
Bauxite Resources to form alumina refinery JV with Yankuang Group

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Silo Breaker reported that Bauxite Resources is hoping to finalize terms of an alumina refinery JV with China's Yankuang Group within months after shareholders supported the initial funding of the project.

At a general meeting in Perth, shareholders approved the proposed issue of USD 9.9 million worth of Bauxite shares to Yankuang in anticipation of a memorandum of understanding between the 2 groups being converted into a heads of agreement before the end of the year. Yankuang still requires Foreign Investment Review Board approval.

Shareholders also approved Bauxite's landmark USD 57 million capital rising. The junior will use the cash to boost its fledgling Darling Range bauxite operation.

A controversial options package to Mr Dan Tenardi CEO of Bauxite was also approved although with substantial shareholder opposition. The package grants Mr Tenardi 4 million options with strike prices of 90 and USD 1.10 to vest once Bauxite achieves a sustainable direct shipping operation of 3 million tonnes per year. Bauxite shares closed at USD 1.08.

Bauxite had originally proposed options packages for most of its board and had a less challenging vesting condition for Mr Tenardi's parcel. The junior axed the directors options and modified Mr Tenardi's reward after a shareholder backlash.

(Sourced from Silo Breaker)

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