

**SE** Business  
**HD** Path cleared for Baosteel to shore up new **iron ore** supply

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**CHINA**'S Baosteel is in the box seat to secure a big **iron ore** holding in Western Australia after Mineral Resources was rebuffed in its bid for control of explorer Aquila Resources.

Aquila yesterday rejected **mining** contractor Mineral Resources' \$1.5 **billion** takeover offer, recommending its shareholders accept an earlier \$1.4 **billion** offer from Baosteel and joint partner Aurizon.

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The prize will be the opportunity to restart the stalled \$10 **billion** West Pilbara **Iron Ore** Project, which **Chinese** state-owned Baosteel and locally listed rail operator Aurizon are confident of building.

Analysts said Aquila's latest move paves the way for Baosteel to shore up new **iron ore** supply and build a buffer to help **China** mitigate the risk of future higher prices for the key steelmaking ingredient. Mineral Resources bought a near 13 per cent **stake** in Aquila last week before launching a share-swap takeover offer on Monday. Aquila shares closed up 7 per cent, at \$3.35 while Mineral Resources lost 2.1 per cent at \$9.35.

**CO** aqres : Aquila Resources Ltd. | baois : Shanghai Baosteel Group Corp

**IN** i22 : Primary Metals | i221 : Iron/Steel/Ferroalloys | ibasicm : Basic Materials/Resources | i211 : Metal Ore Mining | igoldm : Gold Ore Mining | imet : Mining/Quarrying | isteel : Steel Production

**NS** ccat : Corporate/Industrial News

**RE** austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

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