



HD FED:Aurizon makes \$1.4b play for WA miner

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AURIZON SYDNEY, May 5 AAP - Rail operator Aurizon and **Chinese** steelmaker Baosteel Resources have launched a \$1.42 **billion** bid for West Australian **iron ore** miner Aquila Resources.

The deal would see the two companies acquire Aquila and its 50 per cent **stake** in the West Pilbara **Iron Ore** Project.

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Aurizon chief executive Lance Hockridge said the plan was to split the project's **operations** into a **mining company** and an infrastructure **company** to be operated by Aurizon.

He said the proposed deal was of national significance.

"If successful I believe that this bid would represent a major Australian-**Chinese** nation building project, one that would deliver infrastructure of national significance with significant job creation and significant royalty flows," he told reporters on Monday.

The proposal fits with Aurizon's plan to expand its interests in the Pilbara and would provide **iron ore** to Baosteel's **Chinese** steel factories.

"This is a continuation of Aurizon's strategy but it is very different in the sense that it is a bid and ultimately a project uniquely underpinned by the involvement of the end user," Mr Hockridge said.

"In Baosteel we have a world class customer and partner who need the product, particularly from the West Pilbara **iron ore** project but also from Eagle Downs for their own growth and development."

Aurizon, formerly QR National, and Baosteel are offering to pay \$3.40 per Aquila share, which is 38 per cent above Aquila's closing price of \$2.45 on Friday.

Aquila said it would consider the proposal and update shareholders in due course.

"At this time, Aquila shareholders do not need to take any action in relation to the proposal," Aquila said in a statement.

Baosteel already owns a 19.8 per cent **stake** in Aquila.

AAP ews/bt

CO aqres : Aquila Resources Ltd. | dorval : Aurizon Mines Ltd | hclamn : Hecla Mining Co

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