



Mayan Iron Corporation Limited

(ABN 46 136 636 005)

Annual Financial Report
for the Year Ended 30 June 2012

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Corporate Information

ABN 46 136 636 005

Directors

Bruce McLeod
Non-Executive Chairman

Bruce Richardson
Managing Director

Peter (Greg) Knox
Non-Executive Director

Company Secretary

Michael van Uffelen

Auditors

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

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

Web Address

www.mayaniron.com

ASX Code: MYN, MYNO

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

Solicitors to the Company

Jackson Macdonald
140 St Georges Terrace
Perth WA 6000

Directors' Report

Your Directors submit their report for the year ended 30 June 2012.

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 spent 6 years with a major international bank where he was Executive Director, 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.

During the last three years, Mr McLeod has also served as a director of the following listed companies:

- Carnegie Wave Energy Limited – appointed 1 November 1996; resigned 6 May 2011
- Earth Heat Resources Limited – appointed 6 February 2008; resigned 22 January 2010
- Empire Energy Group Limited* - appointed 21 May 1996

* Denotes current directorship

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 four years Mr Richardson has been involved in the development of resource projects and in attracting Chinese investment to these projects.

Directorships in the past 3 years: None

Peter (Greg) Knox B.Sc (Geology)
Non-Executive Director, appointed 23 September 2011

Mr Knox is a qualified Geologist and has more than 20 years of experience as both an exploration and a mining geologist for a number of companies in Australia.

Directorships in the past 3 years: None

Directors' Report (continued)

Directors (continued)

Nicholas Gerard Revell, B.Sc (Geology)
Non-Executive Director – retired 23 September 2011

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.

Directorships in the past 3 years: During the last three years, Mr Revell has been a director of the following listed companies:

- Sunseeker Minerals Limited – appointed 15 November 2010; resigned 9 August 2012
- Dynasty Metals Australia Limited - appointed 21 March 2011 resigned 19 September 2011
- Kidman Resources Limited* – appointed 5 November 2010
- Forte Consolidated Limited* – appointed 12 January 2011

* Denotes current directorship

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:

	<u>Unlisted</u> <u>20c Option</u> <u>31/5/16</u>	<u>Unlisted</u> <u>25c Option</u> <u>31/10/15</u>	<u>Listed</u> <u>20c Option</u> <u>30/11/13</u>	<u>Number of fully</u> <u>paid ordinary</u> <u>shares</u>
Bruce McLeod	1,174,964	750,000	879,000	1,172,000
Bruce Richardson	1,174,964	500,000	1,950,000	2,680,000
Peter (Gregory) Knox	-	-	700,000	100,000

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

Company Secretaries

Michael van Uffelen, B.Com CA
Company Secretary, appointed 30 September 2011

Mr van Uffelen holds a Bachelor of Commerce degree from the University of Western Australia and is a Chartered Accountant. He has more than 24 years accounting and finance experience gained with major accounting firms, investment banks and public companies, both in Australia and internationally.

Rowan St John Caren, B.Com CA
Company Secretary, - resigned 30 October 2011

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.

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.

Directors' Report (continued)

Principal Activities

The principal activities during the year of the entities within the consolidated entity were:

- Attempting to obtain environmental approvals in order to commence exploration activities for the Guatemalan mineral sands project
- Searching for further resource projects
- Exploration for minerals in the mid-west of Western Australia.

Operating and financial review

Group overview

Mayan Iron Corporation Limited was formed in 2009 and was listed on the Australian Stock Exchange in July 2010.

Guatemalan iron sands project

In June 2009, Mayan acquired Tikal Minerals S.A., a company incorporated in the Republic of Guatemala. Tikal was the registered holder of Reconnaissance Licence applications covering an area of 5,912 km² onshore along the Pacific Ocean coastline of Guatemala. Tikal Minerals S.A. lodged ten Exploration Licence applications in July and August 2009. At the time of lodging the applications for the ten Exploration Licences, the Company also lodged applications for three Reconnaissance Licences with an area of 4,984 km², maintaining its rights to the areas covered by the earlier Reconnaissance Licences applications lodged by Tikal Minerals S.A.

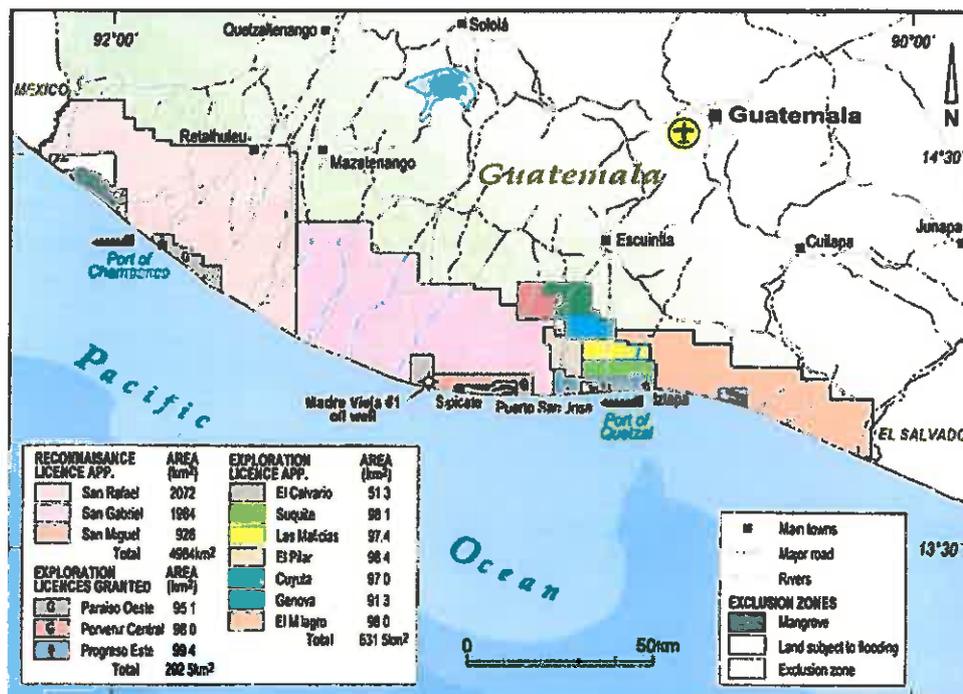


Figure 1 – Map of the 3 reconnaissance licence applications, 3 granted exploration licences and 7 exploration licence applications

Directors' Report (continued)

Operating and financial review (continued)

Exploration success in the region by Golden West Resources at its Wiluna West Iron Ore Project and Newmex Resources at both its Iron Well and Woodley deposits has occurred within similar prospective BIF units.

The geophysical images (Figure 3) identify the BIF units that are striking north-south through the tenements.

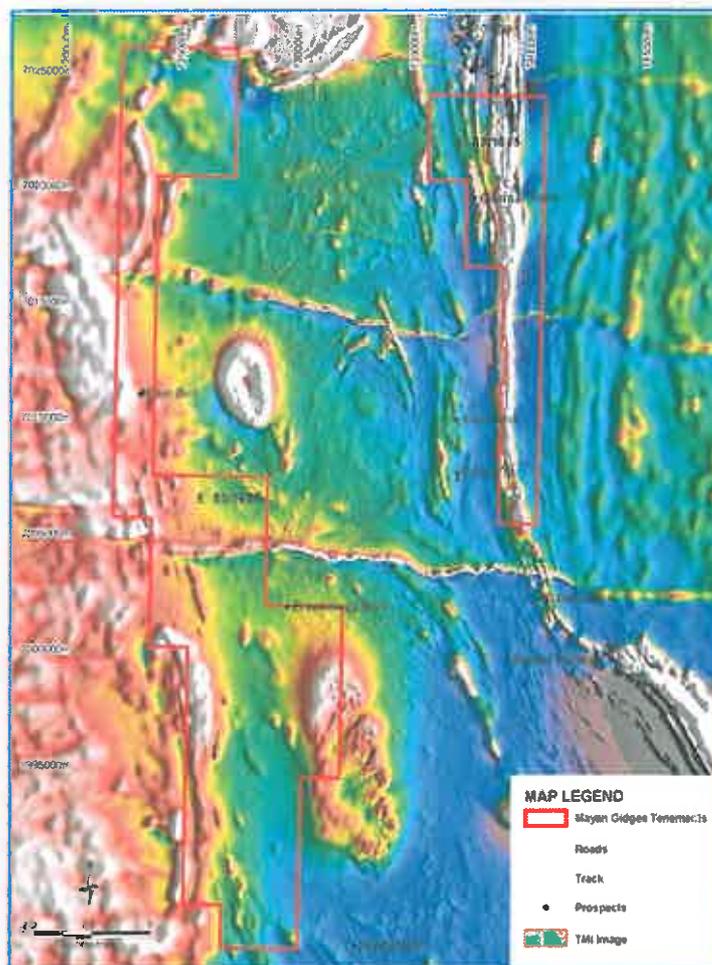


Figure 3 - TMI imagery

Operating results for the year

Net loss attributable to equity holders of the parent for the period ended 30 June 2012 was \$683,617. Basic loss per share was 0.8 cents.

Financial position and significant changes in state of affairs

Cash on hand at 30 June 2012 totalled \$3.3 million.

Directors' Report (continued)

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.

Likely developments and expected results

The Company intends to continue exploration and to develop the resources on its Gidgee Project and to consider the acquisition of further tenements for exploration of minerals and to seek other areas of investment.

Environmental legislation

The Company's projects are subject to the respective laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials in the countries in which the projects are located. 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 the respective laws and regulations.

Share Options

At the date of this report, the unissued ordinary shares of the Company under option are as follows:

	<u>Number of options</u>	<u>Exercise price</u>	<u>Expiry date</u>
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

The Options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

During or since the end of the financial year the Company has not issued any Shares as a result of the exercise of Options.

Directors' Report (continued)

Indemnification and insurance of Directors and Officers

The Company has agreed to indemnify all the directors and executive officers 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.

Directors' Meetings

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

Name	Number of meeting eligible to attend	Number of meetings attended
B McLeod	6	6
B Richardson	6	6
G Knox ⁽¹⁾	4	4
N Revell ⁽²⁾	2	2

(1) appointed 23 September 2011

(2) resigned 23 September 2011

Auditor Independence and Non-Audit Services

The auditor's independence declaration for the year ended 30 June 2012 has been received and can be found on the next page.

Non-Audit Services

No non-audit services have been provided by the Company's auditor, Stantons International, during the year.

24 September 2012

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

Yours faithfully,

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



Martin Michalik
Director

Directors' Report (continued)

Remuneration report (audited)

This remuneration report for the year ended 30 June 2012 outlines remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company, and including the executives in the Parent and the Group receiving the highest remuneration.

For the purposes of this report, the term "executive" includes the Chief Executive Officer (CEO), executive directors, senior management and company secretaries of the Parent and the term "director" refers to non-executive directors only.

Individual key management personnel disclosures

Details of KMP including the top five remunerated executives of the Parent and Group are set out below:

Key management personnel

(i) Directors

B McLeod	Non-executive Chairman	
B Richardson	Managing Director	
G Knox	Non-executive Director	appointed 23 September 2011
N Revell	Non-executive director	retired 23 September 2011

(i) Executives

M van Uffelen	Company Secretary	appointed 30 September 2011
R Caren	Company Secretary	resigned 30 October 2011

There have not been any changes to KMP after reporting date and before the financial report was authorised for issue.

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.

Directors' Report (continued)

Remuneration report (audited) (continued)

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 2012 is detailed below.

Directors' Report (continued)

Remuneration report (audited) (continued)

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.

Directors' Report (continued)

Remuneration report (audited) (continued)

B. Details of remuneration for the year ended 30 June 2012

Directors	Salary & Fees	Non monetary benefits	Super-annuation	Options	Total	% of Remuneration received as Options
B McLeod	55,000	-	-	-	55,000	-
B Richardson	185,425	-	-	-	185,425	-
N Revell ⁽¹⁾	9,070	-	-	-	9,070	-
P G Knox	30,877	-	-	-	30,877	-
Total Directors	280,372	-	-	-	280,372	-
Other key management personnel						
R Caren ⁽²⁾	23,806	-	-	-	23,806	-
M van Uffelen ⁽³⁾	40,500	-	-	-	40,500	-
Total executive KMP	64,306	-	-	-	64,306	-
Totals	344,678	-	-	-	344,678	-

(1) resigned effective 23 September 2011

(2) resigned effective 30 October 2011

(3) appointed 30 September 2011

C. Details of remuneration for the year ended 30 June 2011

Directors	Salary & Fees	Non monetary benefits	Super-annuation	Options	Total	% of Remuneration received as 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%
Other key management personnel						
R Caren	74,255	1,875	-	13,166	89,296	15%
L McCreery	5,150	-	-	-	5,150	-
Total executive KMP	79,405	1,875	-	13,166	94,446	14%
Total Directors and Specified Executives	358,478	11,400	-	105,325	475,203	22%

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; and
- Either party is entitled to terminate the agreement by giving three months notice.

Directors' Report (continued)

Remuneration report (audited) (continued)

E. Share-based compensation

Compensation Options - Granted and vested during the year

2012 No options were granted as compensation during the 2012 year. Nor did any options vest during the 2012 year.

2011	Granted		Fair value per option at grant date \$	Exercise price per option \$	Terms & Conditions for each Grant			Vested	Vested
	No	Date			Expiry date	First exercise date	Last exercise date	No.	%
Directors									
Bruce McLeod	750,000	4-Nov-10	0.05	0.25	31-Oct-15	4-Nov-10	31-Oct-15	750,000	100%
Bruce Richardson	500,000	4-Nov-10	0.05	0.25	31-Oct-15	4-Nov-10	31-Oct-15	500,000	100%
Nicholas Revell	500,000	4-Nov-10	0.05	0.25	31-Oct-15	4-Nov-10	31-Oct-15	500,000	100%
Other KMP									
Rowan Caren	250,000	4-Nov-10	0.05	0.25	31-Oct-15	4-Nov-10	31-Oct-15	250,000	100%
	<u>2,000,000</u>							<u>2,000,000</u>	

Value of Options awarded, Exercised and lapsed during the year

2012 No options were granted as compensation during the 2012 year. Nor did any options vest during the 2012 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%

Refer to Note 12 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.

END OF THE REMUNERATION REPORT

Directors' Report (continued)

Signed in accordance with a resolution of the Directors:



Bruce Richardson
Managing Director

Perth, 24 September 2012

Information in this report that relates to exploration results and exploration targets is based on information compiled by Mr P G Knox, who is a Member of the Australian Institute of Geoscientists. Mr Knox is a director of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Knox consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Mayan Iron Corporation Limited is responsible for the corporate governance of the Group. The Board guides and monitors the business affairs of the Company on the behalf of the shareholders by whom they are elected and to whom they are accountable.

The Corporate Governance Statement of Mayan Iron Corporation Limited is structured with reference to the Australian Stock Exchange Corporate Governance Council's (the Council's) "Corporate Governance Principles and Recommendations" ("ASX Principles") as revised in August 2007 the Principles of which are as follows:

Principle 1	Lay solid foundations for management and oversight
Principle 2	Structure the Board to add value
Principle 3	Promote ethical and responsible decision making
Principle 4	Safeguard integrity in financial reporting
Principle 5	Make timely and balanced disclosures
Principle 6	Respect the rights of shareholders
Principle 7	Recognise and manage risk
Principle 8	Remunerate fairly and responsibly

Commensurate with the spirit of the ASX Principles, the Company has followed each of the Recommendations to the extent the Board considered that their implementation was practicable and likely to genuinely improve the Company's internal processes and accountability to external stakeholders. The Corporate Governance Statement contains certain specific information and discloses the extent to which the Company has followed the guidelines during the period. Where a recommendation has not been followed, the fact is disclosed, together with reasons for the departure.

Explanation for Departures from Best Practice Recommendations

Principle 2

Nomination committee

Recommendation 2.4 requires listed entities to establish a nomination committee. During the year ended 30 June 2012, the Company did not have a separately established nomination committee. However, the duties and responsibilities typically delegated to such committee are included in the responsibilities of the full Board.

Principle 4

Audit committee

Recommendation 4.2 requires the audit committee to be structured so that it consists only of non-executive directors with a majority of independent directors, chaired by an independent chairperson who is not chairperson of the Board and has at least three members. During the year ended 30 June 2012, the Company did not have a separately established audit committee. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the expense of appointing additional independent Non-Executive Directors simply to fill the audit committee.

CORPORATE GOVERNANCE STATEMENT (continued)

Principle 8

Remuneration Committee

Recommendation 8.1 requires listed entities to establish a remuneration committee. During the year ended 30 June 2012, the Company did not have a separately established remuneration committee. However, the duties and responsibilities typically delegated to such committee are included in the responsibilities of the full Board.

With the exception of the departures from the Corporate Governance Council recommendations in relation to the establishment of a nomination committee and remuneration committee as stated above, the corporate governance practices of the Company are compliant with the Council's best practice recommendations.

Board Function

The Board seeks to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

To ensure that the Board is well equipped to discharge its responsibilities it has established guidelines for the nomination and selection of directors and for the operation of the Board. The responsibility for the operation and administration of the Group is delegated, by the Board, to the CEO and the executive management team.

The Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the Board. The Board has a number of mechanisms in place to ensure this is achieved including:

- Board approval of a strategic plan designed to meet stakeholders' needs and manage business risk
- Ongoing development of the strategic plan and approving initiatives and strategies designed to ensure the continued growth and success of the entity
- Implementation of budgets by management and monitoring progress against budget — via the establishment and reporting of both financial and non-financial key performance indicators

Other functions reserved to the Board include:

- Approval of the annual and half-yearly financial reports
- Approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures
- Ensuring that any significant risks that arise are identified, assessed, appropriately managed and monitored
- Reporting to shareholders

Structure of the Board

The skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report are included in the Directors' report.

Directors of Mayan Iron Corporation Limited are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with — or could reasonably be perceived to materially interfere with — the exercise of their unfettered and independent judgement.

CORPORATE GOVERNANCE STATEMENT (continued)

In the context of director independence, "materiality" is considered from both the Group and individual director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal to or less than 5% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount.

Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors that point to the actual ability of the director in question to shape the direction of the Group's loyalty.

In accordance with the definition of independence above, and the materiality thresholds set, the following directors of Mayan Iron Corporation are considered to be independent:

Name	Position
Bruce McLeod	Chairman – non-executive (appointed 30 April 2009)
Peter (Gregory) Knox	Director – non-executive (appointed 23 September 2011)

The term in office held by each director in office at the date of this report is as follows:

Name	Term in office
Bruce McLeod	Appointed 30 April 2009, tenure 3 years 2 months
Bruce Richardson	Appointed 30 April 2009, tenure 3 years 2 months
Nicholas Revell	Appointed 22 January 2010, resigned 23 September 2011, tenure 1 year 8 months
Mr Peter (Gregory) Knox	Appointed 23 September 2011, tenure 9 months

Performance

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

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

Trading policy

Under the Company's securities trading policy, an executive or director must not trade in any securities of the Company at any time when they are in possession of unpublished, price-sensitive information in relation to those securities.

It is contrary to Mayan Iron Corporation's policy for Directors and employees to be engaged in short-term trading of Mayan Iron Corporation securities.

CORPORATE GOVERNANCE STATEMENT (continued)

Directors and employees must not deal in Mayan Iron Corporation securities during the week immediately before or 24 hours after:

- the release of Mayan Iron Corporation half-yearly or yearly results;
- the release of Mayan Iron Corporation quarterly results; or
- the Annual General Meeting.

Directors and senior management must also not deal in Mayan Iron Corporation securities during the week immediately before or 24 hours after:

- the date of the Board meeting for the approval of the Company's interim or annual results; or
- the deadline for the Company to publish its annual results announcement.

Requests to trade during the closed periods may be considered in exceptional circumstances. In the case of Directors and Senior Management approval will be required by the Managing Director or from the Chairman where the Managing Director makes such a request (Designated Officer).

Any permission provided under this must be obtained by the Applicant not less than 2 business days before the proposed trade.

Risk

The Board has identified the significant areas of potential business and legal risk of the Company. The identification, monitoring and, where appropriate, the reduction of significant risk to the Company will be the responsibility of the Board.

To this end, comprehensive practices are in place which are directed towards achieving the following objectives:

- effectiveness and efficiency in the use of the Company's resources;
- compliance with applicable laws and regulations;
- preparation of reliable published financial information.

CEO and CFO certification

In accordance with section 295A of the *Corporations Act*, the CEO and Company Secretary have provided a written statement to the Board that:

- Their view provided on the Company's financial report is founded on a sound system of risk management and internal compliance and control which implements the financial policies adopted by the Board; and
- The Company's risk management and internal compliance and control system is operating effectively in all material respects.

Remuneration

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality board and executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Board has set remuneration by benchmarking to industry peers.

CORPORATE GOVERNANCE STATEMENT (continued)

For a full discussion of the Company's remuneration philosophy and framework and the remuneration received by directors and executives in the current period please refer to the remuneration report, which is contained within the directors' report.

There is no scheme to provide retirement benefits to non-executive directors.

The Board is responsible for determining and reviewing compensation arrangements for the directors themselves and the CEO.

Shareholder communication policy

Pursuant to Principle 6, the Company's objective is to promote effective communication with its shareholders at all times.

The Company is committed to:

- Ensuring that shareholders and the financial markets are provided with full and timely information about the Company's activities in a balanced and understandable way;
- Complying with continuous disclosure obligations contained in the ASX listing rules and the Corporations Act in Australia; and
- Communicating effectively with its shareholders and making it easier for shareholders to communicate with the Company.

To promote effective communication with shareholders and encourage effective participation at general meetings, information is communicated to shareholders:

- Through the release of information to the market via the ASX
- Through the distribution of the annual report and notices of annual general meeting
- Through shareholder meetings and investor relations presentations
- Through letters and other forms of communications directly to shareholders
- By posting relevant information on the Company's website: www.mayaniron.com.au

The Company's website publishes all important company information and relevant announcements made to the market.

The external auditors are required to attend the annual general meeting and are available to answer any shareholder questions about the conduct of the audit and preparation of the audit report.

Diversity policy

The Group recognises the value contributed to the organisation by employing people with varying skills, cultural backgrounds, ethnicity and experience and employs people based on their underlying skill sets in an environment where everyone is treated equally and fairly, and where discrimination, harassment and inequity are not tolerated.

Having regard to the size of the Company, the Company does not measure diversity.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

	Note	Consolidated	
		2012	2011
		\$	\$
Continuing Operations			
Revenue	2(a)	181,210	171,808
Other Income	2(a)	-	719
		181,210	172,527
Audit Fees		(27,332)	(13,543)
Consultants		(279,916)	(416,791)
Depreciation expense	2(b)	(1,755)	(1,644)
Directors' fees		(94,947)	(93,648)
Employee benefits expense		(92,589)	(81,364)
Exploration costs	2(b)	(139,291)	(200,727)
Foreign exchange gain / (loss)	2(b)	13,766	(88,864)
Insurance		(12,393)	(5,645)
Office Expense		(51,349)	(77,823)
Share-based payments	2(b)	-	(111,024)
Other Expenses		(83,285)	(79,841)
Travel & Accommodation		(95,736)	(103,554)
		(683,617)	(1,101,941)
(Loss) from continuing operations before income tax expense		(683,617)	(1,101,941)
Income tax expense	3	-	-
		(683,617)	(1,101,941)
(Loss) from continuing operations after income tax expense		(683,617)	(1,101,941)
Other Comprehensive Income:			
Net exchange difference on translation of financial report of foreign subsidiary and revaluations of intercompany loan		-	1,007
		(683,617)	(1,100,934)
Total comprehensive (loss)		(683,617)	(1,100,934)
(Loss) for the year attributable to members of the parent entity		(683,617)	(1,100,934)
Total comprehensive (loss) for the year attributable to members		(683,617)	(1,100,934)
Basic and diluted loss per share (cents per share)	5	(0.8)	(1.3)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

	Note	Consolidated	
		2012	2011
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	6	3,248,858	3,985,810
Trade and other receivables	7	42,814	24,717
Total Current Assets		<u>3,291,672</u>	<u>4,010,527</u>
NON-CURRENT ASSETS			
Property, plant & equipment	8	4,339	5,527
Total Non-Current Assets		<u>4,339</u>	<u>5,527</u>
TOTAL ASSETS		<u>3,296,011</u>	<u>4,016,054</u>
CURRENT LIABILITIES			
Trade and other payables	9	26,925	63,351
Total Current Liabilities		<u>26,925</u>	<u>63,351</u>
TOTAL LIABILITIES		<u>26,925</u>	<u>63,351</u>
NET ASSETS		<u>3,269,086</u>	<u>3,952,703</u>
EQUITY			
Issued capital	10	6,626,195	6,626,195
Reserves	11	886,838	886,838
Accumulated losses		(4,243,947)	(3,560,330)
TOTAL EQUITY		<u>3,269,086</u>	<u>3,952,703</u>

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012

	Note	Consolidated	
		2012	2011
		Inflows/(Outflows)	
		\$	
Cash flows from Operating Activities			
Receipts from customers		-	18,113
Payments to suppliers and employees		(895,089)	(1,112,928)
Interest received		158,704	171,808
Net cash (used in) operating activities	6(ii)	<u>(736,385)</u>	<u>(923,007)</u>
Cash Flows from Investing Activities			
Purchase of property, plant & equipment		(567)	(825)
Net cash (used in) investing activities		<u>(567)</u>	<u>(825)</u>
Cash Flows from Financing Activities			
Proceeds from issue of shares/options		-	649,861
Capital raising costs		-	(75,963)
Net cash provided by financing activities		<u>-</u>	<u>573,898</u>
Net decrease in cash held		(736,952)	(349,934)
Cash at the beginning of the financial year		3,985,810	4,419,766
Effect of exchange rate changes on balance of cash held in foreign currencies		-	(84,022)
Cash at the end of the financial year	6	<u>3,248,858</u>	<u>3,985,810</u>

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012

Consolidated Group	Ordinary Shares	Accumulated Losses	Share Option Reserve	Foreign Currency Translation Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2011	6,626,195	(3,560,330)	885,831	1,007	3,952,703
Loss attributable to members of the parent entity	-	(683,617)	-	-	(683,617)
Balance at 30 June 2012	6,626,195	(4,243,947)	885,831	1,007	3,269,086

Consolidated Group	Ordinary Shares	Accumulated Losses	Share Option 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 (see note 10(b)(i))	-	-	649,861	-	649,861
Share based payments (see notes 10(b)(ii), 10(b)(iii) and 12)	-	-	111,024	-	111,024
Capital raising costs	(7,040)	-	(68,923)	-	(75,963)
Loss attributable to members of the parent entity	-	(1,101,941)	-	-	(1,101,941)
Net exchange differences on the translation of the financial reports of foreign subsidiaries	-	-	-	1,007	1,007
Balance at 30 June 2011	6,626,195	(3,560,330)	885,831	1,007	3,952,703

The accompanying notes form part of these financial statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

The financial report is presented in Australian dollars.

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

(b) Application of new and revised Accounting Standards

The following new and revised Accounting Standards and Interpretations have, where applicable, been adopted in the current year but have had no significant effect on the amounts reported or disclosures.

Amendments to AASB 7 'Financial Instruments' Disclosure'	The amendments (part of AASB 2010-4 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project') clarify the required level of disclosures about credit risk and collateral held.
Amendments to AASB 101 'Presentation of Financial Statements'	The amendments (part of AASB 2010-4 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project') clarify that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements.
AASB 1054 'Australian Additional Disclosures' and AASB 2011-1 'Amendments to Australian Accounting Standards arising from Trans-Tasman Convergence Project'	AASB 1054 sets out the Australian-specific disclosures for entities that have adopted Australian Accounting Standards. AASB 2011-1 makes amendments to a range of Australian Accounting Standards and Interpretations for the purpose of closer alignment to IFRSs and harmonisation between Australian and New Zealand Standards.
AASB 124 'Related Party Disclosures' (revised December 2009)	AASB 124 (revised December 2009) has been revised on the following two aspects: (a) AASB 124 (revised December 2009) has changed the definition of a related party and (b) AASB 124 (revised December 2009) introduces a partial exemption from the disclosure requirements for government-related entities.
AASB 2009-14 'Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement'	Interpretation 114 addresses when refunds or reductions in future contributions should be regarded as available in accordance with paragraph 58 of AASB 119.
AASB 2009-12 'Amendments to Australian Accounting Standards'	The application of AASB 2009-12 makes amendments to AASB 8 'Operating Segments' as a result of the issuance of AASB 124 'Related Party Disclosures (2009)'. The Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations.
AASB 2010-5 'Amendments to Australian Accounting Standards'	The Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Application of new and revised Accounting Standards (continued)

AASB 2010-6 'Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets'	The application of AASB 2010-6 makes amendments to AASB 7 'Financial Instruments – Disclosures' to introduce additional disclosure requirements for transactions involving transfer of financial assets.
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New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group

At the date of the authorization of the financial statements, the standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', AASB 200911 'Amendments to Australian Accounting Standards arising from AASB 9' and AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)'	1 January 2013	30 June 2014
AASB 10 'Consolidated Financial Statements'	1 January 2013	30 June 2014
AASB 11 'Joint Arrangements'	1 January 2013	30 June 2014
AASB 12 'Disclosure of Interests in other Entities'	1 January 2013	30 June 2014
AASB 127 'Separate Financial Statements' (2011)	1 January 2013	30 June 2014
AASB 128 'Investments in Associates and Joint Ventures' (2011)	1 January 2013	30 June 2014
AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	1 January 2013	30 June 2014
AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 19 (2011)'	1 January 2013	30 June 2014
AASB 2010-8 'Amendments to Australian Accounting Standards – Deferred Tax: recovery of Underlying Assets'	1 January 2012	30 June 2013
AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	1 July 2013	30 June 2014
AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014
AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income'	1 July 2012	30 June 2013
Interpretation 20 'Stripping Costs in the Production Phase of a Surface Mine' and AASB 2011-12 'Amendments to Australian Accounting Standards arising from Interpretation 20'	1 January 2013	30 June 2014
AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities'	1 June 2012	1 January 2013
AASB 2012-3 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities'	1 June 2012	1 January 2014
AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle'	1 June 2012	1 January 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Application of new and revised Accounting Standards (continued)

The Group has decided not to early adopt any of the new and amended pronouncements. Of the above new and amended Standards and Interpretations the Group's assessment of those new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments (December 2010) and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

The Group has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

- AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17] (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation - Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The Group has not yet been able to reasonably estimate the impact of this Standard on its financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Application of new and revised Accounting Standards (continued)

AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the 'special purpose entity' concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will only affect disclosures and is not expected to significantly impact the Group.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the Group.

- AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurements.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

These Standards are not expected to significantly impact the Group.

- AASB 2011-9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] (applicable for annual reporting periods commencing on or after 1 July 2012).

The main change arising from this Standard is the requirement for entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

This Standard affects presentation only and is not expected to significantly impact the Group.

AASB 119 (September 2011) also includes changes to the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:

- (i) for an offer that may be withdrawn – when the employee accepts;
- (ii) for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and
- (iii) where the termination is associated with a restructuring of activities under AASB 137: Provisions, Contingent Liabilities and Contingent Assets, and if earlier than the first two conditions – when the related restructuring costs are recognised.

The Group has not yet been able to reasonably estimate the impact of these changes to AASB 9.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Statement of Compliance

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 2012 (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.

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.

(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) De-recognition 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 de-recognised 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 de-recognised 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 de-recognition 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)

(k) Foreign currency translation (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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Income tax (continued)

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.

(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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Property, plant and equipment (continued)

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) De-recognition 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 de-recognition 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.

(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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Financial assets (continued)

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.

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 de-recognition 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 de-recognised.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 de-recognised.

(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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Provisions (continued)

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 12.

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 incurred. 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	
	2012	2011
	\$	\$
(a) Revenue from continuing operations		
Interest received - other	181,210	171,808
Total revenue	<u>181,210</u>	<u>171,808</u>
Other income	-	719
Total other income	-	719
	<u>181,210</u>	<u>172,527</u>

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

(b) Expenses

Depreciation of non-current assets	1,755	1,644
Net foreign exchange (gains) / losses	(13,766)	88,864
Share-based payments	-	111,024
Salaries and wages	83,410	73,816
Contribution to employee superannuation plans	7,226	6,621
Exploration costs	<u>139,291</u>	<u>200,727</u>

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	
	2012	2011
	\$	\$
Accounting loss before tax	(683,617)	(1,101,941)
Income tax benefit/(expense) at 30%	205,085	330,582
Non-deductible expenses:		
Foreign exchange gain/(loss)	-	(26,659)
Option issue expense	-	(33,307)
Other non deductible expenses:		(3,708)
Unrecognised tax losses	(205,085)	(266,908)
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	1,858,451	1,244,863
Potential tax benefit at 30%	557,535	373,459
Deferred tax asset not booked		
Amounts of recognised in profit & loss:		
- employee provisions	1,929	992
- other	-	3,900
Amounts recognised in equity:		
- share issue costs	-	84,188
Net unrecognised deferred tax asset at 30%	559,464	462,539

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. 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	
	2012	2011
	\$	\$
Basic and diluted loss per share (cents per share)	(0.8)	(1.3)

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	(683,617)	(1,101,941)
Weighted average number of shares outstanding during the year used in calculations of basic loss per share:	86,648,183	86,648,183

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	
	2012	2011
	\$	\$
Cash at bank and in short term deposits	608,859	751,937
Term Deposit	2,639,999	3,233,873
	<u>3,248,858</u>	<u>3,985,810</u>

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

NOTE 6: CASH AND CASH EQUIVALENTS (continued)

	Consolidated	
	2012	2011
	\$	\$
(i) Reconciliation 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	3,248,858	3,985,810
(ii) Reconciliation of loss after income tax to net cash flows from operating activities:		
Loss after income	(683,617)	(1,101,941)
Depreciation	(1,755)	1,644
Share based payments	-	111,024
Net foreign exchange gain/(loss)	3,510	85,030
	<u>(681,862)</u>	<u>(904,243)</u>
Changes in operating assets and liabilities, net of the effects of purchase of subsidiaries:		
(Increase)/Decrease in trade and other receivables	(18,097)	19,445
Increase/(Decrease) in trade and other payables	(36,426)	(38,209)
Net cash outflow from operating activities:	<u>(736,385)</u>	<u>(923,007)</u>

NOTE 7: CURRENT TRADE AND OTHER RECEIVABLES

	Consolidated	
	2012	2011
	\$	\$
Current		
Accrued interest receivable	30,357	-
Prepayments	-	7,135
GST recoverable	12,457	17,582
	<u>42,814</u>	<u>24,717</u>

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	
	2012	2011
	\$	\$
Opening balance at 1 July	5,527	6,346
Additions	567	825
Disposal of non-current assets	-	-
Depreciation/amortisation for the year	(1,755)	(1,644)
At 30 June, net of accumulated depreciation	<u>4,339</u>	<u>5,527</u>

The useful life of the assets were estimated as follows for 2012:

Office equipment: 5-8 years

At cost	8,792	8,225
Accumulated depreciation	(4,453)	(2,698)
	<u>4,339</u>	<u>5,527</u>

NOTE 9: TRADE AND OTHER PAYABLES (CURRENT)

	Consolidated	
	2012	2011
	\$	\$
Current		
Trade payables	3,723	18,736
Employee entitlements - annual leave	6,431	3,307
Accruals	16,771	41,308
	<u>26,925</u>	<u>63,351</u>

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

NOTE 10: CONTRIBUTED EQUITY

	Consolidated	
	2012	2011
	\$	\$
Paid up capital – ordinary shares	6,633,235	6,633,235
Capital raising costs capitalised	(7,040)	(7,040)
	<u>6,626,195</u>	<u>6,626,195</u>

NOTE 10: CONTRIBUTED EQUITY (continued)

(a) Ordinary shares

	Number of shares	\$
2012 movements in ordinary share capital:		
Balance at 1 July 2011	86,648,183	6,626,195
Movement during the year	-	-
Balance at 30 June 2012	<u>86,648,183</u>	<u>6,626,195</u>
2011 movements in ordinary share capital:		
Balance at 1 July 2010	86,648,183	6,626,195
Movement during the year	-	-
Balance at 30 June 2011	<u>86,648,183</u>	<u>6,626,195</u>

(b) Share options

	Listed, 20c Options 30/11/13 <i>(Note i)</i>	Unlisted, 15c Options 30/06/15 <i>(Note ii)</i>	Unlisted, 25c Options 31/10/15 <i>(Note iii)</i>	Unlisted, 20c Options 31/05/16
2012 movements in share options:				
Balance at 1 July 2011	64,986,135	200,000	2,000,000	3,524,892
Movement during the year	-	-	-	-
Balance at 30 June 2012	<u>64,986,135</u>	<u>200,000</u>	<u>2,000,000</u>	<u>3,524,892</u>
2011 movements in share options:				
Balance at 1 July 2010	-	-	-	3,524,892
Movement during the year	64,986,135	200,000	2,000,000	-
Balance at 30 June 2011	<u>64,986,135</u>	<u>200,000</u>	<u>2,000,000</u>	<u>3,524,892</u>

- (i) 64,986,136 listed options convertible into ordinary shares at an exercise price of 20 cents on or before 30 November 2013 were issued on 12 November 2010 under an entitlement issue which raised \$649,861.
- (ii) 200,000 unlisted options convertible into ordinary shares at an exercise price of 15 cents on or before 30 June 2015 and vesting on 8 June 2012 were issued on 9 June 2011 for as an employee incentive. See note 12 for further details.
- (iii) 2,000,000 unlisted options convertible into ordinary shares at an exercise price of 25 cents on or before 31 October 2015 were issued on 4 November 2010 as director and officer incentives as approved at the Company's 2010 Annual General Meeting. See note 12 for further details.

NOTE 11: RESERVES

	Consolidated	
	2012	2011
	\$	\$
Value of reserves:		
At the start of the year	886,838	193,869
Issue of 25cents options dated 4/11/10 share based payment	-	105,324
Issue of 15cents options dated 9/06/11 share based payment	-	5,700
Issue of 20cents listed options dated 12/11/10 option premium reserve	-	649,861
Capital raising cost – option premium reserve	-	(68,923)
Foreign currency translation reserve	-	1,007
Balance at 30 June	<u>886,838</u>	<u>886,838</u>

(a) Share option reserve

The share option reserve represents the fair value of the actual or estimated number of unexercised share options granted to management and consultants of the Company recognised in accordance with the accounting policy adopted for share-based payments and the cash price of rights options issued to investors and the proceeds raised from the issue of options under an entitlement issue.

(b) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

NOTE 12: SHARE BASED PAYMENTS

2012:

There were no share based payments made during the 2012 financial year.

2011:

During the 2011 year 2,000,000 unlisted options to acquire fully paid ordinary shares for 25 cents each on or before 31 October 2015 were granted to directors and officers and 200,000 unlisted options to acquire fully paid ordinary shares for 15 cents each on or before 30 June 2016 were issued to an employee. The value of these options with an estimated fair value of \$105,325 and \$5,699, respectively was estimated at 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, 25c Options 31/10/15	Unlisted, 15c Options 30/06/15
Volatility (%)	43	73
Risk-free interest rate (%)	5.065	4.97
Expected life of option (years)	5	4
Exercise price (cents)	25.0	15.0
Market price of options at date of grant (cents)	16.5	7.0
Fair value of options (cents)	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.

NOTE 12: SHARE BASED PAYMENTS (continued)

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

	2012 No	2012 Weighted average exercise price	2011 No	2011 Weighted average exercise price
Outstanding at the beginning of the year	5,724,892	22 cents	3,524,892	20 cents
Granted during the year	-	-	2,200,000	24 cents
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	5,724,892	22 cents	5,724,892	22 cents
Exercisable at the end of the year	5,724,892	22 cents	5,724,892	22 cents

NOTE 13: EXPENDITURE COMMITMENTS

	Consolidated	
	2012	2011
	\$	\$
Expenditure commitments contracted for 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:		
- no later than 12 months	74,000	20,000
- between 12 months and 5 years	296,000	-
- greater than 5 years	-	-
	<u>370,000</u>	<u>20,000</u>

NOTE 14: RELATED PARTY DISCLOSURE

(a) Subsidiaries

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

Name	Country of Incorporation	% Equity Interest 2012	Investment \$ 2012	% Equity interest 2011	Investment \$ 2011
Tikal Minerals SA ⁽¹⁾	Guatemala	100%	-	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.

(b) Ultimate parent

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

(c) Key management personnel (KMP)

Refer to Note 15 for transactions involving key management personnel.

NOTE 15: KEY MANAGEMENT PERSONNEL

(a) Compensation for key management personnel

	Consolidated	
	2012	2011
	\$	\$
Short-term employee benefits	344,678	369,878
Post-employment benefits	-	-
Share-based payments	-	105,325
	<u>344,678</u>	<u>475,203</u>

(b) Option holdings of key management personnel

<u>30 June 2012</u>	Balance at start of the period	Granted as remuneration	Options Exercised	Net change other	Balance at the end of period	Vested and exercisable
Directors						
Bruce McLeod	2,803,964	-	-	-	2,803,964	2,803,964
Bruce Richardson	3,624,964	-	-	-	3,624,964	3,624,964
Peter (Greg) Knox	-	-	-	700,000	700,000	700,000
Nicholas Revell ⁽¹⁾	500,000	-	-	(500,000)	-	-
Specified Executives						
Michael van Uffelen	-	-	-	-	-	-
Rowan Caren ⁽²⁾	250,000	-	-	(250,000)	-	-
	<u>7,178,928</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>	<u>7,128,928</u>	<u>7,128,928</u>

(1) resigned effective 23 September 2011

(2) resigned effective 30 October 2011

<u>30 June 2011</u>	Balance at start of the period	Granted as remuneration	Options Exercised	Net change other	Balance at the end of period	Vested and exercisable
Directors						
Bruce McLeod	1,174,964	750,000	-	879,000	2,803,964	2,803,964
Bruce Richardson	1,174,964	500,000	-	1,950,000	3,624,964	3,624,964
Nicholas Revell	-	500,000	-	-	500,000	500,000
Specified Executives						
Rowan Caren	-	250,000	-	-	250,000	250,000
	<u>2,349,928</u>	<u>2,000,000</u>	<u>-</u>	<u>2,829,000</u>	<u>7,178,928</u>	<u>7,178,928</u>

NOTE 15: KEY MANAGEMENT PERSONNEL (continued)

(c) Share holdings of key management personnel

<u>30 June 2012</u>	Balance at start of the period	Granted as remuneration	On exercise of options	Net change other	Balance at the end of period	Vested and exercisable
Directors						
Bruce McLeod	1,172,000	-	-	-	1,172,000	1,172,000
Bruce Richardson	2,630,000	-	-	50,000	2,680,000	2,680,000
Peter (Greg) Knox	-	-	-	100,000	100,000	100,000
Nicholas Revell ⁽¹⁾	-	-	-	-	-	-
Specified Executives						
Michael van Uffelen	-	-	-	-	-	-
Rowan Caren ⁽²⁾	-	-	-	-	-	-
	3,802,000	-	-	150,000	3,952,000	3,952,000

(1) resigned effective 23 September 2011

(2) resigned effective 30 October 2011

<u>30 June 2011</u>	Balance at start of the period	Granted as remuneration	On exercise of options	Net change other	Balance at the end of period	Vested and exercisable
Directors						
Bruce McLeod	1,172,000	-	-	-	1,172,000	1,172,000
Bruce Richardson	2,600,000	-	-	30,000	2,630,000	2,630,000
Nicholas Revell	-	-	-	-	-	-
Specified Executives						
Rowan Caren	-	-	-	-	-	-
	3,772,000	-	-	30,000	3,802,000	3,802,000

(c) Loans to Key Management Personnel (Consolidated)

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

(d) Other transactions and balances with Key Management Personnel

2012:

No other transactions with key management personnel have occurred during the period.

2011:

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

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.

NOTE 17: AUDITORS' REMUNERATION

	Consolidated	
	2012	2011
	\$	\$
Amounts received or due and receivable by the auditors for:		
Audit or review of the financial reports of the Company	27,332	13,543
	<u>27,332</u>	<u>13,543</u>

NOTE 18: 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.

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

	Consolidated	
	2012	2011
	\$	\$
Financial Assets		
Cash and cash equivalents	3,248,858	3,985,810
Trade and other receivables	34,963	17,582
	<u>3,283,821</u>	<u>4,003,392</u>
Financial Liabilities		
Trade and other payables	20,494	60,044

(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:

	2012 weighted average interest rate	2012 Balance	2011 weighted average interest rate	2011 Balance
	%	\$	%	\$
Cash and cash equivalents	4.96%	3,248,858	4.09%	3,985,810
Net exposure to cash flow interest rate risk		<u>3,248,858</u>		<u>3,985,810</u>

NOTE 18: FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

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

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.

At 30 June 2012, the Group had the following exposure to US\$ foreign currency expressed in A\$ equivalents, which are not designated in cash flow hedges:

	Consolidated	
	2012	2011
	\$	\$
Financial Assets		
Cash and cash equivalents	286,440	361,675
	<u>286,440</u>	<u>361,675</u>
Financial Liabilities		
Trade and other payables	-	11,967
	<u>-</u>	<u>11,967</u>

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

At 30 June 2012, 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) 2012	Post tax loss higher/(lower) 2011
Judgements of reasonably possible movements		
Consolidated Group		
AUD/USD + 20%	(47,740)	(102,916)
AUD/USD - 20%	71,610	25,729

(b) Credit risk

The Group 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.

NOTE 18: FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

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 Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group 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 Group has no borrowing facilities.

(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 11.

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 19: PARENT ENTITY INFORMATION

(a) Information relating to Mayan Iron Corporation Limited

	2012	2011
	\$	\$
Current assets	3,291,280	3,969,634
Non-current assets	4,339	302,241
Total assets	3,295,619	4,271,875
Current liabilities	26,925	51,383
Non-current liabilities	-	-
Total liabilities	26,925	51,383
Net assets	3,268,694	4,220,492
Contributed equity	6,626,195	6,626,195
Reserves	885,831	885,831
Accumulated losses	(4,243,332)	(3,291,534)
Total shareholders' equity	3,268,694	4,220,492
Loss for the parent entity	(951,798)	(833,136)
Total comprehensive income of the parent entity	(951,798)	(833,146)

(b) Guarantees

No guarantees have been entered into by the Company in relation to the debts of its subsidiary.

NOTE 19: PARENT ENTITY INFORMATION (continued)

(c) Commitments

Commitments of the Company as at reporting date are disclosed in note 13 to the financial statements.

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 2012 and of their performance for the year ended 30 June 2012; 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 2012.

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



Bruce Richardson
Director

24 September 2012

**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 2012, 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 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 gives a true and fair view and 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 statements comply 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. Those 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 company's preparation of the financial report that gives a true and fair view 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 company'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*.

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 2012 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 10 to 14 of the directors' report for the year ended 30 June 2012. 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

Opinion

In our opinion the remuneration report of Mayan Iron Corporation Limited for the year ended 30 June 2012 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 & Consulting Pty Ltd



Martin Michalik

Director

West Perth, Western Australia

24 September 2012

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 31 August 2012.

(A) DISTRIBUTION OF EQUITY SECURITIES

(i) Ordinary share capital

- 86,648,183 fully paid ordinary shares are held by 355 individual shareholders
- All issued ordinary shares carry one vote per share and carry the rights to dividends.

(ii) Options

- 70,711,027 options are held by 240 individual option holders
- Options do not carry a right to vote.

The number of security holders by size of holding in each class are:

	Fully paid ordinary shares	Options
1 – 1,000	6	-
1,001 – 5,000	7	3
5,001 – 10,000	145	95
10,001 – 100,000	129	87
100,001 and over	68	55
	<u>355</u>	<u>240</u>
Holding less than a marketable parcel	<u>198</u>	<u>209</u>

(B) SUBSTANTIAL SHAREHOLDERS

Ordinary shareholders	Fully paid	
	Number	Percentage
Wu Xiaonian	29,500,000	34.05
WoWah Industrial Inv Ltd	6,000,000	6.92
Sassey PL	5,565,909	6.42
	<u>41,065,909</u>	<u>47.39</u>

ASX ADDITIONAL INFORMATION (continued)**(c) TWENTY LARGEST SECURITY HOLDERS**

Ordinary shareholders	Fully paid	
	Number	Percentage
Wu Xiaonian	29,500,000	34.05%
Wo Wah Industrial Inv Ltd	6,000,000	6.92%
Sasse PL	5,565,909	6.42%
Fone Christopher John	2,614,087	3.02%
Richardson Bruce	2,600,000	3.00%
Grupo Pegasus SA	2,181,818	2.52%
Burns Alan Robert	2,165,090	2.50%
Lsaf Hldgs PL	1,500,000	1.73%
CS Fourth Nom PL	1,320,000	1.52%
Wise Daniel Paul	1,275,000	1.47%
Flue Hldgs PL	1,225,000	1.41%
Astina Inv Grp PL	1,200,000	1.38%
Pershing Nom Ltd	1,200,000	1.38%
Eastern & Pacific Cap PL	1,152,000	1.33%
Nutsville PL	930,000	1.07%
Blue Seas Inv Hldgs Ltd	909,091	1.05%
Tilpa PL	900,000	1.04%
Perizia Inv PL	820,500	0.95%
Spinaway Garden PL	800,000	0.92%
Dilkara Nom PL	773,091	0.89%
	64,631,586	74.57%

Option holders	30 November, 20 Cent Options	
	Number	Percentage
Wu Xiaonian	22,125,001	34.05%
WoWah Industrial Inv Ltd	4,500,001	6.92%
Hewitt Gabriel	2,250,000	3.46%
CS Fourth Nom 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%
Goffacan PL	1,500,000	2.31%
Seville Scott Robert F	1,382,500	2.13%
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%
Goffacan PL	868,750	1.34%
Eastern & Pacific Capital PL	864,000	1.33%
Nutsville PL	847,500	1.30%
Spinaway Gardens PL	813,637	1.25%
Lai Alfred	720,000	1.11%
	49,733,152	76.53%

ASX ADDITIONAL INFORMATION (continued)**(D) UNQUOTED EQUITY SECURITY HOLDINGS GREATER THAN 20%**

31 May 2016, 20 cent options	Number	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
	3,524,892	100.00

31 October 2015, 25 cent options	Number	Percentage
Bruce McLeod	750,000	37.50
Bruce Richardson	500,000	25.00
Nicholas Revell	500,000	25.00
	1,750,000	87.50

30 June 2015, 15 cent options	Number	Percentage
Sue Mackintosh	200,000	100.00
	200,000	100.00

(E) MINERAL TENEMENTS

The Group holds the following mineral tenements in Guatemala through its 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

The Company holds the following tenements:

Project	Lease	Commodity	Holder	Locality	Status
Gidgee	E53/1585	Iron - Fe	Mayan Iron Corporation Limited	WA	Granted
Gidgee	E53/1538	Iron - Fe	Mayan Iron Corporation Limited	WA	Granted