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ASX Announcement

## **AZTEC URGES SHAREHOLDERS TO TAKE NO ACTION IN RESPECT OF THE UNSOLICITED BID FROM MT GIBSON**

Aztec Resources Limited (ASX/AIM:AZR) ("Aztec") notes the Mount Gibson Iron Limited ("Mount Gibson") Bidder's Statement was lodged with the company and the Australian Stock Exchange ("ASX") on Friday 11 August 2006.

Following an initial review of the Bidder's Statement, the Aztec Directors have found nothing to change their preliminary view that the offer is opportunistic and seeks to take advantage of Aztec in the period prior to the commencement of iron ore production at Koolan Island.

The Aztec Directors are disappointed with the lack of detail in Mount Gibson's Bidder's Statement and believe that it does little to alleviate a number of serious concerns including:

- The achievability of the production profile and the economics associated with Mount Gibson's Tallering Peak operation.
- The uncertainty and risks regarding Mount Gibson's Extension Hill hematite and magnetite projects.
- Mount Gibson's financial position and recent financial performance.

Despite the unwanted advances of Mount Gibson, Aztec remains committed to delivering production from the Koolan Island Project during December 2006 and first shipments by early 2007. Aztec remains on track to be Australia's next iron ore producer.

Mr Ian Burston, Chairman of Aztec said "over the coming weeks, Aztec expects to announce important updates in respect of its financing, offtake agreements with key Asian customers and the initial results of the latest exploration campaign."

"These announcements will continue to demonstrate the value that is inherent within the company," Mr Burston said.

Aztec is currently assessing the Bidder's Statement and will issue a detailed response in the company's Target Statement in due course.

In the meantime, Aztec shareholders are advised to **TAKE NO ACTION** in respect of Mount Gibson's unsolicited offer until they receive their Directors' formal recommendation contained in the Aztec Target's Statement.

A dedicated toll free line for telephone enquiries **1800 602 244** has been set up and Aztec has included a section on its website dedicated to the Mount Gibson Bid ([www.aztecresources.com.au](http://www.aztecresources.com.au)).



For further information please contact:

**Aztec Shareholder Information Line**

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