

Mayan Iron Corporation Limited

(ACN 136 636 005)

Half-Year Report

31 December 2013

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

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
P O Box 535
Applecross, WA 6953
Tel: +61 8 9315 2333
Fax: +61 8 9315 2233

Web: www.securitytransfer.com.au

Web Address

www.mayaniron.com

ASX Code:

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 2013. 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. Further, the Company has decided to withdraw from its project in Guatemala.
- The Company continued to investigate additional domestic and international exploration opportunities.

The Gidgee Project, Western Australia

Site visits and compilation of historical data continued and the first portion of a planned drilling program was completed targeting prospective gold and iron targets determined from historical drilling and geophysical data and earlier sampling. The drilling did not intersect significant gold mineralisation, but produced anomalous geochemical results for copper, lead and zinc and nickel mineralisation.

There are numerous other target zones for both gold and iron to be followed up in the next drilling program.

Corporate

As at 31 December 2013, the Company had cash on hand of \$2,288,840 and is endeavouring to keep expenses to a minimum while it concludes the withdrawal from its Guatemalan project and investigates new project opportunities elsewhere.

DIRECTORS' REPORT (continued)

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 2013.

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 14th day of March 2014

14 March 2014

The 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 period ended 31 December 2013, 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 2013**

	Note	31 December 2013 \$	31 December 2012 \$
Continuing operations			
Interest income		12,583	70,994
Foreign exchange gain / (loss)		40,408	(715)
		52,991	70,279
		+	+
Depreciation expense		(882)	(882)
Directors fees		(143,711)	(141,312)
Employee benefit expenses		(17,129)	(22,267)
Exploration expense		(91,713)	(77,034)
Office expenses		(27,227)	(29,542)
Other expenses		(89,170)	(152,552)
Travel and accommodation		(29,545)	(29,592)
Total Expenses		(399,377)	(453,181)
(Loss) before income tax	3	(346,386)	(382,902)
Income tax benefit / (expense)		-	-
(Loss) for the period from continuing operations		(346,386)	(382,902)
<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		-	-
Total other comprehensive income for the period		-	-
Total comprehensive (loss) for the period		(346,386)	(382,902)
(Loss) attributable to:			
Owners of the parent		(346,386)	(382,902)
Non-controlling interest		-	-
Total comprehensive (loss) attributable to:			
Owners of the parent		(346,386)	(382,902)
Non-controlling interest		-	-
Net (loss) per share (in cents)			
Basic and diluted for the period		(0.40)	(0.44)

The accompanying notes form part of this financial report

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013**

	As at 31 December 2013 \$	As at 30 June 2013 \$
ASSETS		
Current assets		
Cash and cash equivalents	2,288,840	2,606,052
Trade and other receivables	19,702	42,346
Total current assets	2,308,542	2,648,398
Non-current assets		
Plant and equipment	1,692	2,574
Total non-current assets	1,692	2,574
TOTAL ASSETS	2,310,234	2,650,972
LIABILITIES		
Current liabilities		
Trade and other payables	41,458	35,810
Total current liabilities	41,458	35,810
TOTAL LIABILITIES	41,458	35,810
NET ASSETS	2,268,776	2,615,162
EQUITY		
Issued Capital	6,626,195	6,626,195
Reserves	886,838	886,838
Accumulated Losses	(5,244,257)	(4,897,871)
TOTAL EQUITY	2,268,776	2,615,162

The accompanying notes form part of this financial report

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	Ordinary Shares	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2013	6,626,195	886,838	(4,897,871)	2,615,162
(Loss) for the period	-	-	(346,386)	(346,386)
Total comprehensive loss for the period	-	-	(346,386)	(346,386)
Balance at 31 December 2013	6,626,195	886,838	(5,244,257)	2,268,776
Balance at 1 July 2012	6,626,195	886,838	(4,243,947)	3,269,086
(Loss) for the period	-	-	(382,902)	(382,902)
Foreign currency translation	-	-	-	-
Total comprehensive loss for the period	-	-	(382,902)	(382,902)
Balance at 31 December 2012	6,626,195	886,838	(4,626,849)	2,886,184

The accompanying notes form part of this financial report

**CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	31 December 2013 \$	31 December 2012 \$
OPERATING ACTIVITIES		
Payments to suppliers and employees	(333,880)	(407,620)
Interest received	16,668	83,875
Net cash (used by) operating activities	<u>(317,212)</u>	<u>(323,745)</u>
INVESTING ACTIVITIES		
Payments for plant and equipment	-	-
Net cash (used by) investing activities	<u>-</u>	<u>-</u>
FINANCING ACTIVITIES		
Proceeds from issue of equity	-	-
Net cash provided by financing activities	<u>-</u>	<u>-</u>
Net (decrease) in cash and cash equivalents	(317,212)	(323,745)
Cash and cash equivalents at beginning of the period	2,606,052	3,248,858
Cash and cash equivalents at end of the period	<u>2,288,840</u>	<u>2,925,113</u>

The accompanying notes form part of this financial report

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

1. CORPORATE INFORMATION

The financial report of Mayan Iron Corporation Limited (the "Company") for the half-year ended 31 December 2013 was authorised for issue in accordance with a resolution of the directors on 14 March 2014.

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 2013 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 2013.

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 2013 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 half-year financial report 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:

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

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

(i) *Consolidated financial statements, joint arrangements and disclosure of interests in other entities*

The Group has adopted the following new and revised Australian Accounting Standards from 1 July 2013 together with consequential amendments to other Standards:

- AASB 10: *Consolidated Financial Statements*;
- AASB 127: *Separate Financial Statements* (August 2011);
- AASB 11: *Joint Arrangements*;
- AASB 128: *Investments in Associates and Joint Ventures* (August 2011);
- AASB 12: *Disclosure of Interests in Other Entities*;
- AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards; and
- AASB 2012-10: *Amendments to Australian Accounting Standards — Transition Guidance and Other Amendments*.

These Standards became mandatorily applicable from 1 January 2013 and became applicable to the Group for the first time in the current half-year reporting period 1 July 2013 to 31 December 2013. The Group has applied these Accounting Standards retrospectively in accordance with AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* and the specific transition requirements in AASB 10 and AASB 11.

(ii) Fair value measurements and disclosures

The Group has adopted AASB 13: *Fair Value Measurement* and AASB 2011-8: *Amendments to Australian Accounting Standards arising from AASB 13* from 1 July 2013 together with consequential amendments to other Standards. These Standards became mandatorily applicable from 1 January 2013 and became applicable to the Group for the first time in the current half-year reporting period 1 July 2013 to 31 December 2013. AASB 13 sets out a comprehensive framework for measuring the fair value of assets and liabilities and prescribes enhanced disclosures regarding all assets and liabilities measured at fair value.

(iii) Other

Other new and amending Standards that became applicable to the Group for the first time during this half-year reporting period are as follows:

AASB 2012-2: *Amendments to Australian Accounting Standards — Disclosures — Offsetting Financial Assets and Financial Liabilities* and AASB 2012-5: *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle*.

These Standards make changes to presentation and disclosure requirements, but did not affect the Group's accounting policies or the amounts reported in the financial statements.

AASB 119: *Employee Benefits* (September 2011) and AASB 2011-10: *Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)*.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Mayan Iron Corporation Limited) and its subsidiary. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 7.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

3. LOSS BEFORE INCOME TAX EXPENSE

	31 December 2013	31 December 2012
	\$	\$

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

Interest income	12,583	70,994
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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 2013

6. EVENTS SUBSEQUENT TO REPORTING DATE

On 27 February 2014, the Company issued 3,000,000 shares at 1.4 cents per share with a total value of \$42,000 to Key Management Personnel (KMPs) under a loan funded share plan approved at the Annual General Meeting of the Company held on 28 November 2013. The terms of the loans are:

- Term of loan: 10 years.
- Interest rate: 8% per annum.
- Lien: The Company shall have a lien over the shares until the loan is repaid and the Company shall be entitled to sell the shares in accordance with the terms of the Employee Share Plan if the loan is not repaid when due.
- Payments in relation to shares: Any dividends or capital returns in relation to the shares shall be applied against repayment of the loan.
- Proceeds of sale: In the event of sale of the shares all sales proceeds shall be applied against repayment of the loan.
- Limit of liability: The liability of the employee to repay the loan is limited to the payments received by the employee in relation to the shares and any proceeds from the disposal of the shares.

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

7. INTEREST IN SUBSIDIARY

<u>Name of Subsidiary</u>	<u>Principal Place of Business</u>	<u>Ownership Held by the Group</u>	
		<u>31 Dec 2013</u>	<u>30 Jun 2013</u>
Tikal Minerals SA	Guatemala	100%	100%

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes thereto, as set out on pages 6 to 13:
 - 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 2013 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 14th day of March 2014

**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 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, condensed 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 2013 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 2014.

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 2013 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 2014