



Aquila Resources Limited  
(ABN: 81 092 002 769)

Level 4, South Shore Centre  
85 South Perth Esplanade  
South Perth WA 6151

Tel: (+618) 9474 3311

Fax: (+618) 9474 4433

Email: [mail@aquilaresources.com.au](mailto:mail@aquilaresources.com.au)

Website: [www.aquilaresources.com.au](http://www.aquilaresources.com.au)

14 April 2005

Companies Announcements Office  
Australian Stock Exchange Limited  
4<sup>th</sup> Floor, 20 Bridge Street  
SYDNEY NSW 2000

## **NEW IRON ORE JOINT VENTURE**

Aquila Resources Limited (“Aquila”) and Helix Resources Limited (“Helix”) are pleased to announce a Heads of Agreement has been reached for the establishment of a new iron ore joint venture to explore for iron ore on Helix’s Yalleen project in the Hamersley region of Western Australia.

The joint venture is between API Management Pty Ltd (a company equally owned by Aquila and AMCI Holdings Australia Pty Ltd) and Helix, and covers an area of 633km<sup>2</sup>.

The terms of the joint venture are:

- API will spend a total of \$1.5 million over four years on exploration for iron ore to earn a 70% interest in the project, and may elect to withdraw from the project after spending a minimum of \$150,000;
- Once API has earned its 70% interest, Helix can elect to contribute pro-rata or dilute to a \$0.50 per tonne royalty.

The parties will now negotiate in good faith to conclude the formal agreements.

The project area covers the south eastern extension of the Robe River where it crosses the Marra Mamba and Brockman Iron Formations. The area contains paleo-drainage channels that have been in-filled with sediment derived from the erosion of iron ore formations in the western part of the Hamersley Basin. The exploration target is the occurrence of channel iron deposits (CID’s), accumulations of material anomalously high in iron that have concentrated in the channels and become lithified.

Today Rio Tinto is profitably mining CID’s from Mesa J at Robe River, some 20 km to the west. Production of iron ore from CID’s is anticipated to increase over the next decade to cope with demand.

API plans to conduct programmes of detailed mapping and sampling to define the CID’s with follow-up drill testing of targets in the second half of 2005.

Tony Poli  
Executive Chairman

For further information with respect to this announcement, please contact Tony Poli on (08) 9474 3311