

**Mount Gibson Iron Limited**

ABN 87 008 670 817

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19 October 2006

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

Dear Sir / Madam

**Takeover bid by Mount Gibson Iron Limited for Aztec Resources Limited
Extension of offer period**

Mount Gibson Iron Limited (**Mount Gibson**) (ASX Code: MGX) notes the announcement made by Aztec Resources Limited (**Aztec**) earlier today. Mount Gibson is currently assessing its options in relation to the announcement and the effect that it will have on Mount Gibson's takeover bid for Aztec.

In order to allow Mount Gibson additional time in which to assess its position, Mount Gibson advises that it has extended the closing date of offers made under the takeover bid to 5.00pm (Perth, Western Australia time) on 3 November 2006.

Accordingly, we attach the following documents:

- a notice of variation pursuant to section 650D(1)(c)(i) of the Corporations Act 2001 (Cth) which was lodged with ASIC and sent to Aztec today; and
- a notice under section 630(2)(b) of the Corporations Act 2001 (Cth) confirming the new date for giving notice of the status of defeating conditions.

For the purposes of ASX Listing Rule 3.2:

- Mount Gibson had a relevant interest in 15.25% Aztec Shares when the first of the Offers was made; and
- at the time of giving this notice, Mount Gibson's relevant interest in Aztec is 33.30%.

Given the significance of the developments and the continued uncertainty surrounding Aztec, Mount Gibson considers it appropriate to maintain its trading halt until the release of further information from Aztec. Aztec has informed the market that it intends to make an announcement prior to 10am (EST) on Monday 23 October 2006.

Yours faithfully

MOUNT GIBSON IRON LIMITED**Luke Tonkin
Director**

enc

Mount Gibson Iron Limited ACN 008 670 817
Company notice – subsection 650D(1) Corporations Act 2001 (Cth)
Notice of variation – extension of offer period

To: Australian Securities and Investments Commission (**ASIC**);
Aztec Resources Limited ACN 078 548 562 (**Aztec**); and
Each person to whom offers were made under the takeover bid referred to in this notice.

Extension of Offer

Mount Gibson Iron Limited (**Mount Gibson**) gives notice under section 650D(1) of the Corporations Act 2001 (Cth) that:

1. it varies its takeover offer dated 28 August 2006 (**Offer**) for all of the fully paid ordinary shares in the capital of Aztec, including those issued during the offer period, which is contained in its bidder's statement dated 11 August 2006 (**Bidder's Statement**) by extending the period during which the Offer will remain open so that the Offer will now close at 5.00pm (Perth, Western Australia time) on 3 November 2006; and
2. the Offer is varied by:
 - (a) replacing "27 October 2006" with "3 November 2006" in section 12.2(a) of the Bidder's Statement; and
 - (b) replacing "19 October 2006" with "26 October 2006" in section 12.12 of the Bidder's Statement.

Withdrawal of Acceptance

In this section headed "Withdrawal of Acceptance", unless the context requires otherwise or unless otherwise defined in this notice of variation, capitalised terms have the meaning ascribed to them under the ASTC Settlement Rules.

This variation of the Offer (combined with the previous variations of the Offer dated 18 September 2006, 28 September 2006 and 5 October 2006) has the effect of postponing, for more than 1 month, the period within which Mount Gibson is required to meet its obligations to any Aztec shareholder who has accepted the Offer and does so at a time when the Offer remains subject to defeating conditions. Pursuant to section 650E of the Corporations Act, if you are an Aztec shareholder who has validly accepted the Offer on or before the date of this notice, you may withdraw your acceptance at any time in accordance with the requirements of section 650E of the Corporations Act within the 1 month period commencing on the day after the day on which you receive a copy of this notice of variation (**Withdrawal Period**) by giving Mount Gibson a notice which must:

- (a) in the event that your securities in Aztec are held in a CHESS Holding, be in the form of Valid Originating Message transmitted to the ASX Settlement and Trading Corporation Pty Limited (**ASTC**) by the Controlling Participant for that Holding, specifying the number of units to be released from the Offer Accepted Subposition in which the units have been reserved; or
- (b) in any other case, be in writing,

(Withdrawal Notice).

If you are legally entitled to give, and in fact do give, Mount Gibson a Withdrawal Notice within the Withdrawal Period, Mount Gibson will, within 14 days of receiving your Withdrawal Notice:

- (a) return to you any documents which you sent to Mount Gibson with your acceptance of the Offer; and
- (b) if your securities in Aztec are in a CHESS Holding, Transmit to ASTC a Valid Message that authorises the release of those securities from the Offer Accepted Subposition in which the Holding has been reserved.

Lodgement with ASIC

A copy of this notice was lodged with ASIC on 19 October 2006. ASIC takes no responsibility for the contents of this notice.

Date: 19 October 2006

Signed for and on behalf of Mount Gibson pursuant to a resolution passed by the directors of Mount Gibson



Luke Tonkin
Director



Alan Rule
Director

Mount Gibson Iron Limited ACN 008 670 817
Company notice – paragraph 630(2)(b) Corporations Act 2001 (Cth)
New date for giving the notice of the status of conditions

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

For the purposes of paragraph 630(2)(b) of the Corporations Act 2001, Mount Gibson Iron Limited (**Mount Gibson**) gives notice that:

1. the offer period relating to the offer by Mount Gibson for all of the fully paid ordinary shares in Aztec, including those issued during the offer period (**Offer**), which Offer is contained in a bidder's statement dated 11 August 2006 (**Bidder's Statement**), has been extended so that it is now scheduled to close at 5.00pm (Perth, Western Australia time) on 3 November 2006;
2. the new date for giving notice of the status of the conditions to the Offer, as required by subsection 630(3) of the Corporations Act 2001, is 26 October 2006; and
3. as at the date of this notice:
 - (a) Mount Gibson has freed the Offer from the condition set out in clause 12.8(j) (Share price decline condition) of its Bidder's Statement; and
 - (b) so far as Mount Gibson is aware, with the exception of the condition in clause 12.8(a) (Foreign Investment Review Board approval) of its Bidder's Statement, no other conditions have been fulfilled.

Date: 19 October 2006