



Mount Gibson Iron Limited

ABN 87 008 670 817



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29 August 2006

The Manager
Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

**Takeover bid by Mount Gibson Iron Limited for Aztec Resources Limited
Notice that defeating condition to takeover bid freed**

We refer to the off-market takeover bid by Mount Gibson Iron Limited for all the fully paid ordinary shares in the capital of Aztec Resources Limited, including those issued during the offer period

We enclose, by way of service pursuant to paragraph 650F(3)(a) of the Corporations Act 2001, a notice declaring that the offers have been freed from the condition in section 12.8(j) (share price decline condition) of the bidder's statement.

Yours sincerely,
MOUNT GIBSON IRON LIMITED

**Angela Dent
Company Secretary**

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Mount Gibson Iron Limited ACN 008 670 817 (Mount Gibson)
Notice that defeating condition to takeover bid freed

To: Australian Stock Exchange Limited

Aztec Resources Limited ACN 078 548 562 (Aztec)

For the purposes of section 650F of the Corporations Act 2001, Mount Gibson gives notice declaring that:

1. its takeover offers for all the fully paid ordinary shares in the capital of Aztec, including those issued during the offer period, are free from the condition in section 12.8(j) (share price decline condition) of its bidder's statement dated 11 August 2006; and
2. its voting power in Aztec as at 29 August 2006 is 15.25%.

Date: 29 August 2006

Signed for and on behalf of Mount Gibson Iron Limited by



Alan Rule
Director