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HD **Mineral Resources wants Baosteel role**  
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MINERAL Resources boss Chris Ellison has not given up hope of being involved in the \$8 **billion** West Pilbara **iron ore** project, despite losing a battle with the **Chinese** for the asset.

Mr Ellison, delivering a record result for his **company** yesterday, agreed that in hindsight he should have spoken with **Chinese** steel giant Baosteel before he launched a rival bid for Aquila Resources.

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Mineral Resources took an \$18 **million** hit on its failed takeover attempt, after it sold its shares into the Baosteel bid at a lower price than what it had paid to buy its Aquila **stake**. It bought in after Baosteel launched a \$1.4bn bid in an attempt to win a seat at the deal table.

Mr Ellison said he had since held talks with Baosteel and he believed his **company** could have a role in the development of the West Pilbara **iron ore** development.

"There is no doubt they are going to talk to us about helping them," he said. "We believe the model that we have can put these operating assets on the ground at a low cost, high quality and we think we are going to be very competitive for Baosteel.

"I have spoken to them and we do have a strong relationship with them. We expect to be able to help them on that project." Mr Ellison said what had attracted him to the West Pilbara project was the opportunity to get involved in building a supply chain through the region and being involved in a 20 to 30-year operation.

He said he had shared Mineral Resources' intentions for the project with Baosteel, adding that his capital expenditure figure was "substantially" below the \$8bn number Aquila had put on the development.

"Our focus with the project would be on the traditional stuff we do on **mining**, crushing, and processing and loading **ore** onto trains," he said.

Mr Ellison reported an eighth consecutive year of revenue growth for Mineral Resources. The **company** unveiled a 73 per cent jump in revenue to \$1.8bn and a 28 per cent increase on its net profit to \$231m. It almost doubled **iron ore** export volumes to 10.4 **million** tonnes.

"We have had a good start to the year but our pricing on **iron ore** has been fading as the year has gone on ... I think we have hit the bottom of that pricing cycle and it is bouncing off the bottom now," Mr Ellison said.

"We have been able to look hard at all our costs across our **operations** and we have had good success in reducing costs." He added that the **company** would be chasing projects with a 20-year mine life.

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

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