



# MAYAN IRON CORPORATION LTD

ACN: 136 636 005

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29 June 2011

ASX ANNOUNCEMENT

Company Announcements Office  
Australian Securities Exchange Limited

## GUATEMALA UPDATE

In June 2009, Mayan acquired Tikal Minerals S.A which was the registered holder of Reconnaissance Licence applications covering an area of 5,912 km<sup>2</sup> onshore along the Pacific Ocean coastline of Guatemala.

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

Three Exploration Licences known as Porvenir Central, Progreso Este and Paraiso Oeste, covering a total area of 292.5 km<sup>2</sup>, were granted to Tikal Minerals in October 2009. Since that time, Mayan has worked towards gaining environmental approvals which would allow it to complete a drilling program. Its efforts have been focused on Porvenir Central.

The Company announced on 13 April 2011, that the Ministry of Environment and Natural Resources ("MARN") had rejected Tikal Minerals' application for environmental approval to proceed with the exploration program at Porvenir Central. It was further noted that MARN environmental approval was a condition of the approval granted by the Guatemala Ministry of Energy and Mines ("MEM") for the Exploration Licence and must be gained prior to the commencement of a drilling program on Porvenir Central. As a result, Tikal is presently unable to commence the drilling program.

Tikal appealed the decision by MARN. Hearings are now underway in relation to this appeal.

In the December quarter, the MEM advised the Company that it had accepted the Environmental Mitigation Studies for the Exploration Licence areas Progreso Este and Paraiso Oeste which had been submitted in August 2010. MEM requested that Environmental Impact Assessments (EIA) be submitted to MARN for its consideration. These EIAs have been commenced but it was not management's intention to finalise them until a satisfactory outcome has been achieved in respect of the Porvenir Central environmental approval.

Tikal Minerals has received notices from the MEM, declaring that in the department's opinion the exploration licence registrations for Porvenir Central, Progreso Oeste and Paraiso Oeste should be allowed to expire. MEM has taken the view that Tikal Minerals has not executed exploration mining activities within the required time frame. This is despite the Company having complied with all of the steps required under the law.

Tikal Minerals has previously written to MEM explaining that it has not been possible to complete the required work program because it has been unable to secure environmental approvals from MARN which is currently the subject of an appeal process as identified above. The Company's exploration licences will remain current whilst the matter is further considered by the Government of Guatemala.



**Bruce Richardson**  
**Managing Director**



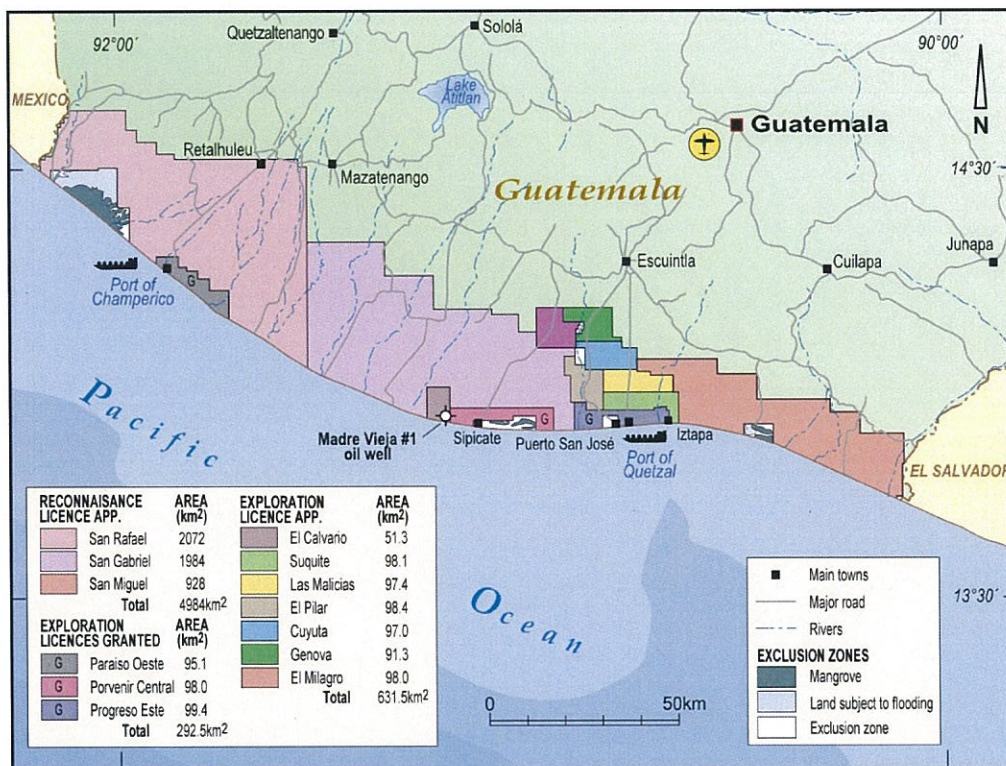
## About the Guatemala Iron Sand Project

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<sup>2</sup> with an estimated population of 13.3 million. The official language of Guatemala is Spanish.

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 22 km to 50 km in width. Major rivers that drain the coastal plain are responsible for the transportation 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. Tikal was the registered holder of Reconnaissance Licence applications covering an area of 5,912 km<sup>2</sup> onshore along the Pacific Ocean coastline of Guatemala.

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



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

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

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.