

**HD Mineral Resources Must Battle to Mend Fences -- Market Talk**

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**LP**

0038 GMT [Dow Jones] Mineral Resources (MIN.AU) is likely to have lost more than just A\$20 **million** from its failed attempt to acquire Aquila Resources (AQA.AU). According to Macquarie, the Australian **company's** reputation will have taken a beating, too. Mineral Resources ditched plans for an all-scrip offer for Aquila worth A\$3.75 a share--the same price it paid for a 13% **stake**. That cleared the field for **China's** Baosteel and Aurizon Holdings to buy Aquila for A\$3.40 a share. "In addition to the financial loss, Mineral Resources has some fences to repair, both with key customers and government stakeholders post this transaction," says Macquarie, which has cut the stock to neutral. Adding to Mineral Resources's problems is a falling **iron-ore** price, which prompted Macquarie to cut its FY15 EPS forecast by 29.3% and lower its price target by 29% to A\$9.94. MIN is at A\$9.42. (david.winning@wsj.com; @dwinningWSJ)

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(END) Dow Jones Newswires

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**CO** aqres : Aquila Resources Ltd. | qrntnl : Aurizon Holdings Limited

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