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TD 11 Jun 2014 21:45 ET Mineral Resources Confirms Aquila Stake Buy

By Ross Kelly

SYDNEY-- Mineral Resources Ltd. said it bought a 12.8% stake in takeover target Aquila Resources Ltd. to gain a foothold in a 7.4 billion Australian dollar (US\$6.9 billion) iron-ore project, cooling speculation of a rival bid for the mining company.

Aquila last month received a takeover bid led by China's Baosteel Group valuing it at A\$1.4 billion.

Mineral Resources said Thursday that taking a strategic stake will give it a chance to participate in the development of Aquila's West Pilbara iron-ore project in Western Australia state. The company said it had already drawn up a development plan where it would take responsibility for all processing and mine-related infrastructure, as well as the supply chain through to shiploading.

"We have the financial capacity to make a meaningful capital contribution toward the development of the project," [Chris Ellison](#), chief executive of Mineral Resources, said in a statement.

Mr. Ellison said Mineral Resources was prepared to work with Aquila and Baosteel to bring the mine into production.

Baosteel, which owns China's largest listed steel mill, bought 15% of Aquila in 2009 when iron-ore prices were rising, and later raised its stake to 20%. It was attracted to Aquila's plans for the West Pilbara project, which is expected eventually to produce more than 30 million metric tons of iron ore a year.

Baosteel first announced its plan to work with rail-freight hauler [Aurizon Holdings Ltd.](#) on a joint takeover offer for Aquila last month. Under the proposal, Baosteel would own as much as 85% of Aquila, which also owns an undeveloped coking-coal prospect in Queensland state. Aurizon would take the remaining interest.

Aquila, whose executive chairman and co-founder [Tony Poli](#) holds 29% of the company, hasn't so far responded to Baosteel's proposal.

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(END) Dow Jones Newswires

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CO aqres : Aquila Resources Ltd. | mnrlau : Mineral Resources Limited

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