



**Mount Gibson Iron Limited**

ABN 87 008 670 817



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26 October 2006

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

Dear Sirs

### **Offer by Mount Gibson Iron Limited for Aztec Resources Limited now Unconditional**

Mount Gibson Iron Limited (**Mount Gibson**) (ASX Code: MGX) advises that it has today freed the offer (**Offer**) under its off-market takeover bid for Aztec Resources Limited (**Aztec**) of all remaining defeating conditions.

Mount Gibson has also agreed to shorten the time period for payment of the Offer consideration. Aztec shareholders who accept the Offer will now be issued with their Mount Gibson shares as consideration:

- in the case of Aztec shareholders who have already accepted the Offer, within 3 days from today; and
- in all other cases, within 3 days from the date of acceptance of the Offer.

The Offer is scheduled to close at 5pm (Perth, WST) on Friday 3 November 2006. Accordingly, Aztec shareholders who have not yet accepted the Offer are encouraged to do so, creating Australia's leading independent pure-play iron ore producer and taking advantage of the substantial premium being offered by Mount Gibson.

#### **Issue of shares to Australian Royalties Corporation Pty Limited (ARC)**

Mount Gibson considers that the issue of the shares to ARC triggers a defeating condition of the Offer (Prescribed occurrences at section 12.8(k) of the Bidder's Statement). However, Mount Gibson does not wish to deny Aztec shareholders the opportunity to participate in the creation of a leading Australian iron ore producer; the vision that led Mount Gibson to make its Offer in the first instance. Mount Gibson therefore advises that it does not intend to rely on the issue of shares to ARC and consequent non-fulfilment of the prescribed occurrences condition to rescind the Offer.

Mount Gibson also confirms that it has sought relief from the Australian Securities and Investments Commission (**ASIC**) in order to vary its Offer so that they will extend to the 77,777,778 Aztec shares issued by Aztec to ARC. ASIC is presently considering the application and it is Mount Gibson's intention to extend the Offer to these shares if and when ASIC grants relief to do so.

Enclosed, by way of service:

- pursuant to section 650F(3)(a) of the Corporations Act 2001, is a notice declaring that the Offers have been freed from conditions in section 12.8 of its bidder's statement dated 11 August 2006. Offer under Mount Gibson's takeover bid are now free from all conditions;
- pursuant to section 630(5)(b) of the Corporations Act 2001, is a notice under section 630(4) of the Corporations Act 2001 stating that the condition set out in section 12.8(b) (Other regulatory approvals) of the Offer has been satisfied;
- pursuant to section 630(5)(b) of the Corporations Act 2001, is a notice under section 630(3) of the Corporations Act 2001 notifying Aztec shareholders of the status of the defeating conditions of the Offer; and
- pursuant to section 647(3)(b) of the Corporations Act 2001, is a Third Supplementary Bidder's Statement.

Yours faithfully

**MOUNT GIBSON IRON LIMITED**



**Luke Tonkin**  
**Director**

For enquiries please contact Luke Tonkin or Alan Rule on +61-8-9426-7500

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**Mount Gibson Iron Limited ACN 008 670 817 (Mount Gibson)**

**Notice of status of defeating conditions**

**To: Australian Stock Exchange Limited  
Aztec Resources Limited ACN 078 548 562 (Aztec)**

Mount Gibson has made offers under an off-market takeover bid for all the ordinary shares in Aztec, including those issued during the offer period (**Offers**). The Offers are contained in a bidder's statement dated 11 August 2006 (as amended and supplemented by its first supplementary bidder's statement dated 6 September 2006, second supplementary bidder's statement dated 18 September 2006 and third supplementary bidder's statement dated 26 October 2006) (**Bidder's Statement**).

For the purposes of section 630(3) of the *Corporations Act 2001* (Cth), Mount Gibson gives notice that:

- 1 it has freed the Offers from the conditions in sections 12.8(c) (No regulatory action), 12.8(d) (Minimum acceptance), 12.8(e) (No material adverse change), 12.8(f) (No persons entitled to exercise or exercising rights under certain agreements or instruments), 12.8(g) (Acquisitions and disposals), 12.8(h) (No litigation on foot or pending), 12.8(i) (Index out), 12.8(j) (Share price decline) and 12.8(k) (No prescribed occurrences) of the Bidder's Statement;
- 2 so far as it knows, the conditions in sections 12.8(a) (Foreign Investment Review Board approval) and 12.8(b) (Other regulatory approvals) of the Bidder's Statement have been fulfilled; and
- 3 its voting power in Aztec as at 25 October 2006 is 31.03%.

*date* 26 October 2006 \_\_\_\_\_

Signed for and on behalf of  
**Mount Gibson Iron Limited**  
By

*sign here* ►



\_\_\_\_\_  
**Director**

*print name* Alan Rule \_\_\_\_\_

**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* (Cth), 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 conditions in sections 12.8(c) (No regulatory action), 12.8(d) (Minimum acceptance), 12.8(e) (No material adverse change), 12.8(f) (No persons entitled to exercise or exercising rights under certain agreements or instruments), 12.8(g) (Acquisitions and disposals), 12.8(h) (No litigation on foot or pending), 12.8(i) (Index out) and 12.8(k) (No prescribed occurrences) of the bidder's statement dated 11 August 2006; and
- 2 its voting power in Aztec as at 25 October 2006 is 31.03%.

*date* 26 October 2006 \_\_\_\_\_

Signed for and on behalf of  
**Mount Gibson Iron Limited**  
by

*sign here* ►



\_\_\_\_\_  
**Director**

*print name* Alan Rule \_\_\_\_\_

**Mount Gibson Iron Limited ACN 008 670 817 (Mount Gibson)**

**Notice that defeating condition to takeover bid fulfilled**

**To: Australian Stock Exchange Limited  
Aztec Resources Limited ACN 078 548 562 (Aztec)**

For the purposes of section 630(4) of the *Corporations Act 2001* (Cth), Mount Gibson gives notice declaring that the condition to its takeover offers for all the fully paid ordinary shares in the capital of Aztec, including those issued during the offer period (**Offers**), set out in section 12.8(b) (Other regulatory approvals) of its bidder's statement dated 11 August 2006, has been fulfilled (so that the Offers have become free of that condition).

*date* 26 October 2006 \_\_\_\_\_

Signed for and on behalf of  
**Mount Gibson Iron Limited**  
by

*sign here* ►



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**Director**

*print name* Alan Rule \_\_\_\_\_

# Mount Gibson Iron Limited ACN 008 670 817

## Third Supplementary Bidder's Statement

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### 1 Introduction

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This document is a supplementary bidder's statement under section 643 of the Corporations Act 2001 (Cth). It is the third supplementary bidder's statement (**Third Supplementary Bidder's Statement**) issued by Mount Gibson Iron Limited ACN 008 670 817 (**Mount Gibson**) in relation to its off-market takeover bid for all the fully paid ordinary shares in Aztec Resources Limited ACN 078 548 562 (**Aztec**).

This Third Supplementary Bidder's Statement supplements, and should be read together with, Mount Gibson's bidder's statement dated 11 August 2006 (**Original Bidder's Statement**), Mount Gibson's first supplementary bidder's statement dated 6 September 2006 and Mount Gibson's Second Supplementary Bidder's Statement dated 18 September 2006.

### 2 Offer conditions and payment of Offer consideration

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On 26 October 2006, Mount Gibson declared that the Offer free of all remaining defeating conditions. As such, the Offer is now unconditional and Mount Gibson will commence payment of the Offer consideration by issuing Mount Gibson Shares to Aztec shareholders who have accepted the Offer.

Mount Gibson has also announced that will shorten the period in which it will issue the Offer consideration to Aztec shareholders who accept the Offer, so that Mount Gibson Shares will now be issued:

- (a) in the case of Aztec shareholders who have already accepted the Offer, within three days of 26 October 2006; and
- (b) in all other cases, within three days from the date of acceptance of the Offer.

Aztec shareholders who have not yet accepted the Offer, which is scheduled to close on 3 November 2006, are encouraged to do so in order to help create Australia's leading independent pure-play iron ore producer and take advantage of the substantial premium being offered by Mount Gibson under the Offer.

As at the date of this Third Supplementary Bidder's Statement, Mount Gibson had a relevant interest in 31.03% of the Aztec Shares.

### 3 Additional disclosure of Mount Gibson's intentions

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The following information should be read in conjunction with the disclosure of Mount Gibson's intentions in relation to Aztec which are set out in section 7 of the Bidder's Statement.

Mount Gibson has declared the Offer free from all remaining defeating conditions. As such, it is possible that, at the end of the Offer Period, Mount Gibson may not ultimately acquire legal or effective control of Aztec. In these circumstances, Mount Gibson's current intentions are as set out below.

Aztec shareholders should note that Mount Gibson's ability to implement each of these intentions will be subject to:

- (a) the ultimate holding it acquires in Aztec at the end of the Offer Period;
- (b) the legal obligations of Aztec directors to have regard to the interests of Aztec and all Aztec shareholders; and
- (c) the requirements of the Corporations Act and the ASX Listing Rules relating to transactions between related parties.

Mount Gibson will only make a decision on the below mentioned courses of action following legal and financial advice in relation to those requirements..

#### **Corporate matters**

After the end of the Offer Period, Mount Gibson intends:

- (subject to the Corporations Act and the constitution of Aztec) to seek to replace some of the members of the board of Aztec with nominees of Mount Gibson. Mount Gibson would consider the recommendations in the ASX Corporate Governance Guidelines when determining the composition of the board. Replacement board members have not yet been finally decided by Mount Gibson and their identity will depend on the circumstances at the relevant time; and
- (subject to continued compliance by Aztec with the ASX and AIM Listing Rules) to maintain Aztec's listing on the ASX and AIM (although Aztec shareholders should be aware that the liquidity of Aztec Shares on ASX and AIM may be affected).

It is possible that, even if Mount Gibson does not acquire actual or effective control of Aztec, it may subsequently attain either position; for example, as a result of acquisitions of Aztec Shares in reliance on the '3% creep' exception in item 9 of section 611 of the Corporations Act. Aztec shareholders should refer to section 7.4 of the Bidder's Statement which sets out Mount Gibson's intentions in those circumstances.

#### **General operational review**

After the end of the Offer Period, Mount Gibson intends to propose to the board of Aztec that an immediate, broad-based review of Aztec's operations be conducted on both a strategic and financial level, along similar lines to that described in section 7.3(b) of the Bidder's Statement.

Mount Gibson intends, subject to the approval of the board of Aztec, to participate in this review.

## **4 Other notices**

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Unless the context otherwise requires, terms defined in the Original Bidder's Statement have the same meaning as in this Third Supplementary Bidder's Statement. A copy of this Third Supplementary Bidder's Statement has been lodged with ASIC. Neither ASIC nor any of its officers take any responsibility for its contents.

Signed for and on behalf of Mount Gibson following a unanimous resolution of its directors.



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**Director**

Dated: 26 October 2006