



Mount Gibson Iron

Mount Gibson Iron Limited

ABN 87 008 670 817



First Floor, 7 Havelock Street
West Perth 6005, Western Australia

PO Box 55, West Perth WA 6872

Telephone: 61-8-9426-7500

Facsimile: 61-8-9485 2305

E-mail: admin@mtgibsoniron.com.au

VIA: WWW.ASX.ONLINE.COM

22 August 2006

Pages = 2

The Manager
Company Announcements
Australian Stock Exchange Limited
Level 10, 20 Bond Street
SYDNEY NSW 2000

RECORD MONTHLY ORE MINED – COMPLETION OF ASIA IRON HOLDINGS LIMITED SALE

Record monthly ore mined results

Mount Gibson Iron Limited (“MGI”) (ASX Code: MGX) is pleased to advise that it achieved record monthly ore mined from its Tallering Peak operations of 340,958 tonnes during the month of July.

The result shows that MGI is meeting its targets to achieve an expected production rate of 3 Mtpa at its Tallering Peak mine during the first half of 2006/07. The increased ore mined as scheduled follows the waste development undertaken during the first 6 months of the year.

Completion of sale of interest in Asia Iron Holdings Limited

MGI advises that it has completed the sale of its and Mount Gibson Mining Limited’s combined 73% interest in Asia Iron Holdings Limited to Sinom Investments Limited (“Sinom”).

As noted in MGI’s ASX announcement on 7 June 2006, the proceeds of sale will be held in escrow until environmental approval for the Extension Hill Magnetite Project is granted by the WA government. A decision on environmental approval is anticipated by the end of 2006. If environmental approval is not obtained by 30 November 2007, Sinom may terminate the agreement and the sale shares will be returned.

Aztec makes application in Takeovers Panel

MGI also advises that it has received notification that Aztec Resources Limited ("Aztec") (ASX Code: AZR) has filed an application with the Takeovers Panel in relation to MGI's takeover bid for Aztec. The application is seeking, among other things, an interim order from the Takeovers Panel restraining MGI from dispatching the Bidder's Statement to Aztec shareholders pending resolution of Aztec's application. MGI intends to oppose the application.

Yours sincerely,
MOUNT GIBSON IRON LIMITED



Angela Dent
Company Secretary

Enquiries: Mr Luke Tonkin
Managing Director
Telephone: 61 8 9426-7500
Email: admin@mtgibsoniron.com.au

or Mr Alan Rule
Finance Director