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HD Aquila shares take a hit as suitors refuse to lift offers

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LP [AQUILA Resources shares have plunged more than 12 per cent after the miner's suitors ruled out lifting takeover bids.](#)

Chinese steelmaker Baosteel and rail operator Aurizon have made a joint \$1.4 billion, \$3.40 a share takeover bid for Aquila.

TD However this week mining contractor Mineral Resources bought a near \$200 million, 13 per cent stake at \$3.75 a share in [Aquila Resources](#) in a bid to deal itself in to Aquila's large-scale iron ore project.

The company's chief Chris Ellison said he was interested in being involved in the proposed, but stalled, multibillion- dollar West Pilbara iron ore project, including mine, rail and port operations.

Mineral Resources' stake, along with chairman Tony Poli and co-founder Charles Bass's shareholdings represent more than 50 per cent and could block the bid of the suitors who have nearly 40 per cent.

Baosteel chairman Dai Zhihao threatened to dump the company's 19.8 per cent stake and any role in the West Pilbara project if the bid failed.

The two suitors said they would not lift the offer price and that Aquila and its shareholders faced an uncertain future bringing the project on-stream in a volatile iron ore environment.

"Baosteel and Aurizon announced the offer for Aquila shares with the intention to progress Aquila's stalled development projects," he said. Aquila shares fell 44¢ to \$3.10. The company is due to respond to the bid next week.

CO aqres : Aquila Resources Ltd.

IN i211 : Metal Ore Mining | ibasicm : Basic Materials/Resources | igoldm : Gold Ore Mining | imet : Mining/Quarrying

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