contract commenced on 1 July 2009 and terminates on 30 June 2012.

The main terms of the employment contract with Mr Richardson are as follows:
- Remuneration of $179,850 pa plus GST.
- Either party is entitled to terminate the agreement by giving three months notice.

D. Share-based compensation

During the period the following options were granted as equity compensation benefits under a long-term incentive plan to key management personnel.

	Number of other options
Bruce McLeod	1,174,964
Bruce Richardson	1,174,964
Nicholas Revell	-

Refer to Note 11 for assumptions used to value share options. The fair value of the share options at the date of grant are the amounts disclosed in Note 2(b).

Directors' Meetings

The number of meetings of directors held during the period and the number of meetings attended by each director was as follows:

Director	Directors' Meetings A	Directors' Meetings B
B McLeod	24	24
B Richardson	24	24
N Revell	14	14
E Lamb	14	14

A - meetings attended
B - meetings held whilst a director

Auditor Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, Stantons International, to provide the directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is attached to the Independent Auditor's Report and forms part of this directors' report for the period ended 30 June 2010.

Non-Audit Services

There were no non-audit services provided by our auditors, Stantons International, other than as noted below:

- Stantons International acted as Investigating Accountant for the Company's prospectus dated 28 April 2010. Fees charged were $12,128 of which $6,628 was charged prior to 30 June 2010.

Signed in accordance with a resolution of the directors

Bruce Richardson
Managing Director

Perth, 10th September 2010

Stantons International
ABN 41 103 088 697
LEVEL 1, 1 HAVELOCK STREET
WEST PERTH WA 6005, AUSTRALIA
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10 September 2010

Board of Directors
Mayan Iron Corporation Limited
Level 1, 16 Ord Street
WEST PERTH WA 6005

Dear Sirs

RE: MAYAN IRON CORPORATION LIMITED

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

As Audit Director for the audit of the financial statements of Mayan Iron Corporation Limited for the period from 17 April 2009 to 30 June 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours Faithfully

STANTONS INTERNATIONAL
(Authorised Audit Company)

John Van Dieren
Director

Liability limited by a scheme approved under
Professional Standards Legislation

Member of Russell Bedford International

This statement outlines the main corporate governance practices in place throughout the period ended 30 June 2010, which comply with the ASX Corporate Governance Council recommendations, unless otherwise stated.

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve, the Company has turned to the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations*. The ASX Corporate Governance Council ("the Council") issued the second edition of the Corporate Governance Principles and Recommendations in August 2007.

To illustrate where the Company has addressed each of the Council's revised recommendations, the following summary cross-references to each revised recommendation. Details of all of the revised recommendations can be found on the ASX Corporate Governance Council's website at http://www.asx.com.au/supervision/governance/index.htm

Introduction

Mayan Iron Corporation has adopted systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised below.

The following additional information about the Company's corporate governance practices is set out on the Company's website at www.mayaniron.com:

- Corporate Governance Statement including disclosures and explanations;
- Summary of Code of Conduct for Directors and Key Executives;
- Summary of Securities Trading Policy;
- Summary of Continuous Disclosure Policy;
- Summary of Shareholder Communications Strategy;
- Policy on Risk Oversight and Management of Material Business Risks; and
- Summary of Company Code of Ethics and Conduct.

Explanations for Departures from Best Practice Recommendations

During the financial year the Company has complied with the majority of the Eight Essential Corporate Governance Principles and the corresponding Best Practice Recommendations as published by the Council and as detailed below:

1. LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Council Principle 1: ***Companies should establish and disclose the respective roles and responsibilities of board and management.***
Council Recommendation 1.1: *Establish the functions reserved to the board and those delegated to senior executives and disclose those functions.*
The Company complies with this recommendation. The board has set out the responsibilities of the Board in the Board Charter which can be accessed on the company website. Any functions not reserved for the Board and not expressly reserved for members by the Corporations Act and ASX Listing Rules are reserved for senior executives.
Council Recommendation 1.2: *Disclose the process for evaluating the performance of senior executives.*
The Company complies with this recommendation. Arrangements put in place by the Board to monitor the performance of the Group's executives include: • a review by the Board of the Group's financial and operating performance; • comparison of executive remuneration levels to industry benchmarks; and • annual performance appraisal meetings incorporating analysis of key performance indicators with each individual to ensure that the level of reward is aligned with respective responsibilities and individual contributions made to the success of the Company.
Council Recommendation 1.3: *Companies should provide the information indicated in the Guide to reporting on Principle 1*
The Company complies with this recommendation.

The evaluation process was not undertaken in accordance with this process in the past 12 months as the Company did not list on ASX until 6 July 2010.

2. STRUCTURE THE BOARD TO ADD VALUE

Council Principle 2:

Companies should have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties

Council Recommendation 2.1:

A majority of the Board should be independent directors.

Currently the Board of Mayan Iron Corporation has two independent directors, Mr Revell and Mr McLeod and one non-independent director, Mr Richardson.

The Company complies with Recommendation 2.1.

Council Recommendation 2.2:

The chair should be an independent director.

The Company's Chairman, Mr Bruce McLeod, is considered by the Board to be independent.

Council Recommendation 2.3:

The roles of chair and chief executive officer should not be exercised by the same individual.

The roles of chairman and chief executive officer are not exercised by the same individual.

Council Recommendation 2.4:

The Board should establish a nomination committee.

The board has established a nomination committee.

Council Recommendation 2.5:

Disclose the process for evaluating the performance of the board, its committees and individual directors.

The Company complies with this recommendation.

The Chairman will undertake an annual review in relation to the performance of the Directors of the Company.

Council Recommendation 2.6:

Companies should provide the information indicated in the Guide to reporting on Principle 2.

The Company complies with this recommendation and provides the following disclosures.

The skills, experience and expertise relevant to the position held by each director are disclosed in the Directors Report.

The Board has determined that individual Directors have the right in connection with their duties and responsibilities as Directors, to seek independent professional advice at the Company's expense. The engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably. If appropriate, any advice so received will be made available to all Board members.

Period of Office Held by each director in office at the date of the Directors Report

Bruce McLeod – appointed 30 April 2009, tenure 1 year 4 months

Bruce Richardson – appointed 30 April 2009, tenure 1 year 4 months

Nicholas Revell – appointed 22 January 2010, tenure 7 months

The performance evaluation was not undertaken in accordance with this process in the past 12 months as the Company did not list on ASX until 6 July 2010.

3. PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

Council Principle 3:

Companies should actively promote ethical and responsible decision-making.

Council Recommendation 3.1:

Establish a code of conduct and disclose the code or a summary of the code as to:

- *the practices necessary to maintain confidence in the Company's integrity;*
- *the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders;*
- *the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.*

The Company complies with this recommendation.

The Company has adopted a Code of Conduct for Directors which can be accessed on the website.

Council Recommendation 3.2:

Companies should establish a policy concerning trading in Company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy.

The Company complies with this recommendation.

A trading policy has been adopted and a copy of the Company's Share Trading policy is available on the website.

Council Recommendation 3.3:

Provide the information indicated in the Guide to reporting on Principle 3.

The Company complies with this recommendation.

4. SAFEGUARD INTEGRITY OF FINANCIAL REPORTING

Council Principle 4:

Companies should have a structure to independently verify and safeguard the integrity of their financial reporting

Council Recommendation 4.1:

The Board should establish an audit committee.

An audit committee has been established.

The Company complies with this Recommendation.

Council Recommendation 4.2:

The audit committee should be structured so that it:

- *consists only of non-executive directors;*
- *consists of a majority of independent directors;*
- *is chaired by an independent chair, who is not chair of the board;*
- *has at least three members.*

The members of the audit committee are Mr McLeod and Mr Revell. The Chairman of the audit committee is Mr McLeod. The audit committee currently has only two members both of whom are independent directors.

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the expense of appointing additional independent Non-Executive Directors simply to fill the audit committee.

Council Recommendation 4.3

The audit committee should have a formal operating charter.

The audit committee has a charter.

Council Recommendation 4.4:

Provide the information indicated in the Guide to reporting on Principle 4.

The Company complies with this recommendation and provides the following disclosure.

There were no meetings of the audit committee during the period as the Company did not list on ASX until 6 July 2010.

The company's auditor is Stanton Partners. External auditors are selected on the basis of professional skills, reputation, service levels and fees. The current policy of the external auditor is to rotate the audit engagement partner every 5 years. This is disclosed on the company's website.

5. MAKE TIMELY AND BALANCED DISCLOSURE

Council Principle 5: ***Companies should promote timely and balanced disclosure of all material matters concerning the Company***
Council Recommendation 5.1: *Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.*
The Company complies with this recommendation. The Company has adopted a Continuous Disclosure Policy which is available on its website.
Council Recommendation 5.2: *Provide the information indicated in the Guide to reporting on Principle 5.*
The Company complies with this recommendation.

6. RESPECT THE RIGHTS OF SHAREHOLDERS

Council Principle 6: ***Companies should respect the rights of shareholders and facilitate the effective exercise of those rights***
Council Recommendation 6.1: *Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose that policy or a summary of that policy.*
The Company complies with this recommendation. The Company has adopted a Shareholder Communication Strategy which is available on its website.
Council Recommendation 6.2: *Provide the information indicated in the Guide to reporting on Principle 6.*
The Company complies with this recommendation.

7. RECOGNISE AND MANAGE RISK

Council Principle 7: ***Companies should establish a sound system of risk oversight and management and internal control***
Council Recommendation 7.1: *Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.*
The Company complies with this recommendation. The Company has a Policy on Risk Oversight and Management of Material Business Risks which is available on the website.
Council Recommendation 7.2 *The board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.*
The Chief Executive Officer and the Company Secretary reviewed the risk management and internal control systems.

They intend to report annually to the Board in respect of the company's key business risks and how they are being managed. As the Company did not list until 6 July 2010, they have not reported as yet.

Council Recommendation 7.3

The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Company complies with this recommendation.

The Board receives assurance from the chief executive officer and the company secretary (in lieu of a chief financial officer) in the form of a declaration, prior to approving the financial statements.

Council Recommendation 7.4:

Provide the information indicated in the Guide to reporting on Principle 7.

The Company complies with this recommendation and provides the following disclosure;

The board has received assurance from the chief executive officer and the chief financial officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

8. REMUNERATE FAIRLY AND RESPONSIBLY

Council Principle 8:

Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear.

Council Recommendation 8.1

The Board should establish a remuneration committee.

The Company complies with this recommendation.

The Board has established a remuneration committee which is governed by a formal charter. The Remuneration Committee has two members, consisting of the independent directors, Mr McLeod and Mr Revell. There were no meetings of the remuneration committee during the period as the Company did not list on ASX until 6 July 2010.

The Remuneration Committee is chaired by Mr McLeod. The Remuneration committee charter is available on the website.

Council Recommendation 8.2

Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.

The Company complies with this recommendation.

The broad remuneration policy is to ensure that remuneration properly reflects the relevant person's duties and responsibilities, and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality. The Board believes that the best way to achieve this objective is to provide Executive Directors and executives with a remuneration package consisting of;

(i) fixed components that reflect the person's responsibilities, duties and personal performance; and

(ii) share based payments in the form of options as an incentive.

The remuneration of Non-Executive Directors is determined by the Board as a whole having regard to the level of fees paid to Non-Executive Directors by other companies of similar size in the industry.

The aggregate amount payable to the Company's Non-Executive Directors must not exceed the maximum annual amount approved by the Company's shareholders, which is currently set at $400,000 per annum (a level approved by shareholders in 2009).

Council Recommendation 8.3:

Provide the information indicated in the Guide to reporting on Principle 8.

The Company complies with this recommendation and provides the following disclosures;

- The Company currently has no schemes for retirement benefits, other than superannuation for directors.
- The Company does not have any unvested entitlements under any equity-based remuneration schemes

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 17 APRIL 2009 TO 30 JUNE 2010

	Note	Consolidated 2010 $
Continuing Operations		
Revenue	2(a)	38,590
Other income	2(a)	27,549
		66,139
Audit fees		(20,000)
Consultants		(243,633)
Loss on disposal of non-current assets	2(b)	(1,181)
Depreciation expense	2(b)	(1,054)
Directors' fees		(20,000)
Employee benefits expense		(28,357)
Exploration costs	2(b)	(1,738,801)
Insurance		(10,649)
Office expense		(62,384)
Share-based payments	2(b)	(193,869)
Other expenses		(59,811)
Travel and accommodation		(144,788)
(Loss) from continuing operations before income tax expense		(2,458,388)
Income tax expense	3	-
(Loss) from continuing operations after income tax expense		(2,458,388)
Other Comprehensive Income:		-
Total comprehensive (loss)		(2,458,388)
(Loss) for the year attributable to members of the parent entity		(2,458,388)
Total comprehensive (loss) for the year attributable to members of the parent entity		(2,458,388)
Basic loss per share (cents per share)	5	(6.0)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	Note	Consolidated 2010 $
CURRENT ASSETS		
Cash and cash equivalents	6	4,419,766
Trade and other receivables	7	44,163
Other financial assets		-
Total Current Assets		4,463,929
NON-CURRENT ASSETS		
Property, plant & equipment	8	6,346
Total Non-Current Assets		6,346
TOTAL ASSETS		4,470,275
CURRENT LIABILITIES		
Trade and other payables	9	101,559
Total Current Liabilities		101,559
TOTAL LIABILITIES		101,559
NET ASSETS		4,368,716
EQUITY		
Issued capital	10	6,633,235
Reserves	12	193,869
Accumulated losses		(2,458,388)
TOTAL EQUITY		4,368,716

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 17 APRIL 2009 TO 30 JUNE 2010

	Note	Consolidated 2010 $ Inflows/(Outflows)
Cash Flows from Operating Activities		
Receipts from customers		-
Payments to suppliers and employees		(570,953)
Interest received		36,103
Net cash (used in) operating activities	6(ii)	(534,850)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment		(8,581)
Exploration and development expenditure		(483,179)
Loans to controlled entities		-
Net cash (used in) investing activities		(491,760)
Cash Flows from Financing Activities		
Proceeds from issue of shares		5,852,976
Share issue expenses		(434,149)
Net cash provided by financing activities		5,418,827
Net increase in cash held		4,392,217
Cash at the beginning of the financial year		-
Effect of exchange rate changes on the balance of cash held in foreign currencies		27,549
Cash at the end of the financial year	6	4,419,766

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 17 APRIL 2009 TO 30 JUNE 2010

Consolidated Group	Ordinary Shares	Accumulated Losses	Option Reserve	Share-Based Payments Reserve	Foreign Currency Translation Reserve	Total
	$	$	$	$	$	$
Balance at Incorporation	-	-	-	-	-	-
Shares issued during the year	7,102,706	-	-	-	-	7,102,706
Share-based payments	-	-	-	193,869	-	193,869
Share issue costs	(469,471)	-	-	-	-	(469,471)
Loss attributable to members of the parent entity	-	(2,458,388)	-	-	-	(2,458,388)
Net exchange differences on translation of the financial reports of foreign subsidiaries	-	-	-	-	-	-
Balance at 30 June 2010	6,633,235	(2,458,388)	-	193,869	-	4,368,716

The accompanying notes form part of these financial statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law. The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars.

The company is an ASX listed public company since 6 July 2010, incorporated in Australia and operating in Australia and Guatemala. The principal activities were the exploration for iron sands in Guatemala.

(b) Adoption of new and revised standards

In the period ended 30 June 2010, the Group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2009. It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Group follows;

- AASB 9: Financial Instruments and AASB 2009-11; Amendments to Australian Accounting Standards arising from AASB 9 (AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 138, 139, 1023 & 1038 and Interpretations 10 & 121 (applicable for annual reporting periods commencing on or alter 1 January 2013).

  These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Group has not yet determined the potential impact on the financial statements.

  The changes made to accounting requirements include:

  - simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
  - simplifying the requirements for embedded derivatives;
  - removing the tainting rules associated with held-to-maturity assets;
  - removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
  - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
  - reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on;
    a. the objective of the entity's business model for managing the financial assets; and
    b. the characteristics of the contractual cash flows.

- AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

  This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. No changes are expected to materially affect the Group.

- AASB 2009-5; Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Group.

- AASB 2009-8; Amendments to Australian Accounting Standards - Group Cash-settled Share-based Payment Transactions [AASB 2] (applicable for annual reporting periods commencing on or after 1 January 2010).

  These amendments clarify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments incorporate the requirements previously included in Interpretation 8 and Interpretation 11 and as a consequence, these two Interpretations are superseded by the amendments. These amendments are not expected to impact the Group.

- AASB 2009-9: Amendments to Australian Accounting Standards - Additional Exemptions for First-time Adopters [AASB 1] (applicable for annual reporting periods commencing on or after 1 January 2010).

  These amendments specify requirements for entities using the full cost method in place of the retrospective application of Australian Accounting Standards for oil and gas assets, and exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with Interpretation 4 when the application of their previous accounting policies would have given the same outcome. These amendments are not expected to impact the Group.

- AASB 2009-10: Amendments to Australian Accounting Standards - Classification of Rights Issues] AASB 132] applicable for annual reporting periods commencing on or after 1 February 2010).

  These amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners *of* the same class of its own non-derivative equity instruments. These amendments are not expected to impact the Group.

- AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

  This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. These amendments are not expected to impact the Group.

- AASB 2009-13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010).

  This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This standard is not expected to impact the Group.

- AASB 2009-14: Amendments to Australian Interpretation - Prepayments of a Minimum Funding Requirement [AASB interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

  This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan. This standard will not impact the Group.

- AASB Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing on or after 1 July 2010).

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the Group.

The Group does not anticipate the early adoption of any of the above Australian Accounting Standards.

(c) Statement of Compliance

The financial report was authorised for issue on 10th September 2010.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(d) Basis of Consolidation

The consolidated financial statements comprise the separate financial statements of Mayan Iron Corporation and its subsidiary as at 30 June 2010 (the Group). The financial statements of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profits and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The acquisition of subsidiaries has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of subsidiaries for the period from their acquisition.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the Consolidated Statement of Comprehensive Income and within equity in the Consolidated Statement of Financial Position.

(e) Critical accounting judgements and key sources of estimation uncertainty

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

(e) Critical accounting judgements and key sources of estimation uncertainty (continued)

Share-based payment transactions:

The Group measures the cost of equity-settled share-based payments at fair value at the grant date using an option pricing model, taking into account the terms and conditions upon which the instruments were granted, as discussed in Note 11.

(f) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(h) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables are generally due for settlement within periods ranging from 30 to 90 days.

(i) Derecognition of financial assets and financial liabilities

(i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a ‘pass-through’ arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either

(a) has transferred substantially all the risks and rewards of the asset, or

(b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Group could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group’s continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group’s continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Impairment of financial assets

The Group assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

(i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account.

The amount of the loss is recognised in profit or loss.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(ii) Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset.

(k) Foreign currency translation

Both the functional and presentation currency of Mayan Iron Corporation is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currency of the foreign operations, Tikal Minerals SA, is Guatemalan quetzals.

As at the reporting date the assets and liabilities of this subsidiary are translated into the presentation currency of Mayan Iron Corporation at the rate of exchange ruling at the balance date and their income statements are translated at the average exchange rate for the year.

The exchange differences arising on the translation are taken directly to a separate component of equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

(l) Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(n) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Office Equipment – over 5 to 8 years

Computer Equipment – over 2.5 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income in the cost of sales line item.

(ii) Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Financial assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

(i) Financial assets at fair value through profit or loss
Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

(ii) Held-to-maturity investments
Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

(iii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) Available-for-sale investments
Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

(p) Intangible assets

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Intangible assets (continued)

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(q) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(r) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(s) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(u) Employee leave benefits

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

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

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(v) Share-based payment transactions

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using an option pricing model, further details of which are given in Note 11.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Mayan Iron Corporation (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition. If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Share-based payment transactions (continued)

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 5).

(w) Issued capital

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

(x) Earnings/(loss) per share

Basic earnings/(loss) per share is calculated as net profit/(loss) attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings/(loss) per share is calculated as net profit/(loss) attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and

other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(y) Exploration, evaluation and development expenditure

Exploration and evaluation and acquisition costs are expensed as incurred.

NOTE 2: REVENUE AND EXPENSES

	Consolidated
	2010
	$
(a) Revenue from continuing operations	
Mining income	-
Interest received - controlled entities	-
Interest received - other	38,590
Total revenue	38,590
Net foreign exchange gain	27,549
Other income	-
Total other income	27,549
	66,139

The loss from continuing operations before income tax has been determined after:

(b) Expenses	
Depreciation of non-current assets	1,054
Loss on disposal of non-current assets	1,181
Write off exploration expenses	1,738,801
Net foreign exchange losses	-
Share-based payments	193,869
Contribution to employee superannuation plans	2,145

NOTE 3: INCOME TAX

(a) Income tax recognised in profit/loss

No income tax is payable by the parent or consolidated entities as they recorded losses for income tax purposes for the period.

(b) Numerical reconciliation between income tax expense and the loss before income tax.

The prima facie income tax benefit on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:

	2010
	$
Accounting loss before tax	**(2,458,388)**
Income tax benefit/(expense) at 30%	**737,516**
Non-deductible expenses:	
Foreign tax rate adjustment	**-**
Foreign exchange gain / (loss)	**8,265**
Option issue expense	**(58,161)**
Impairment of loan to controlled entity	**-**
Other non deductible expenses	**-**
Unrecognised tax losses	**(687,620)**
Income tax benefit attributable to loss from ordinary activities before tax	-

(c) Unrecognised deferred tax balances

Tax losses attributable to members of the tax consolidiated group - revenue	**373,139**
Potential tax benefit at 30%	**111,942**
Deferred tax liability not booked	
Deferred exploration expenditure	**-**
Deferred tax asset asset not booked	
Amounts recognised in profit & loss	
-employee provisions	**972**
-other	**25,227**
Amounts recognised in equity	
- share issue costs	**-**
Net unrecognised deferred tax asset at 30%	**138,141**

A deferred tax asset attributable to income tax losses has not been recognised at balance date as the probability criteria disclosed in Note 1(l) is not satisfied and such benefit will only be available if the conditions of deductibility also disclosed in Note 1(l) are satisfied.

NOTE 4: SEGMENT REPORTING

The Group operates predominately in the mineral exploration industry in Guatemala. For management purposes, the Group is organised into one main operating segment which involves the exploration for minerals in Guatemala. All of the Group's activities are inter-related and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial results of the group as a whole.

NOTE 5: EARNINGS/(LOSS) PER SHARE

	Consolidated 2010 Cents
Basic loss per share (cents per share)	**(6.0)**
The loss and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:	
Loss for the year	**(2,458,388)**
Weighted average number of shares outstanding during the year used in calculations of basic loss per share	**41,057,210**

Diluted loss per share
There is no dilution of shares due to options as the potential ordinary shares are not dilutive and are therefore not included in the calculation of diluted loss per share

NOTE 6: CASH AND CASH EQUIVALENTS

	Consolidated 2010 $
Cash at bank and in short term deposits	**4,419,766**
	4,419,766

Cash at bank earns interest at floating rates based on daily bank deposit rates

NOTE 6: CASH AND CASH EQUIVALENTS (continued)

	Consolidated 2010 $
(i) Reconcilation to Cash Flow Statement	
For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and at bank. Cash and cash equivalents as shown in the cash flow statement are reconciled to the related items in the balance sheet as follows:	
Cash and cash equivalents	**4,419,766**
(ii) Reconciliation of loss after income tax to net cash flows from operating activities:	
Loss after income tax	**(2,458,388)**
Depreciation	**1,054**
Amortisation	**1,181**
Share-based payments	**193,869**
Exploration expenditure satisfied by issue of shares	**1,250,000**
Exploration expenditure written off	**483,179**
Net foreign exchange (gain)/loss	**(27,549)**
	(556,654)
Changes in operating assets and liabilities, net of the effects of purchase of subsidiaries:	
(Increase)/decrease in trade and other receivables	**(25,422)**
(Decrease)/Increase in trade and other payables	**43,984**
(Decrease)/Increase in employee benefits	**3,241**
Net cash outflow from operating activities	**(534,850)**

NOTE 7: CURRENT TRADE AND OTHER RECEIVABLES

	2010 $
Current	
Trade receivables	**21,228**
GST recoverable	**22,935**
	44,163

The average credit period on sales of goods and rendering of services is 30-90 days. No interest is charged. No receivables are past due and no impairment is required.

Non-Current	
Amount receivable from controlled entity	**-**
Provision for impairment of loans to controlled entities	**-**
	-

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	Office Equipment	Consolidated 2010 Total
	$	$
Period ended 30 June 2010		
At incorporation, net of accumulated depreciation	-	-
Additions	8,581	8,581
Disposal of non-current assets	(1,181)	(1,181)
Transferred from development expenditure	-	-
Depreciation / amortisation for the year	(1,054)	(1,054)
At 30 June 2010, net of accumulated depreciation	6,346	6,346
At incorporation		
Cost	-	-
Accumulated depreciation	-	-
Net carrying amount	-	-
At 30 June 2010		
Cost	7,400	7,400
Accumulated depreciation/amortisation	(1,054)	(1,054)
Net carrying amount	6,346	6,346

The useful life of the assets were estimated as follows for 2010:

Office Equipment	5 years

NOTE 9: TRADE AND OTHER PAYABLES (CURRENT)

	2010
	$
Current	
Trade payables	14,229
Employee entitlements	3,241
Accruals	84,089
GST payable	-
Other payables	-
	101,559

Trade payables are non-interest bearing and are normally settled on 30-day terms.

NOTE 10: ISSUED CAPITAL

	Consolidated 2010 $
86,648,183 fully paid ordinary shares	6,633,235

(i) Ordinary shares - number	2010 No.
At start of period	-
Share issued on incorporation - 1 on 17 April 2009 at $1	1
Share placed - 102,000,000 on 26 May 2009 at $0.0088	102,000,000
Share placed - 23,000,000 on 26 May 2009 at $0.00001	23,000,000
Share placed - 10,000,000 on 1 July 2009 at $0.05	10,000,000
Share placed - 14,000,000 on 25 August 2009 at $0.05	14,000,000
Share placed - 5,200,000 on 3 September 2009 at $0.0001	5,200,000
Shares placed - 15,500,000 on 3 September 2009 at $0.1	15,500,000
Share placed - 195,490,000 on 27 January 2010 at $0.00001	195,490,000
	365,190,001
Consolidation 1 new share for every 5.5 existing shares	66,398,183
Shares placed - 1,750,000 on 29 March 2010 at $0.20	1,750,000
Shares placed - 6,000,000 on 27 April 2010 at $0.10	6,000,000
Shares allotted pursuant to IPO Prospectus - 12,500,000 on 10 June 2010 at $0.20	12,500,000
Balance at end of period	86,648,183

(ii) Ordinary shares – value	2010 $
At start of period	-
Share issued on incorporation - 1 on 17 April 2009 at $1	1
Share placed - 102,000,000 on 26 May 2009 at $0.0088	900,000
Share placed - 23,000,000 on 26 May 2009 at $0.00001	230
Share placed - 10,000,000 on 1 July 2009 at $0.05	500,000
Share placed - 14,000,000 on 25 August 2009 at $0.05	700,000
Share placed - 5,200,000 on 3 September 2009 at $0.0001	520
Shares placed - 15,500,000 on 3 September 2009 at $0.1	1,550,000
Share placed - 195,490,000 on 27 January 2010 at $0.00001	1,955
	3,652,706
Consolidation 1 new share for every 5.5 existing shares	3,652,706
Shares placed - 1,750,000 on 29 March 2010 at $0.20	350,000
Shares placed - 6,000,000 on 27 April 2010 at $0.10	600,000
Shares allotted pursuant to IPO Prospectus - 12,500,000 on 10 June 2010 at $0.20	2,500,000
less share issue costs	(469,471)
Balance at end of period	6,633,235

NOTE 11: SHARE BASED PAYMENT PLANS

The expense recognised in the statement of consolidated income in relation to share-based payments is disclosed in Note 2.

The following table illustrates the number (No.) and weighted average exercise prices of and movements in share options issued during the year:

	Consolidated	
	2010 No.	2010 Weighted average exercise price
Outstanding at the beginning of the period	0	0
Granted during the period	3,524,892	20 cents
Forfeited during the period	-	-
Exercised during the period	-	-
Expired during the period	-	-
Outstanding at the end of the period	3,524,892	20 cents
Exercisable at the end of the period	3,524,892	20 cents

The outstanding balance as at 30 June 2010 is represented by 3,524,892 unlisted options over ordinary shares with an exercise price of 20 cents each, exercisable on or before 31 May 2016.

The fair value of options granted during the period was $193,869 (approximately 5.5 cents per options).

The fair value of the equity-settled share options granted was estimated as at the date of grant using a Black & Scholes pricing model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model:

Weighted volatility (%)	50
Risk-free interest rate (%)	5
Expected life of option (years)	6
Exercise price (cents)	20
Weighted average share price at grant date (cents)	20

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. A discount of 50% was applied in respect of the non-listed status of the options and the fact that there was a considerable risk at the date the options were granted that the company would not achieve a stock exchange listing. No other features of options granted were incorporated into the measurement of fair value.

NOTE 12: RESERVES

Share-Based Payments Reserve	**Consolidated**
	2010
Number of options	**No.**
At start of period	-
Issue of 20 cent options dated 5 March 2010 - share based payments	3,524,892
Balance at 30 June	**3,524,892**

	2010
Value of options	**$**
At start of period	-
Issue of 20 cent options dated 5 March 2010 - share based payments	193,869
Balance at 30 June	**193,869**

Nature and purpose of reserves

Share Based Payments Reserve

This reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration and to third parties for services provided. Refer to Note 11 for further details.

NOTE 13: FINANCIAL INSTRUMENTS

			Fixed Interest Rate Maturing				
30 June 2010	**Weighted Average**	**Floating Interest Rate**	**Within Year**	**1 to 5 Yrs**	**Over 5 Yrs**	**Non-interest bearing**	**Total**
		$	$	$	$	$	$
Financial Assets:							
Cash & cash equivalents	1.8%	4,419,766	-	-	-	-	4,419,766
Trade and other receivables		-	-	-	-	44,163	44,163
Total Financial Assets		4,419,766	-	-	-	44,163	4,463,929
Financial Liabilities:							
Trade and other payables		-	-	-	-	101,559	101,559
Total financial liabilities		-	-	-	-	101,559	101,559

NOTE 14: EXPENDITURE COMMITMENTS

	Consolidated 2010 $
(i) Operating Lease Commitments	
Non-cancellable operating leases contracted for but not capitalised in the financial statements	
Payable - minimum lease payments	
- not later than 12 months	-
- between 12 months and 5 years	-
- greater than 5 years	-
	-

(ii) Expenditure commitments contracted for:

Exploration Tenements

	Consolidated 2010 $
In order to maintain current rights of tenure to exploration tenements, the Company is required to outlay rentals and to meet the minimum expenditure requirements. These obligations are not provided for in the financial statements and are payable:	
- not later than 12 months	1,210,000
- between 12 months and 5 years	1,070,000
- greater than 5 years	-
	2,280,000

NOTE 15: RELATED PARTY DISCLOSURE

The consolidated financial statements include the financial statements of Mayan Iron Corporation Limited and the subsidiaries listed in the following table.

Name	Country of Incorporation	% Equity Interest 2010	Investment $ 2010
Mayan Iron Corporation Limited	Australia	100	-
Tikal Minerals SA[1]	Guatemala	100	-

Note 1 - one share owned by Elisha Lamb, a former director, beneficially held on behalf of Mayan Iron Corporation Limited. 4,999 shares held by Mayan Iron Corporation directly

Mayan Iron Corporation Limited is the ultimate Australian parent entity and ultimate parent of the Group.

Amounts owed by Related Parties	2010 $
Subsidiaries	
Tikal Minerals SA	-
Provision for impairment	-
	-
Amounts payable to Directors for Directors Fees	-

Outstanding balances at year-end are unsecured and settlement occurs in cash.

An impairment assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates to determine whether there is objective evidence that a related party receivable is impaired. When such objective evidence exists, the Group recognises an allowance for the impairment loss.

Loans to controlled entities do not bear interest.

Refer to Note 19 for transactions involving directors and key management personnel.

NOTE 16: EVENTS AFTER THE BALANCE SHEET DATE

There has not arisen in the interval between the end of the period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future periods other than:-

- On 6 July 2010 the Company was admitted to the Official List of ASX following the issue of 12,500,000 ordinary shares at 20 cents to raise $2,500,000.

NOTE 17: AUDITORS' REMUNERATION

	Consolidated 2010 $
Amounts received or due and receivable by the auditors for:	
Audit or review of the financial reports of the Company	20,000
Investigating Accountant's Report for the IPO Prospectus	12,128
	32,128

NOTE 19: DIRECTORS AND EXECUTIVE DISCLOSURES

(a) Details of Key Management Personnel

(i) Directors

Bruce McLeod	Chairman (non-executive) - appointed 30 April 2009
Bruce Richardson	Managing Director - appointed 30 April 2009
Nicholas Revell	Director (non-executive) - appointed 22 January 2010
Elisha Lamb	Director (non-executive) - appointed 17 April 2009, resigned 3 March 2010

(ii) Executives

Rowan Caren	Company Secretary - appointed 4 August 2010
Lynton McCreery	Company Secretary - appointed 26 May 2009, resigned 4 August 2010

Other than as noted above, there were no changes in the Managing Director or key management personnel after reporting date and up to the date the financial report was authorised for issue.

(b) Compensation by category of Key Management Personnel for the period ended 30 June 2010

	2010
	$
Short-term employee benefits	259,416
Post-employment benefits	-
Share-based payments	193,869
	453,285

(c) Compensation Option holdings of Key Management Personnel - Unlisted (Consolidated)

Details of options granted to key management personnel during the period are as follows:

	Balance at incorporation	Granted as remuneration	Options Exercised	Net change other	Balance at the end of the period	Vested and exercisable at 30 June 2010
Directors						
Bruce McLeod	-	1,174,964	-	-	1,174,964	1,174,964
Bruce Richardson	-	1,174,964	-	-	1,174,964	1,174,964
Nicholas Revell	-	-	-	-	-	-
Elisha Lamb	-	1,174,964	-	-	1,174,964	1,174,964
	-	3,524,892	-	-	3,524,892	3,524,892
Specified Executives						
Lynton McCreery	-	-	-	-	-	-
Rowan Caren	-	-	-	-	-	-
	-	-	-	-	-	-

(d) Shares issued on Exercise of Compensation Options (Consolidated)

No options were exercised by key management personnel during the period.

(e) Shareholdings of Key Management Personnel (Consolidated)

	Balance at the start of the period	Granted as remuneration	On exercise of options	Net change other	Balance at the end of the period
Directors					
Bruce McLeod	-	-	-	1,192,000	1,192,000
Bruce Richardson	-	-	-	2,600,000	2,600,000
Nicholas Revell	-	-	-	-	-
Elisha Lamb	-	-	-	272,728	272,728
	-	-	-	4,064,728	4,064,728
Specified Executives					
Lynton McCreery	-	-	-	90,909	90,909
Rowan Caren	-	-	-	-	-
	-	-	-	90,909	90,909

All equity transactions with key management personnel have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

(f) Loans to Key Management Personnel (Consolidated)

No loans have been provided to key management personnel during the year.

(g) Other transactions and balances with Key Management Personnel

Other than as noted below, no other transactions with key management personnel have occurred during the period;

- Mr McLeod acquired 1,152,000 shares as a seed shareholder for a total cash consideration of $60,006;
- Mr Richardson acquired 2,600,000 shares as a seed shareholder for a total cash consideration of $611;
- Carnegie Wave Corporation Limited, a company of which Mr Bruce McLeod is also a director, provides office space and facilities to the company on arms length commercial terms and conditions. A total of $36,545 was paid during the period;
- Minerva Research Pty Limited, a company of which Elisha Lamb is also a director, provided administrative resources, office space and facilities to the company. A total of $40,042 was paid during the period;
- Technical & Administrative Services Pty Limited, a company of which Elisha Lamb is also a director, was the vendor of Tikal Minerals SA for a consideration of $1. Pursuant to the acquisition transaction, the Company repaid various parties $1,250,000 representing funds advanced to Tikal Minerals SA which was satisfied by the issue of 20,295,454 shares (on a post consolidation basis).

NOTE 19: FINANCIAL RISK MANAGEMENT

The Consolidated entity’s financial situation is not complex. Its activities may expose it to a variety of financial risks in the future: market risk (including currency risk and fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. At that stage the Consolidated entity’s overall risk management program will focus on the unpredictability of the financial markets and seek to minimise potential adverse effects on the financial performance of the Consolidated entity.

Risk management is carried out under an approved framework covering a risk management policy and internal compliance and control by management. The Board identifies, evaluates and approves measures to address financial risks.

NOTE 19: FINANCIAL RISK MANAGEMENT – (continued)

The Consolidated and the Parent entity hold the following financial instruments:

	Consolidated 2010 $
Financial assets	
Cash and cash equivalents	4,419,766
Trade and other receivables	44,163
	4,463,929
Financial liabilities	
Trade and other payables	101,559

(a) Market risk

Cash flow and fair value interest rate risk

The Consolidated entity's main interest rate risk arises from cash deposits to be applied to exploration areas of interest. Deposits at variable rates expose the Consolidated entity to cash flow interest rate risk. Deposits at fixed rates expose the Consolidated entity to fair value interest rate risk. During the period, the Consolidated entity's deposits at variable rates were denominated in Australian Dollars and United States Dollars.

As at the reporting date, the Consolidated entity had the following variable rate deposits and there were no interest rate swap contracts outstanding:

	2010 Weighted average interest rate %	Balance $
Deposit		4,419,766
Other cash available		-
Net exposure to cash flow interest rate risk	4.1%	4,419,766

The Consolidated entity analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into account the renewal of existing positions.

Sensitivity – Consolidated and Parent entity
During the period, if interest rates had been 50 basis points higher or lower than the prevailing rates realised, with all other variables held constant, there would be an immaterial change in post-tax profit for the year.

Foreign currency risk

As a result of significant operations in Guatemala, the Group's statement of financial performance can be affected significantly by movements in the US$/A$ exchange rates and the Guatemalan Quetzal/$A exchange rates. The Group intends to seek to mitigate the effect of its foreign currency exposure by holding US Dollars and Guatemalan quetzals.

The Group also has transactional currency exposures. Such exposure arises from sales or purchases by an operating entity in currencies other than the functional currency.

NOTE 20: FINANCIAL RISK MANAGEMENT (continued)

At 30 June 2010, the Group had the following exposure to US$ foreign currency expressed in A$ equivalents, that are not designated in cash flow hedges:

	Consolidated 2010 $
Financial assets	
Cash and cash equivalents	435,849
Trade and other receivables	-
	435,849
Financial liabilities	
Trade and other payables	5,622

The following sensitivity is based on the foreign currency risk exposures in existence at the balance sheet date:

At 30 June 2010, had the Australian Dollar moved, as illustrated in the table below, with all other variables held constant, post tax loss and equity would have been affected as follows:

Judgements of reasonably possible movements:	Post Tax Loss Higher/(Lower) 2010 $
Consolidated Group	
AUD/USD +20%	(72,794)
AUD/USD - 20%	107,328

(b) Credit risk

The Consolidated entity has no significant concentrations of credit risk. Cash transactions are limited to high credit quality financial institutions.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures on outstanding receivables and committed transactions. In relation to other credit risk areas management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised at the beginning of this note.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions. The Consolidated entity manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Consolidated entity will aim at maintaining flexibility in funding by accessing appropriate committed credit lines available from different counterparties where appropriate and possible. Surplus funds when available are generally only invested in high credit quality financial institutions in highly liquid markets.

The Consolidated entity has no borrowing facilities.

NOTE 20: FINANCIAL RISK MANAGEMENT (continued)

(d) Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders. The capital structure of the Company consists of equity attributable to equity holders, comprising issued capital, reserves and retained earnings as disclosed in notes 10 and 12.

The Board reviews the capital structure on a regular basis and considers the cost of capital and the risks associated with each class of capital. The Company will balance its overall capital structure through new share issues as well as the issue of debt, if the need arises.

NOTE 21: PARENT ENTITY DISCLOSURES

(a) Financial Position	2010 $
Assets	
Current assets	4,463,929
Non-current assets	6,347
Total assets	4,470,276
Liabilities	
Current liabilities	101,559
Total liabilities	101,559
Equity	
Issued capital	6,633,235
Reserves	193,869
Accumulated losses	(2,458,387)
Total Equity	4,368,717

(b) Financial Performance

(Loss) for the year	(2,458,387)
Other comprehensive income	-
Total comprehensive income	(2,458,387)

(c) Contingent liabilities of the parent entity

Nil

(d) Commitments for the acquisition of property, plant and equipment by the parent entity

Nil

Directors' declaration

1. In the opinion of the directors:

   a) the financial statements and notes of the company and of the consolidated entity are in accordance with the Corporations Act 2001 including:

      (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2010 and of their performance for the period from 17 April 2009 to 30 June 2010; and

      (ii) complying with Accounting Standards and Corporations Regulations 2001;

      (iii) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board; and

   b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the period ended 30 June 2010.

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

Bruce Richardson
Director

10 September 2010

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
MAYAN IRON CORPORATION LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Mayan Iron Corporation Limited, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from 17 April 2009 to 30 June 2010, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period end or from time to time during the financial period.

Directors' responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 1(c), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

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

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

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of Mayan Iron Corporation Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the period from 17 April 2009 to 30 June 2010; and
  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1(c).

Report on the Remuneration Report

We have audited the remuneration report included in pages 4 to 6 of the directors' report for the period ended 30 June 2010. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards

Auditor's opinion
In our opinion the remuneration report of Mayan Iron Corporation Limited for the period ended 30 June 2010 complies with section 300 A of the *Corporations Act 2001.*

STANTONS INTERNATIONAL
(An Authorised Audit Company)

J P Van Dieren
Director

West Perth, Western Australia
10 September 2010

ASX ADDITIONAL INFORMATION

DISTRIBUTION OF EQUITY SECURITIES

The distribution of members and their holdings of fully paid ordinary shares and listed options as at 3 September 2010 were as follows:

Shares held	No. of Shareholders
1 – 1,000	-
1,001 – 5,000	1
5,001 – 10,000	185
10,001 – 100,000	159
100,001 and over	57
Total	**402**

Less than Marketable Parcel	Min Parcel size	Holders	Units
Shares	3,125	1	1,818

RESTRICTED SECURITIES

Restriction Type	Number of Securities	Class of Security	Restriction End Date
ASX	44,672,455	ORD	05.07.2012
ASX	2,975,000	ORD	26.04.2011
ASX	9,947,997	ORD	26.01.2011
Voluntary	6,370,913	ORD	25.05.2010
ASX	3,524,892	Options 31.5.16 @ 20c	05.07.2012

TWENTY LARGEST SHARE SECURITY HOLDERS

The names of the 20 largest holders of fully paid ordinary shares as at 3 September 2010 are listed below:

Name	Number of Share	Percentage
Wu Xiaonian	29,500,000	34.05%
Wo Wah Industrial Investments Ltd	6,000,000	6.92%
Sassey Pty Ltd <Avago Super Fund A/c>	5,565,909	6.42%
Bruce Richardson	2,600,000	3.00%
Grupo Pegasus SA	2,181,818	2.52%
Alan Robert Burns	2,165,909	2.50%
Michael Joseph Proffitt	2,045,455	2.36%
LSAF Holdings Pty Ltd <Owen Family A/c>	1,500,000	1.73%
Perizia Investments Pty Ltd	1,300,000	1.50%
Daniel Paul Wise <Ark Investment A/c>	1,275,000	1.47%
Flue Holdings Pty Ltd	1,225,000	1.41%
Astina Investment Group Pty Ltd	1,200,000	1.38%
Kapiri Holdings Pty Ltd	1,200,000	1.38%
Pershing Nominees Ltd	1,200,000	1.38%
LSAF Holdings Pty Ltd <Owen Family A/c>	1,180,000	1.36%
Eastern & Pacific Capital Pty Ltd <Bruce McLeod Super Fund A/c>	1,152,000	1.33%
CS Fourth Nominees Pty Ltd <Unpaid A/c>	1,094,318	1.26%
David Hannon	1,050,000	1.21%
Alfred Lai <Super Fund A/c>	960,000	1.11%
Nutsville Pty Ltd	930,000	1.07%
Dilkara Nominees Pty Ltd	909,091	1.05%
	65,054,500	**75.05%**

The names of any holder of unlisted options (exercisable at 20 cents on or before 31 May 2016) holding 20% or more of the class of unlisted options, as at 3 September 2010 are listed below:

Name	Number of Options	Percentage
Bruce Richardson	1,174,964	33.33%
Eastern & Pacific Capital Pty Limited <Bruce McLeod Super Fund>	1,174,964	33.33%
Elisha Lamb	1,174,964	33.33%
Total	**3,524,892**	**100.00%**

SUBSTANTIAL SHAREHOLDERS

The Company's Register of Substantial Shareholders, prepared in accordance with Chapter 6C of the Corporations Act 2001, recorded the following information as at 3 September 2010:

Holder Name	Number of Securities	Class of Security	Percentage of Issued Capital
Mr Wu Xiaonian	29,500,000	ORD	34.05%
Wo Wah Industrial Investment Pty Limited	6,000,000	ORD	6.92%
Sassey Pty Limited <Avago Superannuation A/c>	5,565,909	ORD	6.42%

VOTING RIGHTS

Under the Company's constitution, all ordinary shares carry one vote per share without restriction. Options over ordinary shares do not carry any voting rights.

COMPANY SECRETARY

The Company Secretary is Mr Rowan Caren.

MINERAL TENEMENTS

All of the Company's mineral tenements are in Guatemala through 100% owned subsidiary, Tikal Minerals SA.

Project Area	Tenement	Mayan Iron Interest
Paraiso Oeste	SEXR-036-09	100%, granted, exploration licence
Porvenir Central	SEXR-037-09	100%, granted, exploration licence
Progreso Este	SEXR-038-09	100%, granted, exploration licence
Cuyuta	SEXR-028-09	100%, application, exploration licence
El Milagro	SEXR-029-09	100%, application, exploration licence
Genova	SEXR-030-09	100%, application, exploration licence
El Calvario	SEXR-039-09	100%, application, exploration licence
El Pilar	SEXR-040-09	100%, application, exploration licence
Suquite	SEXR-041-09	100%, application, exploration licence
Las Malicias	SEXR-042-09	100%, application, exploration licence
San Miguel	SR-01-09	100%, application, reconnaissance licence
San Gabriel	SR-02-09	100%, application, reconnaissance licence
San Rafael	SR-03-09	100%, application, reconnaissance licence

CONSISTENCY OF EXPENDITURE WITH BUSINESS OBJECTIVES

The Company was listed on 6 July 2010. The Company's use of the cash and assets that it had at the time of admission to quotation on ASX has been consistent with its business objectives as set out in the Company's Prospectus dated 28 April 2010.