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## Vale to acquire Aquila's stake in Belvedere

Brazilian Mining giant Vale S.A. confirmed it is exercising its option to acquire the 24.5 per cent share of Aquila Resources in the Belvedere coal project in Queensland.

Analysts put the value of Aquila Resources stake in the Belvedere to be as high as \$900 million.

The acquisition would give Vale a 100 per cent ownership of the coal project. Currently, Vale owns 75.5 per cent of the Belvedere after purchasing an additional 24.5 per cent from AMCI Investments Pty Ltd. for \$110.5 million.

Aquila Resources announced last week its intention to sell its shares in the Belvedere project to focus on its other coal projects in Queensland and its \$4 billion West Pilbara Iron Ore project near Pannawonica.

Yesterday, Aquila Resources halted trading in anticipation for its possible exit from the Belvedere underground coking coal project.

Aquila Resources and Vale need to get independent valuations of Aquila's 24.5 per cent stake. A third valuation will be commissioned if the valuations are more than 10 per cent apart.

Belvedere is in the southern Bowen Basin, near the town of Moura. Once it is fully developed Belvedere has the potential to produce up to 7.0 million metric tons per year of coking coal.

The Belvedere project is expected to cost \$2 billion to develop.