

Bauxite Resources

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Bauxite Resources' shareholders to get capital return

Bauxite Resources (ASX:BAU) will return \$0.04 a share to shareholders by way of a capital return from its \$42.1 million cash reserves as at 31 March 2014.

It is subject to shareholder approval but unlikely to brook any opposition.

Even after the capital return there would be a \$31 million cash balance post capital return with no debt.

Which is sufficient for BRL to finance the development of its bauxite projects including the Fortuna deposit. This is a development ranking project.

At the 100% owned Fortuna DSO bauxite project, the aim is to deliver a bauxite direct shipping (DSO) ore operation, which has a current resource of 39 million tonnes.

The current resource is located on two private landholdings 60 kilometres north east of Perth and 15 kilometres from existing rail infrastructure.

This is linked to the Kwinana port 120 kilometres away as well as the Bunbury Port approximately 250 kilometres away.

The Fortuna deposit is near surface and should be easy to mine. It is currently proposed that it will not require beneficiation and is located close to existing rail and port infrastructure.

Which should render Fortuna as a low capital expenditure start-up opportunity.

Resource upgrades over the past year at the Fortuna deposit along with a strengthening outlook for the bauxite market improves the project economics and therefore increases the likelihood of developing this resource.

The cash return is a positive for shareholders while enabling Fortuna to be developed given the strong market for bauxite at present. We would expect BRL to firm today.

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1 Year Share Price Graph



Share Information

Code: BAU
Listing: ASX
Sector: General mining & base metals

Website: www.bauxiteresources.com.au

Company Synopsis:

Bauxite Resources (ASX:BAU) is listed on the Australian Securities Exchange.

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