

Mayan Iron Corporation Limited

(ACN 136 636 005)

Half Year Report

31 December 2011

COMPANY DIRECTORY

Directors

Mr Bruce McLeod
Non-Executive Chairman

Mr Bruce Richardson
Managing Director

Mr Peter Gregory Knox
Non-Executive Director

Auditors

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

Company Secretary

Rowan Caren
(to 30 October 2011)

Michael van Uffelen
(from 30 September 2011)

Solicitors

Jackson Macdonald
140 St Georges Terrace
Perth, WA 6000

Registered and Principal Office

Level 1, 8 Outram Street
West Perth
WA 6005

Telephone: +61 8 9226 0299
Facsimile: +61 8 9321 1627
Email: info@mayaniron.com

Share Registry

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

Web: www.securitytransfer.com.au

Web Address

www.mayaniron.com

ASX Code:

MYN, MYNO

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DIRECTORS' REPORT

Your Directors submit the financial report of the Company being Mayan Iron Corporation Limited and the entity it controlled, for the half year ended 31 December 2011. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

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

Bruce McLeod	Non Executive Chairman	
Bruce Richardson	Managing Director	
Peter (Greg) Knox	Non Executive Director	(appointed 23 September 2011)
Nicholas Revell	Non Executive Director	(resigned 23 September 2011)

Review of Operations

The Company has been considering its legal options with regard to its unsuccessful appeal to the previous Government of Guatemala's decision to allow its exploration licences to expire.

Guatemala

The Company holds three exploration licences covering an area of 292.5km² in Guatemala. The licences are conditional on the Company obtaining environmental approval to proceed with an exploration program.

On 13 April 2011, the Company announced that the Guatemalan Ministry of Environment and Natural Resources (MARN) had rejected an Application for Environmental Approval to proceed with an exploration program. On 29 June 2011, the Company further announced that it had appealed this decision.

The Guatemalan Ministry of Energy and Mines (MEM) had issued notices that the exploration licences should be allowed to expire as the Company had not commenced exploration within the required period from the exploration licences being granted. These notices had been issued notwithstanding that it was not possible for exploration to commence due to the environmental permit not having been granted. The Company also announced that the licences would remain current while MEM reconsidered the Company's position.

The Company has now been notified by the MEM that its appeal has not been accepted and that the Company's three exploration licences should be allowed to expire.

Corporate

As at 31 December 2011, the Company had cash on hand of \$3,473,258 and is endeavouring to keep expenses to a minimum while it considers the Guatemalan situation and investigates new project opportunities elsewhere.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, Stantons International, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 5 and forms part of this Directors' report for the half-year ended 31 December 2011.

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



Mr Bruce Richardson
Managing Director

Dated this 12th day of March 2012.

12 March 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 Review Director for the review of the financial statements of Mayan Iron Corporation Limited for the period ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

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



John Van Dieren
Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	Notes	31 December 2011 \$	31 December 2010 \$
Continuing operations			
Interest income		95,184	91,895
Foreign exchange gain		9,240	-
		104,424	91,895
Consultants		(96,313)	(153,682)
Depreciation expense		(872)	(823)
Directors fees		(47,447)	(139,618)
Employee benefit expenses		(59,438)	(28,550)
Exploration expense		(86,241)	(131,363)
Insurance		-	(2,353)
Office expense		(23,330)	(37,767)
Share based payments		-	(105,324)
Other expenses		(148,860)	(108,896)
Travel and accommodation		(61,964)	(68,214)
Total Expenses		(524,465)	(776,590)
Loss before income tax	3	(420,041)	(684,695)
Income tax benefit / (expense)		-	-
Net loss after tax		(420,041)	(684,695)
<i>Other Comprehensive Income</i>			
Exchange differences on translation of foreign operations		(4,586)	138
Total other comprehensive income for the year		(4,586)	138
Total comprehensive loss		(424,627)	(684,557)
Net loss per share (in cents)			
Basic and diluted for the year		(0.48)	(0.79)

The accompanying notes form part of this financial report

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	As at 31 December 2011 \$	As at 30 June 2011 \$
ASSETS		
Current assets		
Cash and cash equivalents	3,473,258	3,985,810
Trade and other receivables	69,206	24,717
Total current assets	3,542,464	4,010,527
Non-current assets		
Plant and equipment	5,221	5,527
Total non-current assets	5,221	5,527
TOTAL ASSETS	3,547,685	4,016,054
LIABILITIES		
Current liabilities		
Trade and other payables	19,609	63,351
Total current liabilities	19,609	63,351
TOTAL LIABILITIES	19,609	63,351
NET ASSETS	3,528,076	3,952,703
EQUITY		
Issued Capital	6,626,195	6,626,195
Reserves	882,252	886,838
Accumulated Losses	(3,980,371)	(3,560,330)
TOTAL EQUITY	3,528,076	3,952,703

The accompanying notes form part of this financial report

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2011**

	Ordinary Shares	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2011	6,626,195	886,838	(3,560,330)	3,952,703
Loss for the period	-	-	(420,041)	(420,041)
Foreign currency translation	-	(4,586)	-	(4,586)
Total comprehensive income for the period	-	(4,586)	(420,041)	(424,627)
Balance at 31 December 2011	6,626,195	882,252	(3,980,371)	3,528,076
Balance at 1 July 2010	6,633,235	193,869	(2,458,388)	4,368,716
Loss for the period	-	-	(684,695)	(684,695)
Foreign currency transaction	-	138	-	138
Total comprehensive income for the period	-	138	(684,695)	(684,557)
Issue of share capital and options	-	649,861	-	649,861
Capital raising costs	2,462	(67,978)	-	(65,516)
Equity settled transactions	-	105,324	-	105,324
Balance at 31 December 2010	6,635,697	881,214	(3,143,083)	4,373,828

The accompanying notes form part of this financial report

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	31 December 2011 \$	31 December 2010 \$
OPERATING ACTIVITIES		
Payments to suppliers and employees	(550,648)	(782,588)
Interest received	38,663	83,312
Net cash used by operating activities	(511,985)	(699,276)
INVESTING ACTIVITIES		
Payments for plant and equipment	(567)	(825)
Proceeds from sale of plant and equipment	-	-
Net cash used by investing activities	(567)	(825)
FINANCING ACTIVITIES		
Proceeds from issue of equity	-	649,861
Payment for share and option issue costs	-	(65,516)
Net cash provided by financing activities	-	584,345
Net increase/(decrease) in cash and cash equivalents	(512,552)	(115,756)
Cash and cash equivalents at beginning of the year	3,985,810	4,419,766
Cash and cash equivalents at end of the year	3,473,258	4,304,010

The accompanying notes form part of this financial report

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2011

1. CORPORATE INFORMATION

The financial report of Mayan Iron Corporation Limited (the "Company") for the year ended 31 December 2011 was authorised for issue in accordance with a resolution of the directors on 27 February 2012.

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

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of Preparation

These general purpose condensed consolidated financial statements for the half year ended 31 December 2011 have been prepared in accordance with AASB 134 Interim Financial Reporting as issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

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

The half-year financial report should be read in conjunction with the annual Financial Report of the Company as at 30 June 2011.

It is also recommended that the half-year financial report be considered together with any public announcements made by the Company during the half-year ended 31 December 2011 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

Adoption of new or revised accounting standards and interpretations

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

From 1 July 2011 the Company has adopted all relevant Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2011. Adoption of these standards and interpretations did not have any effect on the financial position or performance of the Group.

The Company has not elected to early adopt any new standards or amendments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2011

3. LOSS BEFORE INCOME TAX EXPENSE

31 December 2011	31 December 2010
\$	\$

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

Interest revenue

95,184	91,895
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4. SEGMENT REPORTING

The Company operates predominately in the mineral exploration industry in Guatemala. For management purposes, the Company is organised into one main operating segment which involves the exploration for minerals in Guatemala. All of the Company activities are inter-related and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial results of the Company as a whole.

5. CONTINGENT LIABILITIES

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

6. EVENTS SUBSEQUENT TO REPORTING DATE

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

DIRECTORS' DECLARATION

The Directors of the company declare that:

1. The financial statements and notes thereto, as set out on 5 to 10:
 - a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and
 - b. give a true and fair view of the company's financial position as at 31 December 2011 and of its performance for the half-year then ended.
2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Bruce Richardson
Managing Director

Dated this 12th day of March 2012.

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Mayan Iron Corporation Limited, which comprises the consolidated statement of financial position as at 31 December 2011, the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Mayan Iron Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Mayan Iron Corporation Limited on 12 March 2012.

Conclusion

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

- (a) giving a true and fair view of the Company's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

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

Stantons International Audit and Consulting Pty Ltd


John Van Dieren
Director

West Perth, Western Australia
12 March 2012