



Mount Gibson Offer for Aztec Resources

Creation of a Leading Independent  
Australian Iron Ore Producer

Investor Presentation

24 July 2006

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# Summary of Offer

- Mount Gibson is offering 1 new Mount Gibson share for every 3 Aztec shares
- The Offer equates to a value of \$0.263 per Aztec share based on the volume weighted average price (“VWAP”) of Mount Gibson on 21 July of \$0.789, being the last trading day before announcement of the Offer
- This represents a substantial premium of:
  - 38.4% to Aztec’s VWAP for the one month to 19 July 2006\*;
  - 31.3% premium to Aztec’s VWAP for the three months to 19 July 2006\*; and
  - 40.9% premium to Aztec’s VWAP for the twelve months to 19 July 2006\*.
- Aztec’s largest shareholder, Cambrian Mining, has entered into an option agreement to sell Mount Gibson a stake of 19.9% in Aztec



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

# Transaction Rationale

- The merger of Mount Gibson and Aztec will create a leading Australian pure-play iron ore producer with approximately 9.5 Mtpa of hematite production in 2009
- Merged company will have a market capitalisation in excess of \$600 million, placing it in the ASX 200
- Improved access to capital will enable the merged company to take advantage of current strong demand for iron ore
- The merged company will have a diversified asset portfolio with significant cash flow and immediate growth potential

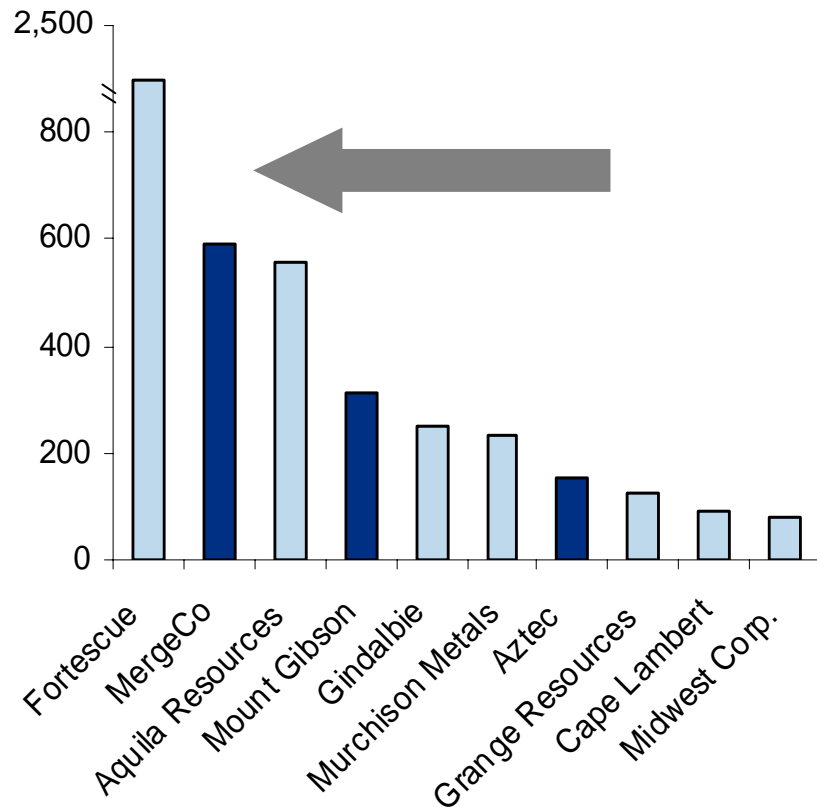
# Transaction Rationale

- Mount Gibson's current cash generating asset will assist in development of Aztec's Koolan Island project
- Experienced management team, with complimentary technical and operating skills
- Merged company well placed for future growth and to progress further industry consolidation

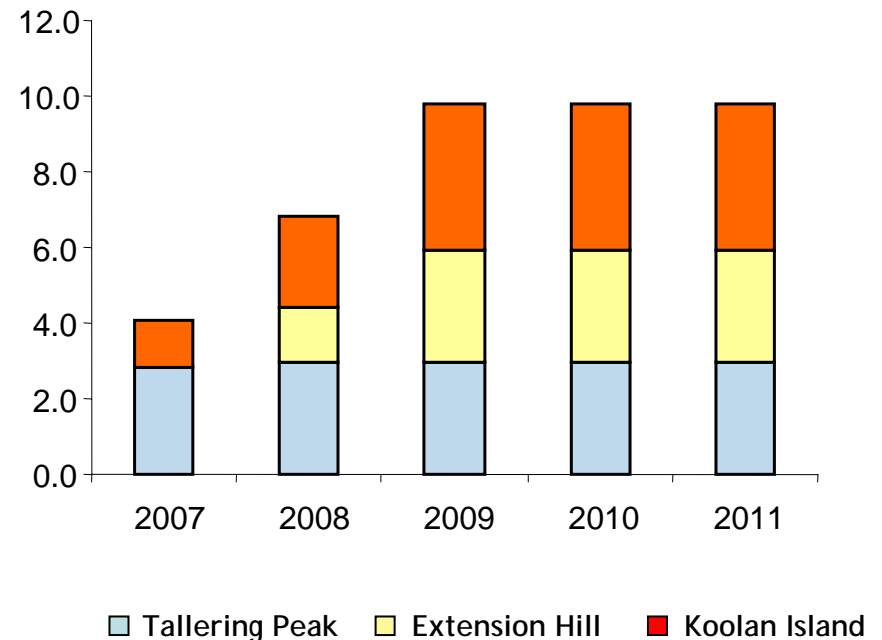
# Leading Australian Pure-Play Iron Ore Producer

The merger would create a strong platform for future growth

Increasing Market Presence<sup>(1)</sup>



Attractive Production Outlook<sup>(2)</sup>  
Mtpa



(1) Market capitalisation (undiluted) on 19 July 2006. MergeCo market value assumes premium paid for Aztec shares

(2) Subject to receipt of regulatory approval



# Well Balanced Asset Base of High Quality Projects

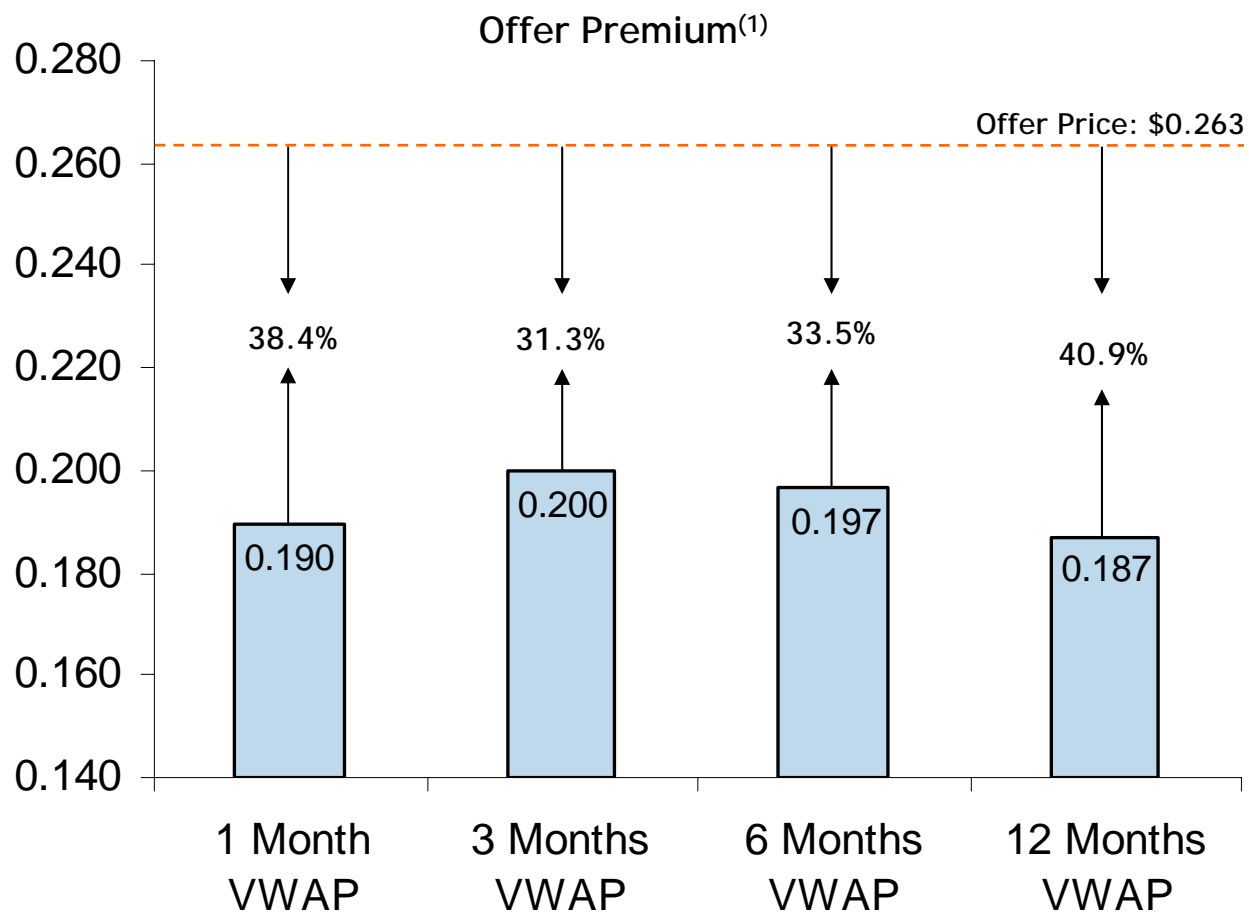
Complimentary asset portfolios with significant cash flows and immediate growth plans

|                    | Mount Gibson | Aztec | MergeCo |  |
|--------------------|--------------|-------|---------|--|
| Producing Assets   | ✓            | ✗     | ✓       | <ul style="list-style-type: none"> <li>Tallering Peak                             <ul style="list-style-type: none"> <li>Increasing production to 3Mtpa</li> <li>Strong cash flows</li> </ul> </li> </ul>  |
| Development Assets | ✓            | ✓     | ✓       | <ul style="list-style-type: none"> <li>Extension Hill <sup>(1)</sup> <ul style="list-style-type: none"> <li>Production start-up in early 2008</li> </ul> </li> <li>Koolan Island                             <ul style="list-style-type: none"> <li>Production start-up in 2007</li> </ul> </li> </ul> |
| Exploration        | ✓            | ✓     | ✓       | <ul style="list-style-type: none"> <li>Attractive combined portfolio of potential exploration upside</li> </ul>  |



(1) Subject to receipt of regulatory approval

# The Offer Represents an Attractive Premium



(1) To 19 July 2006, the last trading day before media and market speculation arose about a possible takeover bid for Aztec by Mount Gibson

# The Proposed Transaction

|                                | Ordinary shares (million) | Options to be converted (million) | Diluted shares (million) | Value A\$ million | Pro Forma Shareholding <sup>(1)</sup> |
|--------------------------------|---------------------------|-----------------------------------|--------------------------|-------------------|---------------------------------------|
| Mount Gibson                   | 402                       | 18                                | 420                      | 332               | 54%                                   |
| Aztec                          | 799                       | 266                               | 1065                     | 280               | 46%                                   |
| New Mount Gibson shares issued | 355                       | 0                                 | 355                      | 280               |                                       |
| Merged company                 | 756                       | 0                                 | 775                      | 612               |                                       |

(1) Based on fully diluted issued capital of Aztec and Mount Gibson

# The Benefits of Increased Scale

## Index Inclusion

- *Pro forma* market capitalisation of over A\$600 million<sup>(1)</sup>, placing it 160th in the ASX 200 (absent a re-rating)

## Market Presence and Enhanced Liquidity

- As a leading independent Australian iron ore producer, the combined entity will appear on the 'radar screens' of major institutions
- Increased size also expected to lead to additional research coverage

## Diversification of Risk

- Increased number of operations minimises impact of any one having operating disruption
- Improves access and cost of financing

# Transaction Milestones

1. Lodgement of Bidder's Statement as soon as practicable
2. Dispatch of Bidder's Statement to Aztec shareholders and opening of Mount Gibson offer
3. Lodgement and dispatch of Target's Statement to Aztec shareholders

# Questions