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HD Baosteel, Aurizon Declare Aquila Bid Final

AU [Ross Kelly](#)

BY By Ross Kelly

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LP SYDNEY—China's state-owned Baosteel Group and partner [Aurizon Holdings Ltd.](#) on Friday declared their takeover bid for [Aquila Resources Ltd.](#) final, putting pressure on the mining company to accept their offer or risk a steep fall in its share price.

The Baosteel-led bid of A\$3.40 per Aquila share values the Australian mining company at 1.4 billion Australian dollars (US\$1.3 billion). By declaring their offer final, the bidders can't sweeten it, unless a rival bid emerges. Baosteel said it would also consider selling its existing 20% holding in Aquila if the bid was rejected.

TD Its new stance comes a day after [Mineral Resources Ltd.](#) acknowledged it had purchased a 12.8% stake in Aquila in an attempt to muscle in on its proposed A\$7.4 billion iron-ore project in Western Australia. Mineral Resources paid a premium to Baosteel's offer, prompting investors to bet the Chinese steelmaker would need to improve its terms.

Aquila would be left "facing the challenges and uncertainties of volatile commodity markets" and various funding risks if it doesn't accept the bid, Baosteel's Chairman Dai Zhihao said in a statement.

"The full cash offer gives Aquila shareholders an opportunity to realize certainty of value for their investment at a substantial premium to trading prices prior to the announcement of the offer," Mr. Dai said.

An Aquila spokesperson wasn't immediately available to comment.

Aquila shares fell immediately. By 0533 GMT, they were down 15% at A\$3.00, well below the A\$3.40 offer price.

Write to Ross Kelly at [ross.kelly@wsj.com](mailto:ross.kelly@wsj.com)

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