



21 September 2006

The Manager Companies
Australian Stock Exchange (Melbourne) Ltd.
525 Collins Street
MELBOURNE VIC 3000

Cambrian Accepts Mount Gibson Offer for Aztec Resources

Cambrian announces that it has accepted the offer by iron ore company Mount Gibson Iron Limited ("Mount Gibson") in respect of its remaining 170,160,515 shares held in Aztec Resources Limited ("Aztec").

Mount Gibson recently exercised the call option entered into between itself and the Company in respect of 159,031,922 Aztec shares held by the Company. The terms of this call option were the same as those for Mount Gibson's offer for Aztec (as set out below). As a result of the exercise, Cambrian will therefore receive 53,010,640 new Mount Gibson shares.

In the event Mount Gibson's bid for Aztec is declared wholly unconditional, the Company will receive an additional 56,720,171 new Mount Gibson shares which, when combined with the shares from the exercise of the call option, will result in a combined Cambrian holding in Mount Gibson of 109,730,811 shares, representing approximately 15% of the enlarged Mount Gibson group.

Summary and rationale of the Mount Gibson Bid for Aztec

Pursuant to Mount Gibson's bid for Aztec, Mount Gibson has offered Aztec shareholders 1 new Mount Gibson share for every 3 shares held in Aztec ("Offer"), valuing each Aztec share at \$0.263 based on the Mount Gibson volume weighted average price on 21 July 2006 of \$0.789, being the last trading day before announcement of the offer.

The Offer represents:

- a 38.4% premium to the volume weighted average price for the one month to 19 July 2006¹;
- a 31.3% premium to the volume weighted average price for the three months to 19 July 2006¹; and
- a 40.9% premium to the volume weighted average price for the twelve months to 19 July 2006¹.

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The Offer is subject to a number of conditions, including a minimum acceptance condition of 90%, regulatory approvals; certain prescribed occurrences not having occurred and no material adverse change, acquisitions or disposals.

Mr John Byrne, CEO of Cambrian, commented: “We believe the Mount Gibson offer represents good value for Aztec shareholders and provides a platform for substantial future growth.

We are pleased to accept Mount Gibson’s offer in respect of the balance of the shares we hold in Aztec.”

1. Being the last trading day before media and market speculation arose about a possible takeover bid for Aztec by Mount Gibson

~ Ends ~

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About Mount Gibson Iron Limited

Mount Gibson was established as a specialist iron ore exploration company in 1996 and listed on the Australian Stock Exchange in January 2002. It is undertaking the progressive development of iron ore hematite deposits in the Midwest region of Western Australia. Mount Gibson’s first mine at Tallering Peak commenced exporting direct shipping grade hematite to China in February 2004 and is currently operating at 2.0 Mtpa.

Mount Gibson has recently entered into an agreement to sell its 73% shareholding in Asia Iron Holdings Limited for A\$52.5 million. The funds will be held in escrow until EPA approval for the Extension Hill magnetite project which is expected by December 2006.