

# **Mayan Iron Corporation Limited**

(ACN 136 636 005)

## **Half-Year Report**

31 December 2012

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## COMPANY DIRECTORY

### Directors

Mr Bruce McLeod  
Non-Executive Chairman

Mr Bruce Richardson  
Managing Director

Mr Peter Gregory Knox  
Non-Executive Director

### Auditors

Stantons International  
Level 2, 1 Walker Avenue  
West Perth, WA 6005

### Company Secretary

Michael van Uffelen

### Solicitors

Jackson Macdonald  
140 St Georges Terrace  
Perth, WA 6000

### Registered and Principal Office

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WA 6005

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### Share Registry

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MYN, MYNO

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## DIRECTORS' REPORT

Your Directors submit the financial report of the Company being Mayan Iron Corporation Limited and the entity it controlled, for the half-year ended 31 December 2012. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

### Directors

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

Bruce McLeod	Non Executive Chairman
Bruce Richardson	Managing Director
Peter (Greg) Knox	Non Executive Director

### Review of Operations

- Work continued on the Company's Gidgee tenements near Wiluna in Western Australia. On review, it has been decided to focus on both gold and iron ore exploration in the area.
- The Company's tenement applications in Guatemala remained stalled and consequently no exploration expenditure was carried out in the region.
- The Company continued to investigate additional domestic and international exploration opportunities.

#### The Gidgee Project, Western Australia

Desk-top reviews of the data for the Gidgee tenements and surrounding areas continued to be carried out. Previous historical work concentrated on gold exploration and as a result the exploration potential for iron mineralization has never been tested, despite surface iron oxide outcrop. The tenements contain similar prospective banded iron formation (BIF) units and magnetic signatures to the already discovered iron ore deposits in the region. With the further compilation of data it has been decided to focus on both gold and iron ore exploration in the area.

The Company completed the reprocessing of the historical geophysical surveys covering the whole region. The geophysical data consisted of high resolution magnetics and radiometrics.

Using the processed geophysical data, further interpretation was carried out on the German Well tenement (E53/1585). This work included 2D forward and 3D inversion modelling of the banded iron unit that strikes north-south through the tenement. The modelling was undertaken on seven profile segments of airborne magnetic data over the main magnetic anomaly. This anomaly is believed to be representative of the magnetite-rich BIF and correlates with the rock chips previously sampled by the Company.

Geological mapping of the Gidgee Project area, at a 1:50000 scale, is currently underway combining both the geophysical interpretation and geological data on the ground. It is expected to be completed in the next quarter. Once this mapping program is completed, targets for both gold and iron ore exploration will be interpreted.

## **DIRECTORS' REPORT (continued)**

### **Review of Operations (continued)**

Using the determined exploration targets and all available historical data in the area, future exploration programs will be created. This would entail soil/rock chip sampling and follow up drilling programs.

#### Guatemala

Three Exploration Licences were granted in October 2009, Paraiso Oeste, Porvenir Central and Progreso Este covering a total area of 292.5 km<sup>2</sup>. The three granted licences expired in September 2012 as the Company had been unable to secure environmental approval from the then Ministry of Environment and Natural Resources. A new government was elected in November 2011 and assumed office in January 2012.

New applications for exploration covering the areas that were originally approved were lodged in early 2012. No decision has been made by the new government on whether to approve the Exploration Licence applications.

#### Corporate

As at 31 December 2012, the Company had cash on hand of \$2,925,113 and is endeavouring to keep expenses to a minimum while it considers the Guatemalan situation and investigates new project opportunities elsewhere.

## **AUDITOR'S INDEPENDENCE DECLARATION**

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 review of the half-year financial report. This Independence Declaration is set out on page 5 and forms part of this Directors' report for the half-year ended 31 December 2012.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the Corporations Act 2001.



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

Dated this 14<sup>th</sup> day of March 2013

14 March 2013

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 review of the financial statements of Mayan Iron Corporation Limited for the half year ended 31 December 2012, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

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



**Martin Michalik**  
**Director**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

	Note	31 December 2012 \$	31 December 2011 \$
<b>Continuing operations</b>			
Interest income		70,994	95,184
Foreign exchange (loss) / gain		(715)	9,240
		<b>70,279</b>	<b>104,424</b>
Depreciation expense		(882)	(872)
Directors fees		(141,312)	(143,760)
Employee benefit expenses		(22,267)	(59,438)
Exploration expense		(77,034)	(86,241)
Office expense		(29,542)	(23,330)
Other expenses		(152,552)	(148,860)
Travel and accommodation		(29,592)	(61,964)
<b>Total Expenses</b>		<b>(453,181)</b>	<b>(524,465)</b>
<b>(Loss) before income tax</b>	3	<b>(382,902)</b>	<b>(420,041)</b>
Income tax benefit / (expense)		-	-
<b>(Loss) for the period from continuing operations</b>		<b>(382,902)</b>	<b>(420,041)</b>
<i>Other Comprehensive Income</i>			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		1,007	(4,586)
Total other comprehensive income for the period		1,007	(4,586)
<b>Total comprehensive (loss) for the period</b>		<b>(381,895)</b>	<b>(424,627)</b>
<b>(Loss) attributable to:</b>			
Owners of the parent		(382,902)	(420,041)
Non-controlling interest		-	-
<b>Total comprehensive (loss) attributable to:</b>			
Owners of the parent		(381,895)	(424,627)
Non-controlling interest		-	-
<b>Net (loss) per share (in cents)</b>			
Basic and diluted for the period		(0.44)	(0.48)

The accompanying notes form part of this financial report

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2012**

	<b>As at 31 December 2012 \$</b>	<b>As at 30 June 2012 \$</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	2,925,113	3,248,858
Trade and other receivables	31,627	42,814
<b>Total current assets</b>	<b>2,956,740</b>	<b>3,291,672</b>
<b>Non-current assets</b>		
Plant and equipment	3,456	4,339
<b>Total non-current assets</b>	<b>3,456</b>	<b>4,339</b>
<b>TOTAL ASSETS</b>	<b>2,960,196</b>	<b>3,296,011</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	75,019	26,925
<b>Total current liabilities</b>	<b>75,019</b>	<b>26,925</b>
<b>TOTAL LIABILITIES</b>	<b>75,019</b>	<b>26,925</b>
<b>NET ASSETS</b>	<b>2,885,177</b>	<b>3,269,086</b>
<b>EQUITY</b>		
Issued Capital	6,626,195	6,626,195
Reserves	885,831	886,838
Accumulated Losses	(4,626,849)	(4,243,947)
<b>TOTAL EQUITY</b>	<b>2,885,177</b>	<b>3,269,086</b>

The accompanying notes form part of this financial report



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

	Ordinary Shares	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2012</b>	6,626,195	886,838	(4,243,947)	3,269,086
(Loss) for the period	-	-	(382,902)	(382,902)
Foreign currency translation	-	(1,007)	-	(1,007)
<b>Total comprehensive income for the period</b>	-	(1,007)	(382,902)	(383,909)
<b>Balance at 31 December 2012</b>	<b>6,626,195</b>	<b>885,831</b>	<b>(4,626,849)</b>	<b>2,885,177</b>
<b>Balance at 1 July 2011</b>	6,626,195	886,838	(3,560,330)	3,952,703
(Loss) for the period	-	-	(420,041)	(420,041)
Foreign currency translation	-	(4,586)	-	(4,586)
<b>Total comprehensive income for the period</b>	-	(4,586)	(420,041)	(424,627)
<b>Balance at 31 December 2011</b>	<b>6,626,195</b>	<b>882,252</b>	<b>(3,980,371)</b>	<b>3,528,076</b>

The accompanying notes form part of this financial report

**CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

	<b>31 December 2012 \$</b>	<b>31 December 2011 \$</b>
<b>OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(407,620)	(550,648)
Interest received	83,875	38,663
Net cash used by operating activities	<u>(323,745)</u>	<u>(511,985)</u>
<b>INVESTING ACTIVITIES</b>		
Payments for plant and equipment	-	(567)
Net cash used by investing activities	<u>-</u>	<u>(567)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issue of equity	-	-
Net cash provided by financing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	<b>(323,745)</b>	<b>(512,552)</b>
Cash and cash equivalents at beginning of the period	3,248,858	3,985,810
<b>Cash and cash equivalents at end of the period</b>	<b><u>2,925,113</u></b>	<b><u>3,473,258</u></b>

The accompanying notes form part of this financial report

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

### 1. CORPORATE INFORMATION

The financial report of Mayan Iron Corporation Limited (the "Company") for the half-year ended 31 December 2012 was authorised for issue in accordance with a resolution of the directors on 14 March 2013.

Mayan Iron Corporation Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The principal activity of the Company during the half-year was exploration and evaluation of mineral licences.

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

#### Basis of Preparation

These general purpose condensed consolidated financial statements for the half-year ended 31 December 2012 have been prepared in accordance with AASB 134 Interim Financial Reporting as issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The half-year financial report does not include all of the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

The half-year financial report should be read in conjunction with the annual Financial Report of the Company as at 30 June 2012.

It is also recommended that the half-year financial report be considered together with any public announcements made by the Company during the half-year ended 31 December 2012 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

#### Adoption of new or revised accounting standards and interpretations

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial statements, and the condensed consolidated financial statements have been prepared on the historical cost basis except for investments, which have been measured at fair value.

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include amendments to AASB 1, 5, 7, 101, 112, 120, 121, 132, 133 and 134 as a consequence of AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income'.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

#### Adoption of new or revised accounting standards and interpretations (continued)

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Company's accounting policies and has no effect on the amounts reported for the current or prior half-years. However, the application of AASB 2011-9 has resulted in changes to the Company's presentation of, or disclosure in, its half-year financial statements.

AASB 2011-9 introduces new terminology for the statement of comprehensive income and income statement. Under the amendments to AASB 101, the statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and the income statement is renamed as a statement of profit or loss. The amendments to AASB 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to AASB 101 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to AASB 101 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

### 3. LOSS BEFORE INCOME TAX EXPENSE

	31 December 2012	31 December 2011
	\$	\$

The following revenue and expense items are relevant in explaining the financial performance for the half-year:

Interest revenue	70,994	95,184
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### 4. SEGMENT REPORTING

The Company operates predominately in the mineral exploration industry. For management purposes, the Company is organised into one main operating segment, which involves the exploration for minerals. All of the Company 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 Company as one segment. The financial results from this segment are equivalent to the financial results of the Company as a whole.

### 5. CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

**6. EVENTS SUBSEQUENT TO REPORTING DATE**

There are no significant events subsequent to reporting date which may affect the financial position for the Company.

## DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes thereto, as set out on 6 to 12:
  - a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and
  - b. give a true and fair view of the Company's financial position as at 31 December 2012 and of its performance for the half-year then ended.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to S303 (5) of the Corporations Act 2001.



Bruce Richardson  
Managing Director

Dated this 14<sup>th</sup> day of March 2013

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

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Mayan Iron Corporation Limited, which comprises the consolidated statement of financial position as at 31 December 2012, the consolidated statement of statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Mayan Iron Corporation Limited (the consolidated entity). The consolidated entity comprises both Mayan Iron Corporation Limited (the company) and the entities it controlled during the half year.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of Mayan Iron Corporation Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Mayan Iron Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

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

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Mayan Iron Corporation Limited on 14 March 2013.

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Mayan Iron Corporation Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

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

*Stantons International Audit & Consulting Pty Ltd*



**Martin Michalik**  
Director

West Perth, Western Australia  
14 March 2013