Mayan Iron Corporation Limited

(ABN 46 136 636 005)

Annual Financial Report

for the Year Ended 30 June 2011

Corporate Directory

Directors

Bruce McLeod
Non-Executive Chairman

Bruce Richardson
Managing Director

Nicholas Revell
Non-Executive Director

Auditors

Stantons International
Level 1, 1 Havelock Street
West Perth WA 6005

Company Secretary

Rowan Caren

Registered and Principal Office

Level 1, 8 Outram Street
West Perth, WA 6005

Telephone: +61 8 9226 0299
Facsimile: +61 8 9321 1627

Email: info@mayaniron.com

Share Registry

Security Transfer Registrars Pty Ltd
PO Box 535
Applecross WA 6953

Telephone: +61 8 9315 2333
Facsimile: +61 8 9315 2233

Web address: www.securitytransfer.com.au

Web Address

www.mayaniron.com

Solicitors to the Company

Jackson Macdonald
140 St Georges Terrace
Perth WA 6000

ASX Code: MYN, MYNO

Index

DIRECTORS' REPORT

Your directors submit the annual financial report of the consolidated entity for the year ended 30 June 2011. In order to comply with the provisions of the Corporations Act, the director‟s 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

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 was a non executive director of Carnegie Wave Energy Limited, an ASX listed company and the Executive Chairman of Imperial Corporation Limited (ASX listed) from 1996 until earlier this year. 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*
- Fall River Resources Limited

** denotes current directorships*

Bruce Andrew Richardson, B.A (Hons)
Managing Director

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 had 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

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.

During the last three years, Mr Revell has also served as a director of the following listed company:
- South American Ferro Metals Limited (formerly Riviera Resources Limited)
- Sunseeker Minerals Limited*
- Forte Consolidated Limited*
- Dynasty Metals Australia Limited
- Adept Solutions Limited (formerly Australasia Consolidated Limited)
- Kidman Resources Limited*
- ** denotes current directorships*

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 16 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 resigned 4 August 2010

Mr McCreery has been Secretary of a number of listed public companies over the past 30 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:

	Unlisted 20c Option 31/5/16	Unlisted 25c Option 31/10/15	Listed 20c Option 30/11/13	Number of fully paid ordinary shares
Bruce McLeod	1,174,964	750,000	879,000	1,172,000
Bruce Richardson	1,174,964	500,000	1,950,000	2,630,000
Nicholas Revell	-	500,000	-	-

Share Options

Details of unissued ordinary shares under option are as follows:

	Number of options	Exercise price	Expiry date
Listed options	64,986,135	20 cents	30 Nov 2013
Unlisted options	200,000	15 cents	30 Jun 2015
Unlisted options	2,000,000	25 cents	31 Oct 2015
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 however, subsequent to year end the Company acquired a tenement package in the mid-west of Western Australia.

Review of operations

Three Exploration Licences known as Porvenir Central, Progreso Este and Paraiso Oeste were granted to Tikal Minerals in Guatemala 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.

Tikal Minerals has received notices from the Ministry of Energy and Mines (MEM),declaring that in the Ministry"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. Tikal Minerals has advised MEM that it has not been possible to complete the required work program because it has been unable to secure environmental approvals, which are currently the subject of an appeal process as identified under Environmental Legislation below.

The Company"s exploration licences will remain current whilst the matter is further considered by the Government of Guatemala.

In July, the Company acquired granted exploration licence, E53/1585 and the right to the application for exploration licence, E53/1538, comprising the Gidgee Project in the emerging Mid West iron ore province of Western Australia. The two tenements cover approximately 225 square kilometres of the Gum Creek Greenstone Belt and are located 850 km north-northeast of Perth and 90km southwest of Wiluna.

Exploration will begin shortly in the form of mapping and rock chip sampling on E53/1585 and on E53/1538, once it is granted, with the objective of designing targets for future drilling programs.

The Gidgee tenements contain similar magnetic signatures to the already discovered iron ore deposits in the region.

During the year, the Company completed a non-renounceable rights issue of options on the basis of 3 options for every four shares held at an issue price of 1 cent per option to raise $649,861 before costs.

Operating results for the year

Net loss attributable to equity holders of the parent for the period ended 30 June 2011 was $1,101,941. Basic loss per share was 1.3 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 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:-

- The company has agreed to buy an Exploration Licence and an Exploration Licence Application in Western Australia for a combined total of $75,000.

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 (EMS) were 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. In August 2010, the Ministry accepted the Company"s EMS for Porvenir Central but requested that an Environmental Impact Assessment (EIA) be submitted to the Ministry of Environment and Natural Resources ("MARN"), prior to commencement of exploration activities.

MARN subsequently rejected Tikal Minerals" application for environmental approval to proceed with the exploration program at Porvenir Central. As a result, Tikal has been unable to commence a drilling program. Tikal appealed the decision by MARN. Hearings are underway in relation to this appeal.

MEM advised the Company that it had accepted the Environmental Mitigation Studies for the Exploration Licence areas Progreso Este and Paraiso Oeste, but again requested that EIAs be submitted to MARN for its consideration. These EIAs have been commenced but it is not management"s intention to finalise them until a satisfactory outcome has been achieved in respect of the Porvenir Central environmental approval.

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 $7,500.

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. Shareholders approved the grant of options to all directors at the Company"s Annual General Meeting in October 2010. 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.

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 year ending 30 June 2011 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 2011

	Primary benefits		Post Employment	Equity	Total	% of Remuneration received as Options
Directors	**Salary & Fees**	**Non Monetary Benefits**	**Superannuation**	**Options**		
B McLeod	54,246	1,875	-	39,497	95,618	41%
B Richardson	185,425	5,775	-	26,331	217,531	12%
N Revell	39,402	1,875	-	26,331	67,608	39%
Total Directors	**279,073**	**9,525**	**-**	**92,159**	**380,757**	**24%**
Specified Executives						
R Caren	74,255	1,875	-	13,166	89,296	15%
L McCreery	5,150	-	-	-	5,150	-
Total Specified Executives	**79,405**	**1,875**	**-**	**13,166**	**94,446**	**14%**
Total Directors and Specified Executives	**358,478**	**11,400**	**-**	**105,325**	**475,203**	**22%**

C. 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	188,836	1,478	-	64,623	254,937	25%
N Revell	-	1,478	-	-	1,478	-
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	-	-	-	-	-	-
L McCreery	43,189	1,478	-	-	44,667	-
Total Specified	**43,189**	**1,478**	**-**	**-**	**44,667**	**-**
Total Directors and	**252,025**	**7,391**	**-**	**193,869**	**453,285**	**43%**

D. 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 $185,425 pa plus GST, which is increased to reflect CPI annually;
- Either party is entitled to terminate the agreement by giving three months notice.

E. Share-based compensation

Compensation Options - Granted and vested during the year (Consolidated)

2011	Granted		Terms & Conditions for each Grant					Vested	Vested
	No.	Grant Date	Fair value per option at grant date $	Exercise price per option $	Expiry date	First exercise date	Last exercise date	No.	%
Directors									
Bruce McLeod	750,000	04-Nov-10	0.05	0.25	31-Oct-15	04-Nov-10	31-Oct-15	750,000	100%
Bruce Richardson	500,000	04-Nov-10	0.05	0.25	31-Oct-15	04-Nov-10	31-Oct-15	500,000	100%
Nicholas Revell	500,000	04-Nov-10	0.05	0.25	31-Oct-15	04-Nov-10	31-Oct-15	500,000	100%
Other KMP									
Rowan Caren	250,000	04-Nov-10	0.05	0.25	31-Oct-15	04-Nov-10	31-Oct-15	250,000	100%
	2,000,000							2,000,000	

2010	Granted		Terms & Conditions for each Grant					Vested	Vested
	No.	Grant Date	Fair value per option at grant date $	Exercise price per option $	Expiry date	First exercise date	Last exercise date	No.	%
Directors									
Bruce McLeod	1,174,964	05-Mar-10	0.05	0.20	31-May-16	05-Mar-10	31-May-16	1,174,964	100%
Bruce Richardson	1,174,964	05-Mar-10	0.05	0.20	31-May-16	05-Mar-10	31-May-16	1,174,964	100%
Elisha Lamb	1,174,964	05-Mar-10	0.05	0.20	31-May-16	05-Mar-10	31-May-16	1,174,964	100%
	3,524,892							3,524,892	

E. Share-based compensation (continued)

Value of Options awarded, Exercised and lapsed during the year

2011	**Value of options granted during the year $**	**Value of options exercised during the year $**	**Value of options lapsed during the year $**	**Remuneration consisting of options for the year %**
Directors				
Bruce McLeod	39,497	-	-	41%
Bruce Richardson	26,331	-	-	12%
Nicholas Revell	26,331	-	-	39%
Other KMP				
Rowan Caren	13,166	-	-	15%

2010	**Value of options granted during the year $**	**Value of options exercised during the year $**	**Value of options lapsed during the year $**	**Remuneration consisting of options for the year %**
Directors				
Bruce McLeod	64,623	-	-	98%
Bruce Richardson	64,623	-	-	25%
Nicholas Revell	-	-	-	-
Elisha Lamb	64,623	-	-	75%
Other KMP				
Rowan Caren	-	-	-	-
Lynton McCreery	-	-	-	-

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). There were no options exercised during the year or cancelled during the year relating to directors and key management personnel options.

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	B
B McLeod	9	9
B Richardson	9	9
N Revell	9	9

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 2011.

Non-Audit Services

There were no non-audit services provided by our auditors, Stantons International.

Signed in accordance with a resolution of the directors

Bruce Richardson
Managing Director

Perth, 21 September 2011

Level 1, 1 Havelock St
West Perth WA 6005
Australia
PO Box 1908
West Perth WA 6872
Australia

t: +61 8 9481 3188
f: +61 8 9321 1204

w: www.stantons.com.au
e: info@stantons.com.au

Stantons International Audit and Consulting Pty Ltd
(ABN 84 144 581 519) trading as

Stantons International
Chartered Accountants and Consultants

21 September 2011

Board of Directors
Mayan Iron Corporation Limited
Level 1, 8 Outram 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 year ended 30 June 2011, 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 AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

John Van Dieren
Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

		Consolidated	
	Note	2011	2010
		$	$
Continuing Operations			
Revenue	2(a)	**171,808**	38,590
Other income	2(a)	**719**	27,549
		172,527	66,139
Audit fees		**(13,543)**	(20,000)
Consultants		**(416,791)**	(243,633)
Loss on disposal of non-current assets	2(b)	**-**	(1,181)
Depreciation expense	2(b)	**(1,644)**	(1,054)
Directors' fees		**(93,648)**	(20,000)
Employee benefits expense		**(81,364)**	(28,357)
Exploration costs	2(b)	**(200,727)**	(1,738,801)
Foreign exchange loss	2(b)	**(88,864)**	-
Insurance		**(5,645)**	(10,649)
Office expense		**(77,823)**	(62,384)
Share-based payments	2(b)	**(111,024)**	(193,869)
Other expenses		**(79,841)**	(59,811)
Travel and accommodation		**(103,554)**	(144,788)
(Loss) from continuing operations before income tax expense		**(1,101,941)**	(2,458,388)
Income tax expense	3	**-**	-
(Loss) from continuing operations after income tax expense		**(1,101,941)**	(2,458,388)
Other Comprehensive Income:			
Net exchange difference on translation of financial report of foreign subsidiary and revaluations of intercompany loan		**1,007**	-
Total comprehensive (loss)		**(1,100,934)**	(2,458,388)
(Loss) for the year attributable to members of the parent entity		**(1,100,934)**	(2,458,388)
Total comprehensive (loss) for the year attributable to members		**(1,100,934)**	(2,458,388)
Basic loss per share (cents per share)	5	(1.3)	(6.0)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	Consolidated 2011 $	Consolidated 2010 $
CURRENT ASSETS			
Cash and cash equivalents	6	**3,985,810**	4,419,766
Trade and other receivables	7	**24,717**	44,163
Other financial assets	6	**-**	-
Total Current Assets		**4,010,527**	4,463,929
NON-CURRENT ASSETS			
Property, plant & equipment	8	**5,527**	6,346
Total Non-Current Assets		**5,527**	6,346
TOTAL ASSETS		**4,016,054**	4,470,275
CURRENT LIABILITIES			
Trade and other payables	9	**63,351**	101,559
Total Current Liabilities		**63,351**	101,559
TOTAL LIABILITIES		**63,351**	101,559
NET ASSETS		**3,952,703**	4,368,716
EQUITY			
Issued capital	10	**6,626,195**	6,633,235
Reserves	12	**886,838**	193,869
Accumulated losses		**(3,560,330)**	(2,458,388)
TOTAL EQUITY		**3,952,703**	4,368,716

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Note	Consolidated 2011 $	2010 $
		Inflows/(Outflows)	
Cash Flows from Operating Activities			
Receipts from customers		**18,113**	-
Payments to suppliers and employees		**(1,112,928)**	(1,054,132)
Interest received		**171,808**	36,103
Net cash (used in) operating activities	6(ii)	**(923,007)**	(1,018,029)
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		**(825)**	(8,581)
Exploration and development expenditure		**-**	-
Loans to controlled entities		**-**	-
Net cash (used in) investing activities		**(825)**	(8,581)
Cash Flows from Financing Activities			
Proceeds from issue of shares/options		**649,861**	5,852,976
Capital raising costs		**(75,963)**	(434,149)
Net cash provided by financing activities		**573,898**	5,418,827
Net increase in cash held		**(349,934)**	4,392,217
Cash at the beginning of the financial year		**4,419,766**	-
Effect of exchange rate changes on the balance of cash held in foreign currencies		**(84,022)**	27,549
Cash at the end of the financial year	6	**3,985,810**	4,419,766

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

Consolidated Group	Ordinary Shares $	Accumulated Losses $	Option Premium Reserve $	Share-Based Payments Reserve $	Foreign Currency Translation Reserve $	Total $
Balance at 1 July 2010	6,633,235	(2,458,389)	-	193,869	-	4,368,715
Right options issued during the year	-	-	649,861	-	-	649,861
Share-based payments	-	-	-	111,024	-	111,024
Capital raising cost	(7,040)	-	(68,923)	-	-	(75,963)
Loss attributable to members of the parent entity	-	(1,101,941)	-	-	-	(1,101,941)
Net exchange differences on translation of the financial reports of foreign subsidiaries	-	-	-	-	1,007	1,007
Balance at 30 June 2011	6,626,195	(3,560,330)	580,938	304,893	1,007	3,952,703

Consolidated Group	Ordinary Shares $	Accumulated Losses $	Option Premium Reserve $	Share-Based Payments Reserve $	Foreign Currency Translation Reserve $	Total $
Balance at Incorporation	-	-	-	-	-	-
Issued during the year	7,102,706	-	-	-	-	7,102,706
Share-based payments	-	-	-	193,869	-	193,869
Capital raising cost	(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

15

NOTES TO THE 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

The following new standards and amendments to standards are mandatory for the financial year beginning 1 July 2010.

- AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (AASB 5, 8, 101, 107, 117, 118, 136, and 139)
- AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project (AASB 3, 7, 121, 128, 131, 132 and 139)
- AASB Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments and AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19.

The adoption of these standards did not have any impact in the current period or any prior period and is unlikely to affect future periods.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods. The Group"s assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective from 1 January 2013)

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. When adopted, the standard is not expected to impact on the Group"s accounting for financial assets as it does not have any available for sale assets other than equity investments. There will be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The Group has decided not to early adopt AASB 9.

(ii) Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards (effective from 1 January 2011)

In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment clarifies and simplifies the definition of a related party. The Group will apply the amended standard from 1 July 2011. When the amendments are applied, the Group will need to disclose any transactions between its subsidiaries and its associates. However, there will be no impact on any of the amounts recognised in the financial statements.

(iii) AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (effective from 1 July 2013)

On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements. The Company is listed on the ASX and is not eligible to adopt the new Australian Accounting Standards – Reduced Disclosure Requirements. The two standards will therefore have no impact on the financial statements of the entity.

16

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Statement of Compliance

The financial report was authorised for issue on 21st September 2011.

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 Limited and its subsidiary as at 30 June 2011 (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.

(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.

(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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 USD.

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 costs are expensed as inccurred. Acquisition costs will normally be expensed but will be assessed on a case by case basis and if appropriate may be capitalised. These acquisition costs are only carried forward to the extent that they are expected to be recouped through the successful development or sale of the area. Accumulated acquisition costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

The carrying values of acquisition costs are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

NOTE 2: REVENUE AND EXPENSES

	Consolidated	
	2011	2010
	$	$
(a) Revenue from continuing operations		
Mining income	-	-
Interest received - controlled entities	-	-
Interest received - other	171,808	38,590
Total revenue	171,808	38,590
Net foreign exchange gain	-	27,549
Other income	719	-
Total other income	719	27,549
	172,527	66,139

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

(b) Expenses

	2011	2010
Depreciation of non-current assets	1,644	1,054
Loss on disposal of non-current assets	-	1,181
Write off exploration expenses	200,727	1,738,801
Net foreign exchange losses	88,864	-
Share-based payments	111,024	193,869
Contribution to employee superannuation plans	6,621	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:

	Consolidated	
	2011	**2010**
	$	**$**
Accounting loss before tax	**(1,101,941)**	(2,458,388)
Income tax benefit/(expense) at 30%	**330,582**	737,516
Non-deductible expenses:		-
Foreign tax rate adjustment	**-**	-
Foreign exchange gain / (loss)	**(26,659)**	8,265
Option issue expense	**(33,307)**	(58,161)
Impairment of loan to controlled entity	**-**	-
Other non deductible expenses	**(3,708)**	-
Unrecognised tax losses	**(266,908)**	(687,620)
Income tax benefit attributable to loss from ordinary activities	-	-

(c) Unrecognised deferred tax balances

Tax losses attributable to members of the tax consolidated group - revenue	**1,244,863**	373,139
Potential tax benefit at 30%	**373,459**	111,942
Deferred tax liability not booked		
Deferred exploration expenditure	**-**	-
Deferred tax asset asset not booked		
Amounts recognised in profit & loss		
-employee provisions	**992**	972
-other	**3,900**	25,227
Amounts recognised in equity		
- share issue costs	**84,188**	112,673
Net unrecognised deferred tax asset at 30%	**462,539**	250,814

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	
	2011	**2010**
	Cents	**Cents**
Basic loss per share (cents per share)	**(1.3)**	(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	**(1,101,941)**	(2,458,388)
Weighted average number of shares outstanding during the year used in calculations of basic loss per share	**86,648,183**	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	
	2011	**2010**
	$	**$**
Cash at bank and in short term deposits	**751,937**	4,419,766
Term Deposit	**3,233,873**	-
	3,985,810	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 2011 $	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	**3,985,810**	**4,419,766**
(ii) Reconciliation of loss after income tax to net cash flows from operating activities:		
Loss after income tax	**(1,101,941)**	(2,458,388)
Depreciation	**1,644**	1,054
Amortisation	**-**	1,181
Share-based payments	**111,024**	193,869
Exploration expenditure satisfied by issue of shares	**-**	1,250,000
Net foreign exchange (gain)/loss	**85,030**	(27,549)
	(904,243)	(1,039,833)
Changes in operating assets and liabilities, net of the effects of purchase of subsidiaries:		
(Increase)/decrease in trade and other receivables	**19,445**	(25,422)
(Decrease)/Increase in trade and other payables	**(38,209)**	47,226
(Decrease)/Increase in other financial asset	**-**	-
Net cash outflow from operating activities	**(923,007)**	(1,018,029)

NOTE 7: CURRENT TRADE AND OTHER RECEIVABLES

	Consolidated	
	2011	2010
	$	$
Current		
Trade receivables	**-**	21,228
Prepayments	**7,135**	-
GST recoverable	**17,582**	22,935
	24,717	44,163

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

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2011 Office Equipment	2010 Office Equipment
	$	$
Opening balance at 1 July	**6,346**	-
Additions	**825**	8,581
Disposal of non-current assets	**-**	(1,181)
Depreciation / amortisation for the year	**(1,644)**	(1,054)
At 30 June, net of accumulated depreciation	**5,527**	6,346

The useful life of the assets were estimated as follows for 2011:

Office Equipment	5-8 years

At cost	**8,225**	7,400
Accumulated depreciation	**(2,698)**	(1,054)
	5,527	6,346

NOTE 9: TRADE AND OTHER PAYABLES (CURRENT)

	Consolidated	
	2011	2010
	$	$
Current		
Trade payables	**18,736**	14,229
Employee entitlements - annual leave	**3,307**	-
Accruals	**41,308**	87,330
GST payable	**-**	-
Other payables	**-**	-
	63,351	101,559

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

NOTE 10: ISSUED CAPITAL

	Consolidated	
	2011	2010
	$	$
86,648,183 fully paid ordinary shares	**6,626,195**	6,633,235

	Consolidated	
	2011	2010
(i) Ordinary shares - number	**No.**	**No.**
At start of period	**86,648,183**	-
No shares issued for period	**-**	86,648,183
Balance at end of period	**86,648,183**	86,648,183
(ii) Ordinary shares – value	**$**	**$**
At start of period	**6,633,235**	-
Value of shares issued for period	**-**	6,633,235
Capital raising costs	**(7,040)**	-
Balance at end of period	**6,626,195**	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		Consolidated	
	2011	2011	2010	2010
	No.	Weighted average exercise price	No.	Weighted average exercise price
Outstanding at the beginning of the period	3,524,892	20 cents	-	-
Granted during the period	2,200,000	24 cents	3,524,892	20 cents
Forfeited during the period	-	-	-	-
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Outstanding at the end of the period	5,724,892	22 cents	3,524,892	20 cents
Exercisable at the end of the period	5,724,892	22 cents	3,524,892	20 cents

The outstanding balance as at 30 June 2011 is represented by 5,724,892 unlisted options over ordinary shares with an weighted average exercise price of 22 cents each, exercisable on or before various dates from 30 June 2015 to 31 May 2016.

The fair value of options granted during the period was $111,024.

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:	Unlisted 20c Option 31/5/16	Unlisted 25c Option 31/10/15	Unlisted 15c Option 30/6/15
Volatility (%)	50	43	73
Risk-free interest rate (%)	5	5.065	4.97
Expected life of option (years)	5	5	4
Exercise price (cents)	20.0	25.0	15.0
Market price of options at date of grant (cents)	20.0	16.5	7.0
Fair value of options (cents)	5.50	5.27	2.85

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

Reserves	Consolidated	
	2011	2010
Number of options	No.	No.
At start of period	**3,524,892**	-
Issue of 20 cent options dated 5 March 2010 - share based payments	**-**	3,524,892
Issue of 25 cent options dated 4 November 2010 - share based payments	**2,000,000**	-
Issue of 15 cent options dated 9 June 2011 - share based payments	**200,000**	-
Issue of 20 cent listed options dated 12 November 2010 - Option Premium Reserve	**64,986,135**	-
Balance at 30 June	**70,711,027**	3,524,892

	Consolidated	
	2011	2010
Value of Reserves	$	$
At start of period	**193,869**	-
Issue of 20 cent options dated 5 March 2010 - share based payments	**-**	193,869
Issue of 25 cent options dated 4 November 2010 - share based payments	**105,324**	-
Issue of 15 cent options dated 9 June 2011 - share based payments	**5,700**	-
Issue of 20 cent listed options dated 12 November 2010 - Option Premium	**649,861**	-
Capital raising costs - option premium reserve	**(68,923)**	-
Foreign Currency Translation Reserve	**1,007**	-
Balance at 30 June	**886,838**	193,869

Nature and purpose of reserves

Share Based Payments Reserve

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

Option Premium Reserve

Option premium reserve represents cash price of rights options issued to investors.

NOTE 13: FINANCIAL INSTRUMENTS

30 June 2011	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturing Within Year	1 to 5 Yrs	Over 5 Yrs	Non-interest bearing	Total
		$	$	$	$	$	$
Financial Assets:							
Cash & cash equivalents	4.1%	3,985,810	-	-	-	-	3,985,810
Trade and other receivables		-	-	-	-	17,582	17,582
Other financial assets		-	-	-	-	-	-
Total Financial Assets		3,985,810	-	-	-	17,582	4,003,392
Financial Liabilities:							
Trade and other payables		-	-	-	-	60,044	60,044
Total financial liabilities		-	-	-	-	60,044	60,044

30 June 2010		$	$	$	$	$	$
Financial Assets:							
Cash & cash equivalents	1.8%	4,419,766	-	-	-	-	4,419,766
Trade and other receivables		-	-	-	-	44,163	44,163
Other financial assets		-	-	-	-	-	-
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

(i) Expenditure commitments contracted for:	Consolidated 2011 $	2010 $
Exploration Tenements		
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	**20,000**	1,210,000
- between 12 months and 5 years	**-**	1,070,000
- greater than 5 years	**-**	-
	20,000	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 2011	Investment $ 2011
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.

	Consolidated 2011 $	2010 $
Amounts owed by Related Parties		
Subsidiaries		
Tikal Minerals SA	**296,715**	-
Provision for impairment	**-**	-
	296,715	-
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 18 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:-

- The company has agreed to buy an Exploration Licence and an Exploration Licence Application in Western Australia for a combined total of $75,000.

NOTE 17: AUDITORS' REMUNERATION

	Consolidated	
	2011	**2010**
	$	**$**
Amounts received or due and receivable by the auditors for:		
Audit or review of the financial reports of the Company	**13,543**	20,000
Investigating Accountant's Report for the IPO Prospectus	**-**	12,128
	13,543	32,128

NOTE 18: 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

(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 2011

	Consolidated	
	2011	**2010**
	$	**$**
Short-term employee benefits	**369,878**	259,416
Post-employment benefits	**-**	-
Share-based payments	**105,325**	193,869
	475,203	453,285

NOTE 18: DIRECTORS AND EXECUTIVE DISCLOSURES (continued)

(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 the start of the period	Granted as remuneration	Options Exercised	Net change other	Balance at the end of the period	Vested and exercisable at 30 June 2011
For the period 1 July 2010 to 30 June 2011						
Directors						
Bruce McLeod	1,174,964	750,000	-	-	1,924,964	**1,924,964**
Bruce Richardson	1,174,964	500,000	-	-	1,674,964	**1,674,964**
Nicholas Revell	-	500,000	-	-	500,000	**500,000**
	2,349,928	1,750,000	-	-	4,099,928	**4,099,928**
Specified Executives						
Rowan Caren	-	250,000	-	-	250,000	**250,000**
	-	250,000	-	-	250,000	**250,000**
For the period 17 April 2009 to 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						
Rowan Caren	-	-	-	-	-	**-**
Lynton McCreery	-	-	-	-	-	**-**
	-	-	-	-	-	**-**

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

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

(e) Option holdings of Key Management Personnel – Listed (Consolidated)

	Balance at the start of the period	Granted as remuneration	Options Exercised	Net change other	Balance at the end of the period	Vested and exercisable at 30 June 2011
For the period 1 July 2010 to 30 June 2011						
Directors						
Bruce McLeod	-	-	-	879,000	879,000	**879,000**
Bruce Richardson	-	-	-	1,950,000	1,950,000	**1,950,000**
Nicholas Revell	-	-	-	-	-	**-**
	-	-	-	2,829,000	2,829,000	**2,829,000**
Specified Executives						
Rowan Caren	-	-	-	500,000	500,000	**500,000**
	-	-	-	500,000	500,000	**500,000**

There were no listed options as at 30 June 2010.

NOTE 18: DIRECTORS AND EXECUTIVE DISCLOSURES (continued)

(f) 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
For the period 1 July 2010 to 30 June 2011					
Directors					
Bruce McLeod	1,172,000	-	-	-	1,172,000
Bruce Richardson	2,600,000	-	-	30,000	2,630,000
Nicholas Revell	-	-	-	-	-
	3,772,000	-	-	30,000	3,802,000
Specified Executives					
Rowan Caren	-	-	-	-	-
	-	-	-	-	-
For the period 17 April 2009 to 30 June 2010					
Directors					
Bruce McLeod	-	-	-	1,172,000	1,172,000
Bruce Richardson	-	-	-	2,600,000	2,600,000
Nicholas Revell	-	-	-	-	-
Elisha Lamb	-	-	-	272,728	272,728
	-	-	-	4,044,728	4,044,728
Specified Executives					
Rowan Caren	-	-	-	-	-
Lynton McCreery	-	-	-	90,909	90,909
	-	-	-	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.

(g) Loans to Key Management Personnel (Consolidated)
No loans have been provided to key management personnel during the year.

(h) 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;

- Carnegie Wave Corporation Limited, a company of which Mr Bruce McLeod was a director until 23 May 2011, provides office space and facilities to the company on arms length commercial terms and conditions. A total of $43,855 was paid during the period;

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	
	2011	**2010**
	$	**$**
Financial assets		
Cash and cash equivalents	**3,985,810**	4,419,766
Trade and other receivables	**17,582**	44,163
Other financial assets	**-**	-
	4,003,392	4,463,929
Financial liabilities		
Trade and other payables	**60,044**	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:

	2011 Weighted average interest rate %	**Balance $**
Deposit		**3,985,810**
Other cash available		**-**
Net exposure to cash flow interest rate risk	4.1%	**3,985,810**

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 2011, the Group had the following exposure to US$ foreign currency expressed in A$ equivalents, that are not designated in cash flow hedges:

	Consolidated	
	2011	**2010**
	$	**$**
Financial assets		
Cash and cash equivalents	**361,675**	435,849
Trade and other receivables	**-**	-
Other financial assets	**-**	-
	361,675	435,849
Financial liabilities		
Trade and other payables	**11,967**	5,622

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

At 30 June 2011, 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:

	Post Tax Loss Higher/(Lower) 2011 $	Post Tax Loss Higher/(Lower) 2010 $
Judgements of reasonably possible movements		
Consolidated Group		
AUD/USD +20%	(102,916)	(72,794)
AUD/USD -20%	25,729	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	2011 $	2010 $
CURRENT ASSETS		
Cash and cash equivalents	**3,944,917**	4,419,766
Trade and other receivables	**24,717**	44,163
Total Current Assets	**3,969,634**	4,463,929
NON-CURRENT ASSETS		
Other financial assets	**296,715**	-
Property, plant & equipment	**5,526**	6,346
Total Non-Current Assets	**302,241**	6,346
TOTAL ASSETS	**4,271,875**	4,470,275
CURRENT LIABILITIES		
Trade and other payables	**51,383**	101,559
Total Current Liabilities	**51,383**	101,559
TOTAL LIABILITIES	**51,383**	101,559
NET ASSETS	**4,220,492**	4,368,716
EQUITY		
Issued capital	**6,626,195**	6,633,235
Reserves	**885,831**	193,869
Accumulated losses	**(3,291,534)**	(2,458,388)
TOTAL EQUITY	**4,220,492**	4,368,716

(b) Financial Performance

(Loss) for the year	**(833,146)**	(2,457,822)

(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 consolidated entity are 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 2011 and of their performance for the year ended 30 June 2011; 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 year ended 30 June 2011.

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

Bruce Richardson
Director

21 September 2011

Level 1, 1 Havelock St
West Perth WA 6005
Australia
PO Box 1908
West Perth WA 6872
Australia

t: +61 8 9481 3188
f: +61 8 9321 1204

w: www.stantons.com.au
e: info@stantons.com.au

Stantons International Audit and Consulting Pty Ltd
(ABN 84 144 581 519) trading as
Stantons International
Chartered Accountants and Consultants

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 consolidated statement of financial position as at 30 June 2011, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. 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 2011 and of its performance for the year ended on that date; and
   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the consolidated 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 9 of the directors' report for the year ended 30 June 2011. 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 year ended 30 June 2011 complies with section 300A of the *Corporations Act 2001.*

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd

J P Van Dieren
Director

West Perth, Western Australia
21 September 2011

ASX ADDITIONAL INFORMATION

DISTRIBUTION OF EQUITY SECURITIES

The distribution of members and their holdings of fully paid ordinary shares and listed options as at 17 August 2011 were as follows:

Shares held	No. of Shareholders
1 – 1,000	3
1,001 – 5,000	9
5,001 – 10,000	148
10,001 – 100,000	139
100,001 and over	62
Total	**361**

Listed Options held (expiring 30/11/13 @ 20 cents)	No. of Option holders
1 – 1,000	0
1,001 – 5,000	3
5,001 – 10,000	97
10,001 – 100,000	100
100,001 and over	57
Total	**257**

Less than Marketable Parcel	Min Parcel size	Holders	Units
Shares	8,333	13	33,634
Listed Options expiring 30/11/13 @ 20 cents	45,455	187	2,659,615

RESTRICTED SECURITIES

Restriction Type	Number of Securities	Class of Security	Restriction End Date
ASX	44,672,455	ORD	05.07.2012
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 17 August 2011 are listed below:

Name	Number of Share	Percentage
Wu Xiaonian	29,500,000	34.05%
Wo Wah Industrial Inv Ltd	6,000,000	6.92%
Sassey PL	5,565,909	6.42%
Richardson Bruce	2,600,000	3.00%
Grupo Pegasus SA	2,181,818	2.52%
Burns Alan Robert	2,165,909	2.50%
Profitt Michael Joseph	2,045,455	2.36%
Lsaf Holdings PL	1,500,000	1.73%
Cs Fourth Nominees PL	1,344,318	1.55%
Perizia Investments PL	1,300,000	1.50%
Wise Daniel Paul	1,275,000	1.47%
Flue Holdings PL	1,225,000	1.41%
Kapiri Holdings PL	1,200,000	1.38%
Astina Inv Group PL	1,200,000	1.38%
Pershing Nominees Ltd	1,200,000	1.38%
Fonomes PL	1,161,367	1.34%
Eastern & Pacific Cap PL	1,152,000	1.33%
Nutsville PL	930,000	1.07%
Dilkara Nom PL	909,091	1.05%
Blue Seas Inv Holdings Ltd	909,091	1.05%
	65,364,958	75.41%

TWENTY LARGEST LISTED OPTION HOLDERS

The names of the 20 largest holders of 20 cent options expiring on the 30 November 2011 as at 17 August 2011 are listed below:

Name	Number of Options	Percentage
Wu Xiaonian	22,125,001	34.05%
Wo Wah Industrial Inv Ltd	4,500,001	6.92%
Sassey PL	2,583,182	3.97%
Cs Fourth Nominees PL	2,008,239	3.09%
Richardson Bruce	1,950,000	3.00%
Perizia Inv PL	1,745,000	2.69%
Burns Alan Robert	1,624,432	2.50%
Profitt Michael Joseph	1,534,092	2.36%
Queensland Mm PL	1,125,000	1.73%
Lsaf Holdings PL	1,000,000	1.54%
Austin 4 PL	1,000,000	1.54%
Wise Daniel Paul	956,250	1.47%
Flue Holdings PL	918,750	1.41%
Kapiri Holdings PL	900,000	1.38%
Eastern & Pacific Capital PL	864,000	1.33%
Nutsville PL	847,500	1.30%
Spinaway Gardens PL	813,637	1.25%
Patoir Josephine K	770,000	1.18%
Lai Alfred	720,000	1.11%
Dilkara Nominees PL	700,000	1.08%
	48,685,084	74.90%

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 17 August 2011 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%**

The names of any holder of unlisted options (exercisable at 25 cents on or before 31 October 2015) holding 20% or more of the class of unlisted options, as at 17 August 2011 are listed below:

Name	Number of Options	Percentage
Bruce McLeod	750,000	37.50%
Bruce Richardson	500,000	25.00%
Nicholas Revell	500,000	25.00%
Total	**1,750,000**	**87.50%**

The names of any holder of unlisted options (exercisable at 15 cents on or before 30 June 2015) holding 20% or more of the class of unlisted options, as at 17 August 2011 are listed below:

Name	Number of Options	Percentage
Sue Mackintosh	200,000	100.00%
Total	**200,000**	**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 17 August 2011:

Holder Name	Number of Securities	Class of Security	Percentage of Issued Capital
Wu Xiaonian	29,500,000	ORD	34.05%
Wo Wah Industrial Inv Ltd	6,000,000	ORD	6.92%
Sassey PL<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 although expenditure has been delayed pending the grant of environmental approvals.