



HD **FED:Suitor threatens to walk away from Aquila**

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AQUILA By Greg Roberts

MELBOURNE, June 13 AAP - Aquila Resources shares have plunged more than 12 per cent after the miner's suitors ruled out increasing their takeover offer.

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Chinese steelmaker Baosteel and rail operator Aurizon have made a joint \$1.4 **billion**, \$3.40 a share takeover bid for Aquila.

However this week **mining** contractor Mineral Resources bought a near \$200 **million**, 13 per cent **stake** at \$3.75 a share in Aquila Resources in a bid to deal itself in to Aquila's large-scale **iron ore** project.

The **company's** chief Chris Ellison said publicly he was interested in being involved in the proposed - but stalled - multibillion dollar West Pilbara **iron ore** project, including mine, rail and port **operations**.

Mineral Resources' **stake**, along with chairman Tony Poli and co-founder Charles Bass's shareholdings represent more than 50 per cent and could block the suitors' who have nearly 40 per cent.

Baosteel chairman Dai Zhihao threatened to dump the **company's** 19.8 per cent **stake** and any involvement in the West Pilbara project if the bid failed.

The two suitors said they would not increase the offer price and that Aquila and its shareholders faced a more uncertain future getting the project up in a volatile **iron ore** environment.

"Baosteel and Aurizon announced the offer for Aquila shares with the intention to progress Aquila's stalled development projects," he said.

Aquila shares fell 44 cents, or 12.4 per cent, to \$3.10.

It is due to respond to the bid next week.

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CO aqres : Aquila Resources Ltd.

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

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