Greenstone Resources agree to provide finance to Bauxite Hills Project

Greenstone Resources, a specialist mining and metals private equity fund based in the Channel Islands, has agreed to provide a major financial injection to Metro Mining's flagship Bauxite Hills Project, near Weipa.

In an ASX announcement, Metro Mining confirmed the signing of definitive and binding agreements with Greenstone to invest $8.9 million in Metro via a two tranche placement of 105 million shares at 8.5 cents per share. This represents a 26 per cent premium to the last closing price of Metro shares.

The initial Placement, which does not require Metro shareholder approval, will raise $8.058 million via the issue of 94.8 million shares. A second tranche, requiring shareholder approval, will raise $0.867 million via the issue of 10.2 million shares.

Greenstone will become a 19.9 per cent shareholder of Metro and subject to agreement on the terms and conditions, is also willing to provide up to an additional US$20 million of follow-on equity funding to support financing the Bauxite Hills Project into development.

Metro Mining CEO Simon Finnis says the company is firmly focused on commencing mining operations at Bauxite Hills in September next year, with Greenstone's involvement and support considerably assisting that process. Their agreement to provide strategic and financial support in the long term shows their commitment to the project and the company.

"We view Greenstone's investment as a significant demonstration of support for the Bauxite Hills Project and the mining industry in Queensland as a whole. The Bauxite Hills Project will also provide a much needed boost for Cape York communities," Finnis said.

Metro and Greenstone will establish a strong strategic relationship with Greenstone gaining a Metro Board seat and representation on the Bauxite Hills development steering committee. Greenstone's approach to investing is to develop a collaborative relationship with management leveraging upon in-house skills, expertise and global networks to add value to projects.

Alcoa's fight with Australia's Alumina Ltd confirms split

Australia's Alumina Ltd. says its opposition to a break-up of US giant Alcoa has been validated by new details of the split.

Nine months after it first flagged plans to break itself into two companies, Alcoa officially confirmed that it would go ahead with the plan to separate its upstream and downstream assets.

The New York-based company filed legal documents that outline how the split will be conducted, and those documents confirmed that the assets Alcoa shares with Alumina would be spun into a new legal entity.

The two companies jointly own a collection of bauxite mines, alumina refineries and aluminium smelters called the AWAC joint venture, with Alcoa owning 60 per cent and Alumina owning 40 per cent.

Melbourne-based Alumina said confirmation that the joint venture assets would be put into a new legal entity validated its recent legal arguments that the split breached the terms of the 22 year-old joint venture agreement.

Alumina believes it has first right to acquire Alcoa's stake in the joint venture assets if the New York company plans to exit them, and Alumina believes Alcoa is legally exiting the assets under the design of the split.

Alumina is also concerned that Alcoa's stake in the assets will be held by a much weaker company after the split. The notion that Alumina will have a weaker partner after the split was partially conceded by Alcoa.

But Alcoa also argued that the two new companies would be more targeted, flexible and efficient after the split.

The dispute between the two companies is bound for a trial in the US in September, and the debate dominated an investor call held by Alcoa chief executive Klaus Kleinfeld.

This section is a compilation from various company press releases, business dailies & trade publications