



ACCEPT

Mount Gibson Offer for Aztec Resources

September 2006



Summary of the Offer

- 1 Mount Gibson share for every 3 Aztec shares
- Substantial premium
 - 38.4% to Aztec's VWAP for the one month to 19 July 2006⁽¹⁾
 - 40.9% premium to Aztec's VWAP for the twelve months to 19 July 2006⁽¹⁾
 - endorsed by Aztec's largest shareholder
- Subject to limited conditions
 - minimum price condition has been freed
 - FIRB approval condition has been satisfied
- Scheduled to close on 6 October 2006



(1) The last trading day before media and market speculation arose about a possible takeover bid for Aztec by Mount Gibson

Mount Gibson already has a Blocking Stake

- Aztec's largest shareholder, Cambrian Mining, has already accepted the Offer
- Relevant interest in 32% of Aztec shares
- Could be used to block other potential counter bidders from acquiring full control of Aztec

Offer is Compelling - Benefits to You

1. Become a shareholder in Australia's leading independent pure-play iron ore producer ✓
2. Delivers growth strategy articulated by Aztec - provide you with real benefits sooner ✓
3. Gain access to peak cycle iron ore prices - Mount Gibson is producing iron ore now, in a record price environment ✓
4. Increase your exposure to higher value Lump Ore ✓

Offer is Compelling – Benefits to You

- 5. More balanced and diversified portfolio of assets, mitigating key risks identified by Aztec ✓
- 6. Benefit from any financial and market re-rating of the Merged Group ✓
- 7. Strongly endorsed by the largest shareholders in both Aztec and Mount Gibson ✓
- 8. Attractive premium for your Aztec Shares ✓
- 9. Participate in the long term growth of the Merged Group ✓

Target's Statement Failed to Recognise :

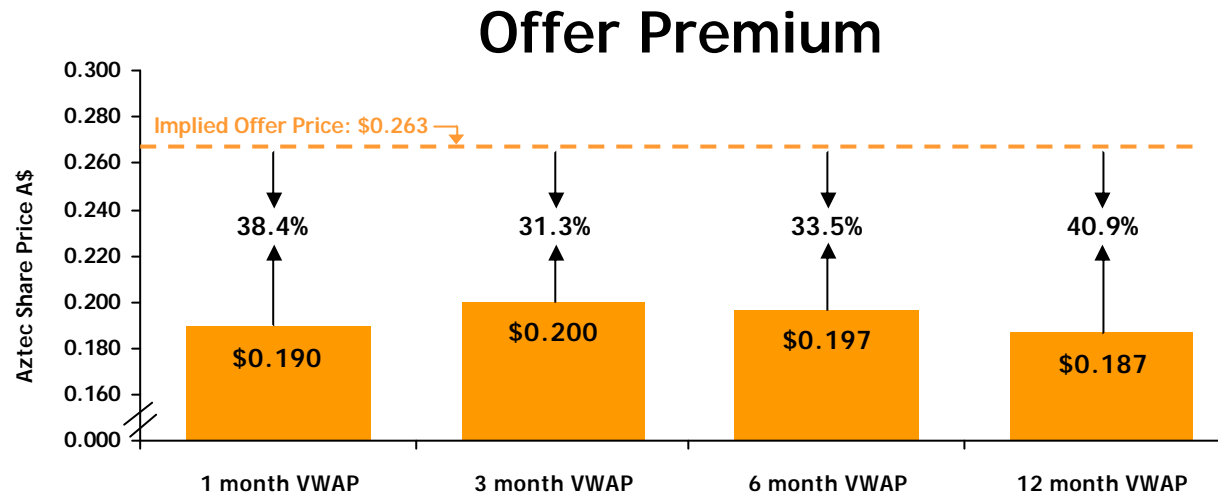
- Importance of providing Aztec shareholders with a clear and supportable assessment of value
- Aztec's major shareholder, Cambrian had already committed to accepting the Offer
- Offer is fair and at a substantial premium
- Mount Gibson offers more than just reserves and resources
- Merged Group offers a superior risk return proposition
- Current Mount Gibson management team is delivering on undertakings
- In the absence of Mount Gibson's Offer, the Aztec share price is likely to fall

No Justification for Rejecting the Offer

- Aztec Board's recommendation provides no substantiation of the claim that the Mount Gibson Offer is inadequate
- Notwithstanding established practice, the Board of Aztec has not provided you with a valuation (independent or otherwise)
- A business headline in the Australian newspaper (September 13, 2006) commented:

"Aztec's target's statement [is] potentially misleading - conspicuous by its absence is an independent expert's report on value"

Offer is Fair and at a Substantial Premium



- Offer is fair, Cambrian Mining at the time of the announcement said:

“We believe the Mount Gibson offer represents good value for Aztec shareholders and provides a platform for substantial future growth. Bringing these two companies together is a further step towards achieving the vision for a major independent iron ore producer”.



Mount Gibson Offers More Than Just Reserves and Resources

- Currently producing, generating significant operating cash flows
- Superior lump : fines ratio than Aztec - lump trades at 28% premium to fines
- Aztec mining lower grade satellite deposits containing high silica levels in early years:
 - significant selling price discounts
 - contribution to earnings and cash flow will be lower than a comparison of Aztec's anticipated average production
- Significant cash (\$52.5m) from the sale of Asia Iron¹



(1) Subject to receipt of Environmental Approval

The Merged Group Offers a Superior Risk Return Proposition

Significant benefits of mitigating single asset risks by being part of a larger group with multiple operations and existing cash flow:

- ✓ Strong balance sheet with cash flow generating assets
- ✓ Diversified asset portfolio with proven production
- ✓ Access to a wider range of financing options and improved terms
- ✓ Combined market capitalisation of approximately \$600m, with potential for significant market re-rating
- ✓ Enhanced market liquidity and inclusion in the S&P/ASX 200 Index



Current Mount Gibson Management Delivering on Undertakings

- Management developed an operating plan, now delivering record production
- Strategy to focus and grow in hematite iron ore well progressed :
 - successfully divested Asia Iron for \$52.5m¹
 - combination with Aztec to create a leading Australian independent pure-play iron ore producer
 - Extension Hill Hematite will increase production to 6Mtpa



(1) Subject to receipt of Environmental Approval

In the Absence of Mount Gibson's Offer, the Aztec Share Price is Likely to Fall

- Since Mount Gibson announced its Offer, Aztec share price has consistently traded at or below the effective value of the Offer
- Market recognises that a counter bid emerging or an increased Offer from Mount Gibson is unlikely
- Offering a significant premium reflecting fair value for Aztec shares

Summary

- Offer is at a substantial premium reflecting full and fair value for Aztec shares
- Merger is strategically and operationally compelling and irrefutable
- Aztec Board has not provided Aztec shareholders with a supportable assessment of value
- Mount Gibson management will add further value to Aztec shareholders
- Mount Gibson has a relevant interest in 32% of Aztec shares
- The Offer expires on 6 October 2006

Important Notice and Disclaimer

This presentation was prepared exclusively for the benefit of those persons to whom it is presented or transmitted, and is for the confidential use of those persons only. Mount Gibson Iron Limited and any of its related entities (collectively MGI) or their respective directors or officers accepts no liability whatsoever in respect of the Information, which Information is not intended to constitute legal, tax or accounting advice or opinion. No representation or warranty, expressed or implied, is made as to the accuracy, completeness or thoroughness of the content of the Information.

The Information has not been independently verified by MGI and MGI disclaims an responsibility for any errors or omissions in such Information, including the financial calculations, projections and forecasts contained therein. No representation or warranty is made by or on behalf of MGI that any projection, forecast, calculation, forward-looking statement, assumption or estimate contained in this presentation should or will be achieved.

In providing this presentation, MGI has not considered the objectives, financial position or needs of the recipient. The recipient should obtain and rely on its own professional advice from its tax, legal, accounting and other professional advisers in respect of the recipient's objectives, financial position and needs.

This presentation must not be disclosed to any other party and does not carry any right of publication. This presentation is incomplete without reference to, and should be viewed solely in conjunction with, the oral briefing provided by MGI. Neither this presentation nor any of its contents may be reproduced or used for any other purpose without the prior written consent of MGI.

