



Aztec Resources Limited

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ASX Release

29 November 2006

The Manager
Company Announcements Office
Australian Stock Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam,

Aztec Resources Limited Annual General Meeting

Please find attached a copy of the Chairman's Statement together with a power point presentation to be delivered at today's Annual General Meeting commencing 10:00am (WST).

Copies of the above documents are available on the Company's website:
www.aztecresources.com.au

Yours sincerely

A handwritten signature in black ink that reads "I E Gregory". The signature is stylized, with the first letters of the first and last names being prominent and the middle initials being smaller and more integrated into the flow of the writing.

Ian Gregory
Company Secretary



**Aztec Resources Limited
Annual General Meeting
Wednesday 29 November 2006**

**Chairman's Address
Ian Burston**

The past twelve months has been an exciting time for Aztec Resources.

At this meeting last year I stood before shareholders and spoke of the opportunity and promise of the Koolan Island project, and the challenges that were required to tap that opportunity. Koolan Island is one of Australia's most historic and highest grade iron ore mines, which still contains more than 30 million tonnes of premium iron ore.

Today, I am pleased to say that we have achieved the goals we laid out last year, and remain on schedule and on track for ore production before Christmas with delivery to ship soon thereafter.

While the media and market focus in recent months has been on developments with regard to the Mount Gibson takeover bid, it is clear that Aztec has not lost sight of its operational targets. The Managing Director will cover the operational achievements in his address shortly.

The long-term market drivers for the industry remain firm, but we can't be complacent. Everybody is excited about China's expansion, and up to a point this is justified. But we need to be very realistic about this. The Chinese have been hit over the past couple of years with very steep increases in the price of raw materials and energy costs.

Although their domestic demand is very strong because of their economic modernisation, in the end they depend on exports to bring in the money to fund their internal growth. China's growth will accelerate and decelerate along the way. It won't happen in a straight line. Demand for raw materials will rise and fall.

One of the benefits of my long experience is that I've seen all of this before.

- I remember the heady days when Japan's economic modernisation fuelled the WA boom of the 1960s and early 70s.



- I remember the reverse caused by the oil price shocks of the 70s.
- I remember the boost we got when South Korea sent its economy into overdrive. And we shouldn't overlook Taiwan's contribution either.

Extracting natural resources is a cyclical industry. The tendency has been for a boom to lead to a rash of new projects that come on stream just in time for the downturn.

The mega-producers like Rio and BHP Billiton can ride out these cycles. So can well-positioned niche producers, with premium-grade ore which will always find a market.

I want to turn now to the Mount Gibson takeover.

It is clearly a reflection of our significant progress and the quality of the ore body that has prompted Mount Gibson's takeover efforts. Whilst the takeover was protracted, Mount Gibson recently announced it had obtained a relevant interest in Aztec of greater than 54%.

What does this mean for Aztec and its shareholders?

It means in effect that change of control will alter many of our conceptions as to the likely future of Aztec.

What can be said categorically is that the board of Aztec is still able to influence the steps which will be taken to amalgamate these two companies; and we jointly intend on growing our combined businesses to the absolute benefit of all shareholders. There need be no negative thoughts as a focus on growth will enhance the goodwill of each group as amalgamation is completed.

Success will follow.

Finally, I would like to thank Aztec Board, management and staff for their commitment during the past twelve months. You can be justifiably proud of the effort to position Aztec as a successful iron ore miner.



Annual General Meeting
29 November 2006

Managing Director's Presentation

Location

- Western Kimberley Region WA
- 2,000km NNE of Perth
- Nearest towns: Derby 130km S and Broome 250km SW



Corporate Details

Market Information

Shares on Issue	1,131,296,221
Share Price (close 28/11/06)	\$0.265
Market Capitalisation	~A\$300M
Options on issue	20,983,334

Major Shareholders

(as at 27/11/06)

Mount Gibson Iron Limited	54.07%
Australian Royalties Corporation	6.88%
Fidelity Investments Management	4.61%
Jardine Fleming Capital Partners	2.51%
Citic Resources Australia Pty Ltd	1.51%



Directors

Current AZR Board

Ian Burston – Non-Executive Chairman

Peter Bilbe – Managing Director

Michael Arnett – Non-Executive Director

Geoff Clifford – Non-Executive Director

Proposed AZR Board (until Takeover offer closes)

Michael Arnett – Non-Executive Chairman

Peter Bilbe – Managing Director

Ian Burston – Non-Executive Director

Geoff Clifford – Non-Executive Director

Luke Tonkin – Non-Executive Director

Alan Rule – Non-Executive Director

Craig Readhead – Non-Executive Director

If Mount Gibson has received 90% or more acceptances when the Takeover Offer closes, Peter Bilbe and Ian Burston will be invited to join the Mount Gibson Board of Directors

Senior Management

Quentin Granger – General Manager Operations

Grant Dyker – Chief Financial Officer

Sandy Moyle – Chief Geologist

Tom Wang – Manager Marketing



Highlights During Past Year – Significant Progress

- Bankable Feasibility Study on Koolan Island Iron Ore Project completed
- State and Federal environmental approval received
- Mining leases granted
- Agreement reached with traditional owners
- Project funding in place
- Construction of the project commenced
- Exploration recommenced
- Sales contracts completed with CITIC Australia Commodity Trading Company and Marubeni Corporation totaling 2.5 million tonnes per annum
- Recruiting and open day in derby attracted more than 200 potential employees with very positive community interest
- Benchmark iron ore price increased by 19% in 2006, following a 71.5% increase the previous year – market outlook remains positive
- Mount Gibson Iron Limited announced takeover offer for Aztec Resources Limited



Project Funding

Underwritten Equity Funds Raised

1. 1 for 2 Rights Issue (plus 1 free option exercisable at 17 cents each by 31 July 2006) completed in January 2006 \$42.3m
 2. Exercise of 31 July 2006 listed options (received via the rights issue) \$42.3m
- Total** **\$84.6m**



Bank Debt Facilities

The banking syndicate comprises:

- Westpac Banking Corporation;
- Bank of Scotland International (Australia) Limited; and
- The Bank of Tokyo-Mitsubishi UFJ Ltd

The A\$100 million facility consists of:

- a senior debt facility of A\$54 million (to be drawn down in US\$);
- a cost overrun facility of A\$10 million (to be drawn down in US\$);
- a working capital facility of A\$30 million; and
- an environmental bond facility of A\$6 million

TOTAL = \$100M

The term of the facility is 4 years except for the working capital facility which is 3 years

The senior debt facility and cost overrun facility will be drawn down in US\$ and will be repaid from Aztec's US\$ revenues creating a natural hedge



Mobile Equipment Lease Finance Facilities

Komatsu Australia Corporate Finance \$65.0m

Westpac Banking Corporation \$ 5.0m

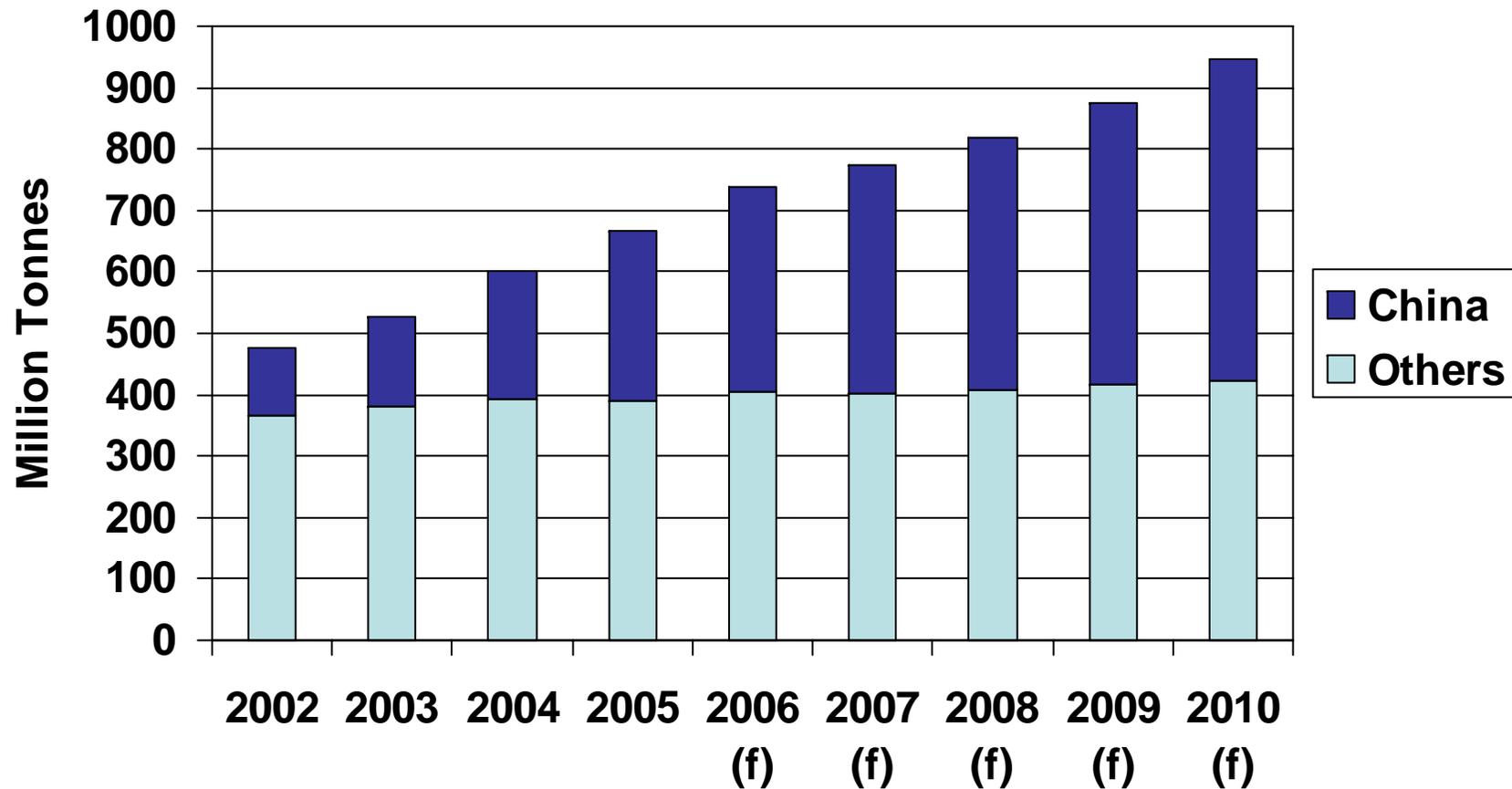
Total **\$70.0m**

The term of both these facilities is 5 years with agreed residual values



Marketing

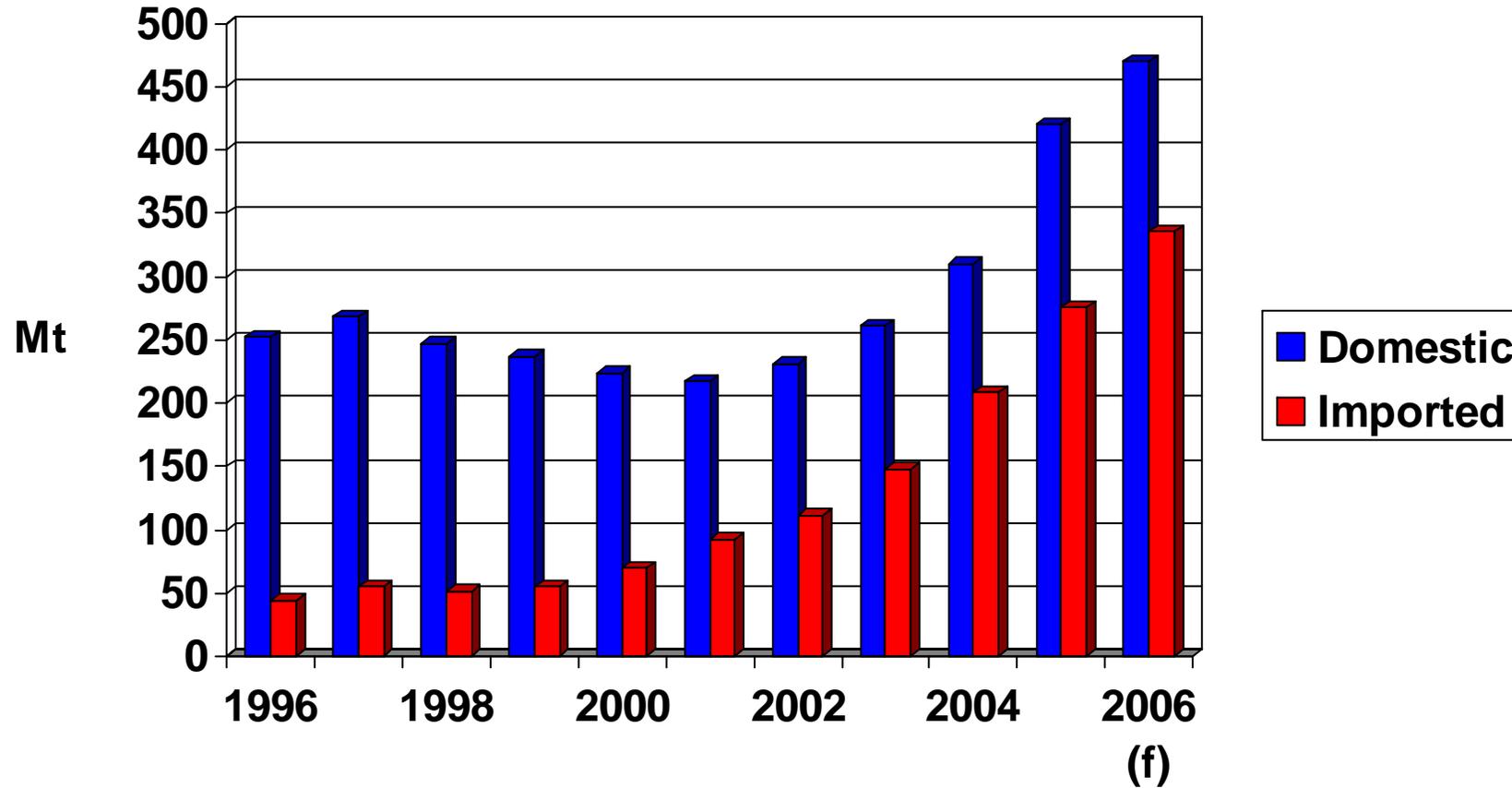
Global Sea-borne Iron Ore Demand



Source: Macquarie Research, May 2006



China's Domestic and Imported Iron Ore

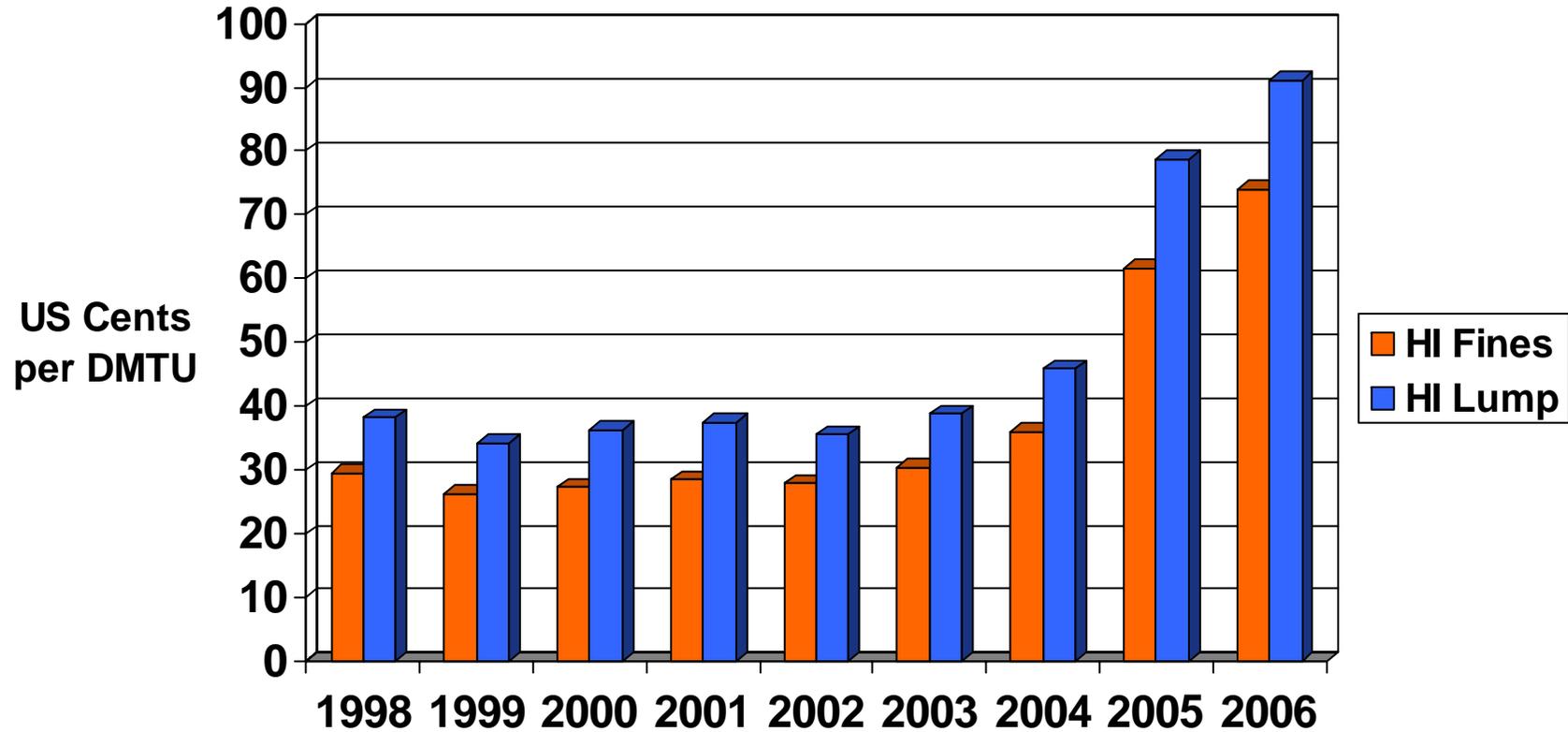


Source: China Metallurgical Mining Association, October 2006

Note: Domestic Ore graded at 33% Fe, Imported Ore at 62% Fe



Iron Ore Fines and Lump Prices



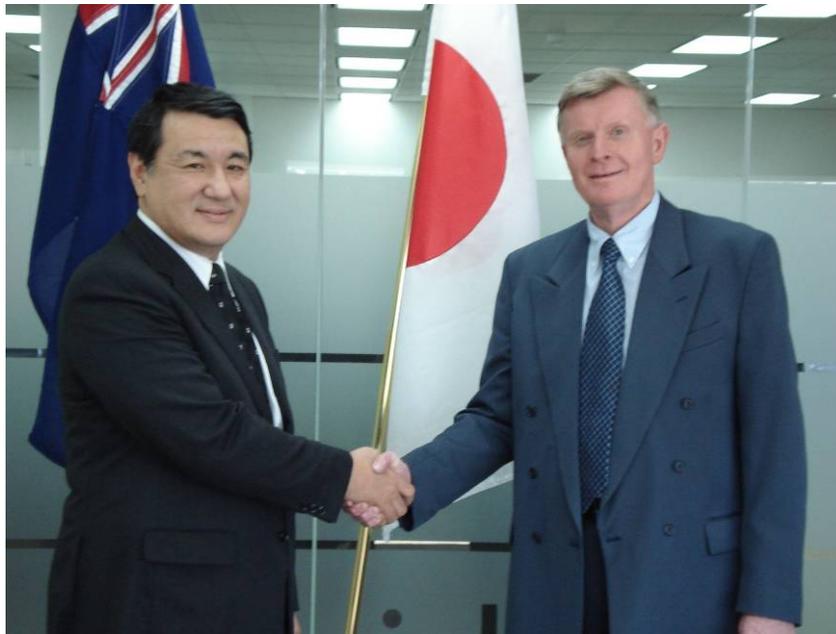
Source: AME Iron Ore Outlook



Sales

- Sales Contract - CITIC Australia for 1.5Mtpa
- Sales Contract - Marubeni Corporation for 1.0Mtpa
- On-going discussion on sales contract covering remaining quantity of 1.5Mtpa

Note: sales quantity is based on production rate of 4 million tonnes per annum, pro rated at lesser production rate



Exploration

2005 / 2006 Exploration Highlights

- 13.4% increase in the Mineral Resource estimates to 53.3Mt @ 64.6% Fe, 5.6% SiO₂ and 1.1% Al₂O₃
- 12% increase in the Ore Reserve inventory to 24.8Mt @ 65.0% Fe, 4.7% SiO₂ and 1.2% Al₂O₃
- Completion of 9,377m RC drill programme in 100 holes

2006 Exploration Drilling

- Evaluating the potential of the Mangrove prospect
- Exploring for extensions to defined mineralisation at Eastern, Main and Mullet deposits
- Evaluating outcropping and undercover extensions to the previously mined Barramundi and Acacia deposits
- Definition drilling within the Eastern deposit to enhance selective mining



Koolan Deposits Summary



Drilling Summary

Deposit	Holes	Metres
Mangrove	35	4,610
Barramundi West	9	418
Barramundi South	13	678
Eastern-Barramundi	14	1,329
Mullet-Acacia	20	1,722
Main West	9	620
TOTAL	100	9,377

- Final assays awaited
- Mineral resource estimates underway
- Future programmes will target other unexplored areas
- Exploration upside



Mangrove Prospect

- 35 RC drill holes completed within an 850m long section of the Mangrove prospect during this programme
- Drilling intersected hematite mineralisation over a 750m strike length
- Drilling focused in North West section of the 2km long, sub-vertical, partially outcropping hematite bearing Mangrove structure





Environment

- State and Commonwealth (Northern Quoll) environmental approvals received
- Environmental management plans being implemented, including Northern Quoll
- Involvement of traditional owners
- Procedural approvals required for construction of seawall, dewatering of Main pit and mining below the water table



Commitment to Local Communities

The Dambimangari (Traditional Owners)

On 24 April 2006 Aztec signed a Co-existence Deed with the Dambimangari; the key commitments of which are:

- Target of 30% indigenous employment by 2014
- Financial support of Dambimangari through regular payments to a trust
- Participation in business opportunities
- Rangers appointed as integral part of cultural heritage and environmental management
- Support for “Job Ready Training”



The West Kimberley

- Community and Careers Day 18 May 2006
- Sponsoring training courses at TAFE
- Sponsored Kimberley Clean-up Day 2006, Derby races and Derby Arts Centre
- Supporting local businesses
- Regular briefings of local stakeholders

Construction Progress

- Approximately 180 persons on site
- Crushing and screening plant erection
 - 80% and 50% complete respectively
 - dry commissioning in Jan/Feb 2007
 - wet commissioning in Feb/March 2007
- Jetty Piles 90% complete
 - steel decking and concrete panels well advanced
- Offsite fabrication of shiploader complete
 - trial erection successfully completed
 - transport to site Dec/Jan for commencement of erection
- Assay laboratory complete and operational
- Power station
 - commission late December 2006



- Accommodation village (220 beds)
 - 95% of village units in place and occupied
 - kitchen operational
 - wet mess, gym etc late December 2006
- Fuel storage facility (1.5 million litres)
 - 18 x 90,000 litre self bunded tanks
 - commission January 2007
- Office complex
 - operational

Operation Progress

- ROM pad complete
- Haul roads construction well advanced
- Mining Eastern and Mullet pits commenced (using temporary fleet)
- First ore shipment April 2007
- Commence seawall construction May 2007
- Commence waste mining Main pit April 2007
- Deliver first Komatsu trucks and excavators January 2007 (permanent fleet)
- Year 1 production forecast at two million tonnes ramping up to four million tonnes per annum in year 3 and beyond
- Mining inventory 29.1 million tonnes @ 64.4% Fe
 - very low sulphur & phosphorous
 - premium quality ore
 - 9 year mine life
- No transport infrastructure required
- Dedicated, purpose built port adjacent to mine









11/20/2006



11/20/2006



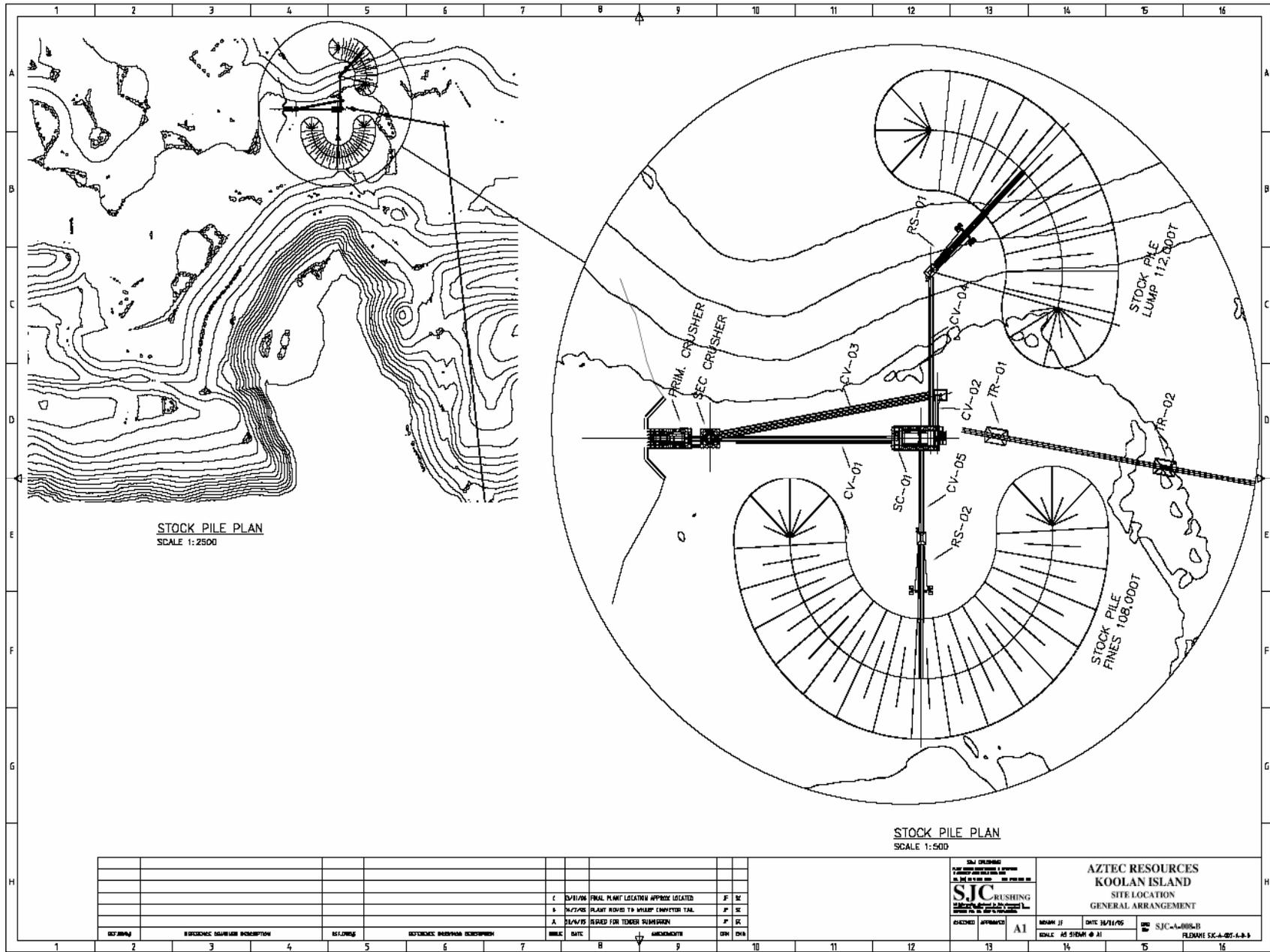
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COOL MATE





Plant Facilities



STOCK PILE PLAN
SCALE 1:2500

STOCK PILE PLAN
SCALE 1:500

REV. NO.	DESCRIPTION	DATE	BY	CHKD.

NO.	DATE	DESCRIPTION	BY	CHKD.
C	25/11/06	FINAL PLANT LOCATION APPROX LOCATED	JF	SC
B	16/12/06	PLANT MOVED TO WILP CONVEYOR TAIL	JF	SC
A	21/01/07	ISSUED FOR TENDER SUBMISSION	JF	SC

		AZTEC RESOURCES KOOLAN ISLAND SITE LOCATION GENERAL ARRANGEMENT	
CHECKED: [Signature] APPROVED: [Signature]	DRAWN BY: [Signature] DATE: 26/11/06 SCALE: AS SHOWN @ A1	SHEET NO: [Signature] FILE NAME: SK-A-001-A-B-3	PROJECT NO: [Signature]









