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ASX Market Announcements  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

7 July 2014

**BY ELECTRONIC LODGEMENT**

**Joint off-market bid for Aquila Resources Limited – Third Supplementary Bidders’ Statement**

Please find attached announcement for immediate release to the market.

Yours faithfully



**Dominic D Smith**  
VP & Company Secretary





**Third Supplementary Bidders' Statement in relation to the Joint Offer by**

**Baosteel Resources Australia Pty Ltd**

ABN 66 154 815 362, a wholly-owned subsidiary of Baosteel Group Corporation

**and**

**Aurizon Operations Limited**

ABN 47 564 947 264, a wholly-owned subsidiary of Aurizon Holdings Limited

**to acquire all your ordinary shares in**

**Aquila Resources Limited**

ABN 81 092 002 769

**for**

**A\$3.40 cash per ordinary share**

**This is an important document and requires your immediate attention. If you are in any doubt as to how to act, you should consult your financial or legal adviser as soon as possible.**

**The Offer HAS BEEN EXTENDED and is now scheduled to close at 7.00pm (Sydney time) on 25 July 2014 (unless further extended).**

# Third Supplementary Bidders' Statement

This is the third supplementary bidders' statement (**Third Supplementary Bidders' Statement**) given by Baosteel Resources Australia Pty Limited ABN 66 154 815 362 (**Baosteel**) and Aurizon Operations Limited ABN 47 564 947 264 (**Aurizon**) (together the **Bidders**) under section 643 of the *Corporations Act 2001* (Cth) (**Corporations Act**).

This Third Supplementary Bidders' Statement relates to and supplements Baosteel and Aurizon's Bidders' Statement dated 14 May 2014 (as supplemented by the first supplementary bidders' statement dated 5 June 2014 and the second supplementary bidders' statement dated 20 June 2014) (**Bidders' Statement**) in respect of their joint offer to acquire all of the ordinary shares of Aquila Resources Limited ACN 092 002 769 (**Aquila**), and should be read together with those documents.

Unless the context otherwise requires, terms defined in the Bidders' Statement have the same meaning when used in this document. To the extent there is any inconsistency between the Bidders' Statement and this Third Supplementary Bidders' Statement, this Third Supplementary Bidders' Statement will prevail.

A copy of this Third Supplementary Bidders' Statement was lodged with ASIC and sent to Aquila on 7 July 2014. Neither ASIC nor any of its officers takes any responsibility as to the contents of this Third Supplementary Bidders' Statement.

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## 1. Takeover Implementation Agreement

On 3 July 2014, the Bidders entered into an agreement with Aquila to facilitate the orderly transition of control and management of Aquila to the Bidders (the **Takeover Implementation Agreement**).

Pursuant to the terms of the Takeover Implementation Agreement, following acceptance of the Offer for Mr Tony Poli's entire 28.92% relevant interest in Aquila shares, which was received on 3 July 2014:

- Aquila announced the restructure of Aquila's Board of Directors, subject to certain conditions being satisfied; and
- the Bidders:
  - o waived all of the remaining defeating conditions to the Offer;
  - o accelerated the time for payment of the Offer consideration to 5 business days after the later of the Offer being declared unconditional and the date of the relevant valid acceptance being processed; and
  - o extended the Offer period so that the Offer closes at 7.00pm (Sydney time) on 25 July 2014 (unless further extended).

## 2. Offer Free From All Defeating Conditions

On 3 July 2014, as a result of the acceptance of Mr Tony Poli's interest into the Offer, the minimum acceptance condition was satisfied. Subsequently, pursuant to the Bidders' obligations under the Takeover Implementation Agreement, the Bidders waived all remaining defeating conditions to the Offer (other than the conditions relating to FIRB approval, which were already fulfilled).

### 3. Accelerated Payment

In accordance with the Takeover Implementation Agreement, the Bidders announced on 3 July 2014 that the time for payment of the Offer consideration was accelerated to within 5 business days after the later of the Offer being declared unconditional and the date that the relevant valid acceptance is processed. Processing of acceptances by the Bidders' share registry is to be completed within one business day after receipt.

As the Offer became unconditional on 3 July 2014, Aquila shareholders that have accepted into the Offer on or before that date will be sent a cheque drawn in Australian currency for A\$3.40 per Aquila share within 5 business days of that date (that is, on or by 10 July 2014). Other Aquila shareholders that accept the Offer will be sent a cheque within 5 business days after their valid acceptance is processed.

### 4. Offer Extended

The Bidders have extended the closing date of the Offer from 7.00pm (Sydney time) on 11 July 2014 to **7.00pm (Sydney time) on 25 July 2014**, unless further extended.

Aquila shareholders who wish to **ACCEPT** the Offer should do so as soon as possible. The Bidders may not be able to process acceptance forms in respect of CHESS Holdings that are received in the final days of the Offer Period.

Acceptances must be received in sufficient time to be acted upon before the closing date.

### 5. Bidders have acquired a relevant interest in 83.46% of Aquila shares

As at the date of this Third Supplementary Bidders' Statement, the Bidders' relevant interest in Aquila shares was approximately 83.46% (343,695,029 Aquila Shares). Acceptances have been received for all of the Aquila shares of Mr Tony Poli (28.92% relevant interest) and Mr Charles Bass (10.7% relevant interest) (the co-founders of Aquila) and Mineral Resources Limited (12.78% relevant interest).

### 6. Institutional Acceptance Facility

The Bidders have given written notice to Computershare Clearing Pty Ltd, the operator of the institutional acceptance facility, that the Offer is free from all defeating conditions (**Confirmation Notice**). The effect of this is to require the Facility Operator to deliver the Acceptance Forms it holds in accordance with the instructions on them and deliver the Custodian Directions it holds to the relevant custodians.

### 7. Conditional Restructure of Aquila's Board of Directors

In its ASX Announcement dated 3 July 2014, and in accordance with the Takeover Implementation Agreement, Aquila announced:

- the resignations of Mr Tony Poli, Mr Gordon Galt and Ms Denise Goldsworthy; and
- the appointment of Mr Qingyu Li, Mr Qinghua Zhou and Ms Yiming Wu (nominees of Baosteel) and Mr Michael Carter (a nominee of Aurizon),

as directors of Aquila. Each resignation and appointment was on the basis that it would be effective 11 July 2014 (or such other date, not before 8 July, being the day after Aquila receives a certificate from the Bidders confirming the dispatch of payment by the Bidders' share registry in respect of valid acceptance forms received on or prior to 3 July 2014) and subject to the Bidders complying with their obligations under the Takeover Implementation Agreement.

### 8. Reasons to accept the Offer

The Bidders recommend that you accept the Offer as soon as possible to receive A\$3.40 per Aquila share for the following reasons:

- Aquila's independent board committee has recommended that Aquila shareholders now **ACCEPT** the Offer;
- The Bidders have acquired control of Aquila, having:
  - o a relevant interest in approximately 83.46% of Aquila shares; and
  - o subject to certain conditions being satisfied, nominees comprising a majority of the directors on Aquila's Board of Directors;
- The all cash consideration being offered by the Bidders is a compelling offer and represents a significant premium to the levels at which Aquila shares were trading prior to the announcement of the Offer on 5 May 2014;
- The Offer provides an opportunity to dispose of all your Aquila shares, and to realise full and certain value for your entire Aquila shareholding;
- If you accept the Offer, you will avoid:
  - o the risks associated with being a minority shareholder in Aquila, including reduced liquidity, which may negatively impact your ability to realise your Aquila shares at an attractive price in the future; and
  - o exposure to the iron ore market, which has significantly declined since the Bidders made their Offer; and
- The Offer is the only offer available for all Aquila shares today.

Further detail on why you should accept the Offer is set out elsewhere in the Bidders' Statement.

## 9. Consents

This Third Supplementary Bidder's Statement includes statements which are made in, or are based on statements made in, the following documents lodged with the Market Announcements Platform of ASX by Aquila and others.

4 July 2014	First Supplementary Target's Statement
4 July 2014	AZJ: Joint bid for Aquila-Bidders reach 81% relevant interest
4 July 2014	Notice of change of interest under IAF from AZJ
4 July 2014	Baosteel - Notice of a change interest
3 July 2014	AZJ: Joint bid for Aquila - Status of Defeating Conditions
3 July 2014	AZJ: Joint bid for Aquila - Notice of Waiver of Conditions
3 July 2014	AZJ: Joint bid for Aquila - Waiving of remaining conditions
3 July 2014	MIN: MRL accepts Baosteel offer for Aquila Resources shares
3 July 2014	Takeover Implementation Agreement Update
3 July 2014	AZJ: Tony Poli accepts offer & minimum acceptance satisfied

3 July 2014	Takeover Implementation Agreement signed
3 July 2014	AZJ:Joint bid for Aquila - Takeover Implementation Agreement

Under the terms of ASIC Class Order 13/521, the persons who made those statements are not required to consent to, and have not consented to, the inclusion of those statements in this Third Supplementary Bidder's Statement. Any Aquila Shareholder who would like to receive a copy of any of these documents may contact the Offer Information Line on 1300 309 589 (callers within Australia) or +61 2 8022 7902 (callers outside Australia) and will then be sent a copy free of charge within 2 business days.

## 10. Approval

This Third Supplementary Bidders' Statement has been approved by a unanimous resolution of the directors of each of Baosteel and Aurizon.

### Dated

This Third Supplementary Bidders' Statement is dated 7 July 2014.

Signed



Mr Chao Ji

**Director**

**Baosteel Resources Australia Pty Limited**



Mr Dominic Smith

**Director**

**Aurizon Operations Limited**