



Dominic D Smith
Vice President & Company Secretary

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ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

3 July 2014

BY ELECTRONIC LODGEMENT

Takeover offer by Baosteel and Aurizon – Notice of waiver of conditions

Please find attached announcement for immediate release to the market.

Yours faithfully



Dominic D Smith
VP & Company Secretary



3 July 2014

Company Announcements Officer
ASX Limited
20 Bridge Street
Sydney NSW 2000

And to:
Aquila Resources Limited
Level 14, 225 St Georges Terrace
Perth WA 6000

Dear Sir/Madam

JOINT OFF-MARKET BID BY BAOSTEEL RESOURCES AUSTRALIA PTY LTD AND AURIZON OPERATIONS LIMITED FOR AQUILA RESOURCES LIMITED – WAIVER OF DEFEATING CONDITIONS

We refer to the joint takeover offer (**Offer**) by Baosteel Resources Australia Pty Ltd ABN 66 154 815 362 and Aurizon Operations Limited ABN 47 564 947 264 (together, the **Bidders**) for 100% of the ordinary shares in Aquila Resources Limited ABN 81 092 002 769 as set out in their bidders' statement dated 14 May 2014 (as supplemented by supplementary bidders' statements dated 5 June 2014 and 20 June 2014).

The Bidders attach, in accordance with sections 650F(1) of the *Corporations Act 2001* (Cth), a formal notice that the Bidders have freed the Offer from the defeating conditions in sections 12.7(d) to 12.7(k) (inclusive) of the Offers.

Ms Yiming Wu
Director
Baosteel Resources Australia Pty Limited
ABN 66 154 815 362

Registered office
Level 20, Allendale Square
77 St Georges Terrace
Perth WA 6000
AUSTRALIA

Mr Dominic D Smith
Director
Aurizon Operations Limited
ABN 47 564 947 264

Registered office
Level 17
175 Eagle Street
Brisbane QLD 4001
AUSTRALIA

Corporations Act 2001 (Cth)

NOTICE BY

BAOSTEEL RESOURCES AUSTRALIA PTY LTD ABN 66 154 815 362 (BAOSTEEL)

AND

AURIZON OPERATIONS LIMITED ABN 47 564 947 264 (AURIZON)

UNDER SECTION 650F OF THE CORPORATIONS ACT 2001 (CTH)

WAIVER OF CONDITIONS

To: ASX Limited

Aquila Resources Limited (**Aquila**)

This is a notice given by Baosteel and Aurizon in relation to the offers dated 6 June 2014 made under their joint off-market takeover bid for all of the ordinary shares in Aquila (**Offers**) and contained in their bidders' statement dated 14 May 2014 (as supplemented by their supplementary bidders' statements dated 5 June 2014 and 20 June 2014).

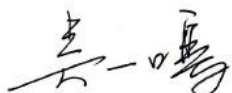
Baosteel and Aurizon hereby give notice under section 650F of the *Corporations Act 2001* (Cth) declaring the Offers, and the contracts (if any) formed by the acceptance of any of those Offers, to be free from the defeating conditions contained in the following sections of the Offers:

- section 12.7(d) ('Conduct of business in the ordinary course and no material acquisitions, disposals or new commitments');
- section 12.7(e) ('No grant of exclusivity or arrangements in relation to infrastructure development or services for Aquila or API JV');
- section 12.7(f) ('No material adverse change');
- section 12.7(g) ('No regulatory actions');
- section 12.7(h) ('No distributions');
- section 12.7(i) ('Non-existence of certain rights');
- section 12.7(j) ('No prescribed occurrences'); and
- section 12.7(k) ('No prescribed occurrences prior to dispatch').

The Offers are free from the Defeating Conditions above. Each Bidder's voting power in Aquila at the time of giving this notice is 55.5% so far as the Bidders know.

DATE 3 July 2014

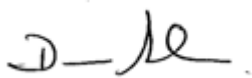
Signed for and on behalf Baosteel and Aurizon by:



Ms Yiming Wu

Director

Baosteel Resources Australia Pty Limited



Mr Dominic D Smith

Director

Aurizon Operations Limited