

SE Business  
HD **MinRes does not waver despite Aquila bid loss**

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Mineral Resources chairman Peter Wade says the **company** still hopes to win work on development of the West Pilbara project despite losing out in its surprise tilt for Aquila Resources.

Speaking at MinRes' Carina mine **site** in the Yilgarn yesterday, at the launch of the **company's** new rail fleet for its southern **operations**, Mr Wade admitted Baosteel and Aurizon's \$1.4 **billion** cash offer was "more compelling" than MinRes' bid.

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"We wanted to be involved, we hope still to be involved at some stage but the Baosteel bid was more compelling at the time," Mr Wade said. He said said MinRes' last-minute scrip offer for Aquila was a play for a seat at the table for major contracting work at the \$7 **billion** West Pilbara project.

He rejected speculation MinRes could still seek an entry via an offer to **buy** AMCI's 25 per cent project holding. There is talk AMCI's Hans Mendes is visiting Perth, potentially for Baosteel-Aurizon talks.

Mr Wade said MinRes still believed it was a compelling option as a major contractor and was still interested in the work.

West Pilbara ambitions aside, Mr Wade said yesterday MinRes was firmly focused on the Yilgarn region. It had bought six US and Australian-built locomotives and 382 **Chinese-made ore** wagons to transport **ore** from its Carina mine to the Kwinana bulk handling terminal.

Although Carina has a mine life of only two years, Mr Wade said MinRes was in the final stages of winning approvals for two new mines to extend the life of its Carina hub by up to six years.

If it can convince the environmental watchdog to approve development of its Bungalbin East mine, within the Helena-Aurora conservation **park**, its operational life could be extended to 15 to 20 years in the region.

The Environmental Protection Authority is expected to make a ruling within weeks. Having only closed its **acquisition** of the Yilgarn assets through the \$130 **million** cash-and-scrip takeover of Polaris Metals in 2010, MinRes has quickly built a 5 **million** tonne-a-year operation in the region.

Mr Wade said the **purchase** of the rail fleet would cut the **company's** costs and **lead** to more flexibility in delivering **ore** to Kwinana.

It is understood MinRes is also looking at its options at the port end and is considering moving to a trans-shipping model at Kwinana, using barges to carry **ore** to bigger vessels sitting off the Fremantle coast. The use of Capesize vessels could save MinRes as much as \$10 a tonne on shipping costs.

MinRes shares yesterday closed up 5¢ at \$10.96.

**CO** aqures : Aquila Resources Ltd.

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

**NS** ccat : Corporate/Industrial News

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

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