

ALTAIR NANOTECHNOLOGIES INC
Form DEF 14A
April 15, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant X
Filed by a Party other than the Registrant

Check the appropriate box:

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- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Altair Nanotechnologies Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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ALTAIR NANOTECHNOLOGIES INC.

204 Edison Way
Reno, Nevada 89502
U.S.A.

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

April 15, 2010

Dear Shareholder:

You are cordially invited to attend the annual and special meeting of shareholders of Altair Nanotechnologies Inc. (the "Corporation") to be held at the Grand Sierra Resort, 2500 E. 2nd Street, Reno, Nevada 89502, on May 24, 2010, at 10:00 o'clock in the morning, Pacific time.

The purposes of the meeting are to (I) vote on a special resolution authorizing the Board of Directors of the Corporation to take all steps necessary to effect a consolidation of the common shares of the Corporation on the basis of a ratio to be selected and implemented by the Board of Directors, (II) elect seven directors, (III) appoint Perry-Smith LLP as our auditors and authorize the Audit Committee of the Board of Directors to fix the auditors' remuneration, and (IV) receive our 2009 Annual Report.

You will be asked to vote on a special resolution (the "Consolidation Resolution") authorizing the Board of Directors of the Corporation, without further approval of the shareholders, to take all steps necessary to effect, or in its discretion not to effect, at any time on or before May 1, 2011, a consolidation (also known as a reverse split) of the common shares of the Corporation on the basis of a ratio within the range of one post-consolidation common share for every three pre-consolidation common shares (3:1) to one post-consolidation common share for every ten pre-consolidation common shares (10:1), with any fractional share that remains after all shares beneficially held by a holder of the common shares have been consolidated being rounded up to a whole common share, with the ratio to be selected and implemented by the Board of Directors in its sole discretion (the "Consolidation").

The Consolidation is being proposed to potentially increase the market price of our common shares in order to (i) reduce the risk of NASDAQ Capital Market delisting the common shares, as the Corporation has received a letter from the NASDAQ Capital Market indicating that the common shares may be delisted for failure to satisfy minimum bid price requirements if the closing bid price of the common shares has not equaled or exceed \$1.00 per share for at least 10 consecutive trading days by June 21, 2010; (ii) increase the number of eligible investors, as many brokers, investment advisors, institutional and other shareholders do not buy common shares priced below a certain threshold; and (iii) increase analyst, advisor and broker interest, as many analysts, advisors and brokers do not make recommendations with respect to common shares priced below a certain threshold.

After careful consideration, our Board of Directors has unanimously approved the Consolidation Resolution and recommended approval to the shareholders. The approval and adoption of the Consolidation Resolution requires the affirmative vote of a majority of not less than two-thirds of the votes cast by the shareholders who vote in respect of the resolution.

We urge you to read the proxy materials in their entirety and to consider them carefully, including the effect that adopting or failing to adopt the proposals will have on shareholders.

Our Board of Directors unanimously recommends that you vote FOR each of the proposals described in this management proxy circular, including the approval of our consolidation.

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It is important that your shares be represented at the annual and special meeting, regardless of the size of your holdings. Accordingly, whether or not you expect to attend the special meeting, we urge you to vote promptly by returning the enclosed proxy card. You may revoke your proxy at any time before it has been voted.

Thank you for your cooperation and continued support.

Very truly yours,

Terry M. Copeland
President and Chief Executive Officer

ALTAIR NANOTECHNOLOGIES INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the "Meeting") of the shareholders of Altair Nanotechnologies Inc. (the "Corporation") will be held at the Grand Sierra Resort, 2500 E. 2nd Street, Reno, Nevada 89502, Monday, the 24th day of May 2010, at the hour of 10:00 o'clock in the morning (Pacific time) for the following purposes:

- (1) To consider and, if thought fit, to pass, a special resolution (the "Consolidation Resolution") authorizing the Board of Directors of the Corporation, without further approval of the shareholders, to take all steps necessary to effect, or in its discretion not to effect, at any time on or before May 1, 2011, a consolidation of the common shares of the Corporation on the basis of a ratio within the range of one post-consolidation common share for every three pre-consolidation common shares to one post-consolidation common share for every ten pre-consolidation common shares (with any fractional share that remains after all shares beneficially held by a holder of the common shares have been consolidated being rounded up to a whole common share), with the ratio to be selected and implemented by the Corporation's Board of Directors in its sole discretion (the "Consolidation"), as particularly described in the accompanying management proxy circular;
- (2) To elect seven directors;
- (3) To authorize the appointment of the auditors and to authorize the Audit Committee of the Board of Directors to fix their remuneration;
- (4) To receive the audited financial statements of the Corporation for the twelve months ended December 31, 2009, together with the report of the auditors thereon; and
- (5) To transact such further or other business as may properly come before the meeting or any adjournment or adjournments thereof.

This notice is accompanied by a form of proxy, a management proxy circular, and the annual report to shareholders of the Corporation containing the audited consolidated financial statements of the Corporation for the fiscal year ended December 31, 2009.

Proxies to be used at the meeting must be deposited at the office of the transfer agent not later than 48 hours (excluding Saturdays and holidays) before the time of holding the meeting.

Shareholders who are unable to attend the Meeting in person are requested to complete, date, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting.

DATED at Toronto, Ontario as of the 15th day of April, 2010.

BY: ORDER OF THE BOARD

Terry M. Copeland
President and Chief Executive Officer

ALTAIR NANOTECHNOLOGIES INC.
204 Edison Way
Reno, Nevada 89502
U.S.A.

MANAGEMENT PROXY CIRCULAR

(All dollar amounts expressed herein are U.S. dollars)

This Management Proxy Circular is dated April 15, 2010 and is first being mailed to shareholders on or about April 26, 2010

INTRODUCTION

This introduction highlights selected information appearing elsewhere in this Management Proxy Circular (this "Circular") and does not contain all the information that you should consider in making a decision with respect to the proposals described in this Circular. You should read this introduction together with the more detailed information in this Circular and any documents delivered with this Circular. Unless otherwise provided in this Circular, references to the "Corporation," "we," "us," and "our" refer to Altair Nanotechnologies Inc. and all of its consolidated subsidiaries.

Set forth below in a question and answer format is general information regarding the Annual and Special Meeting of Shareholders on May 24, 2010 to which this Circular relates (the "Meeting"). This general information regarding the Meeting is followed by a more detailed summary of the process relating to, reasons for and effects of the proposed consolidation described in this Circular.

Questions and Answers About the Meeting and Proposals

Q. Where and when will the Meeting be held?

A. The Meeting will be held at the Grand Sierra Resort, 2500 E. 2nd Street, Reno, Nevada 89502, Monday, the 24th day of May 2010, at the hour of 10:00 o'clock in the morning (Pacific time).

Q. What are the purposes of the Meeting?

A. The purposes of the Meeting are

to vote on the "Consolidation Resolution", which is a special resolution authorizing the Board of Directors, without further approval of the shareholders, to take all steps necessary to effect, or in its discretion not to effect, at any time on or before May 1, 2011, a consolidation of the common shares of the Corporation (also known as a reverse stock split) on the basis of a ratio within the range of one post-consolidation common share for every three pre-consolidation common shares (3:1) to one post-consolidation common share for every ten pre-consolidation common shares (10:1), with any fractional share that remains after all shares beneficially held by a holder of the common shares have been consolidated being rounded up to a whole common share, with the ratio to be selected and implemented by the Corporation's Board of Directors in its sole discretion, as particularly described in this Circular (the "Consolidation");

to elect seven directors;

to appoint our auditors and authorize the Audit Committee of the Board of Directors to fix the auditors' remuneration;

to receive our 2009 Annual Report; and
to transact such other business as is proper at the meeting.

Q. Will any other matters be voted on?

A. The Board does not intend to present any other matters at the meeting. The Board does not know of any other matters that will be brought before our shareholders for a vote at the meeting. If any other matter is properly brought before the meeting, your signed proxy card gives authority to Terry M. Copeland and, failing him, John Fallini, or your indicated nominee as proxies, with full power of substitution, to vote on such matters at their discretion.

Q. Who is soliciting my vote?

A. Our Board of Directors is soliciting your proxy to vote at the Meeting. Your vote is important. We encourage you to vote as soon as possible after carefully reviewing this Circular and all information included with this Circular.

Q. Who is entitled to vote?

A. The record date for the determination of shareholders entitled to receive notice of the Meeting is April 9, 2010. In accordance with the provisions of the Canada Business Corporations Act (the "CBCA"), we will prepare a list of the holders of our common shares as of the record date.

Q. What are the voting recommendations of the Board of Directors?

A. The Board of Directors recommends the following votes:

FOR Proposal No. 1, the Consolidation Resolution;

FOR Proposal No. 2, the election of the nominated directors; and

FOR Proposal No. 3, the appointment of Perry-Smith LLP as our auditors for 2010 and the authorization of our Audit Committee of the Board of Directors to fix the auditors' remuneration.

Q. How will the Board determine the specific consolidation ratio?

A. The Board's selection of the specific consolidation ratio will be based primarily on the price level of our common shares at that time and the expected stability of that price level. We expect that the primary focus of the Board in determining the consolidation ratio will be to select a ratio it believes is likely to result in increased marketability and liquidity of our common shares and to encourage interest and trading in our common shares. Many institutional investors and mutual funds, for example, have rules that prohibit them from buying into companies whose stock is less than \$5 per share, and in some cases, \$10 per share, and many brokers tend to be discouraged from recommending low-priced stocks to their customers. We also believe that certain other investors are dissuaded from purchasing low-priced stocks.

In addition, in selecting the specific consolidation ratio, the Board will be mindful of the listing requirements of the NASDAQ Capital Market that require, among other things, that issuers maintain a minimum closing bid price of at least \$1.00 per share. On December 22, 2009, the Corporation received a letter from the NASDAQ Capital Market indicating that the bid price of the Corporation's common shares for the last thirty consecutive business days had closed below the minimum bid price of \$1.00 per share required for continued listing under NASDAQ Marketplace Rule 5550(a)(2). The Corporation has been provided an initial grace period of 180 calendar days, or until June 21, 2010, to have regained compliance with the minimum bid requirement for at least 10 consecutive trading days. At the close of the grace period, if the Corporation has not regained compliance, it may be eligible for an additional 180

days, if it meets the initial listing standards, with the exception of the minimum bid price, for the NASDAQ Capital Market listing. If the Corporation fails to regain compliance during such 180 day period, and is not eligible for the additional 180 day grace period, its common shares will likely be delisted from the NASDAQ Capital Market. The Board expects to select a consolidation ratio that causes the immediate post consolidation market price for the common shares to be well above \$1.00 per share.

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The Board will also consider whether investors and certain other parties, such as our customers, would expect our stock price to be in line with other major widely held companies, including our competitors. We expect that the Board will consider the recent volatility of our common shares and will take this into account in determining a consolidation ratio, so that even if our stock price remains volatile, it would have a chance at remaining above a price at which the Board feels our stock is attractive to investors, and therefore the Board will, in consultation with its advisors, consider: the recent market prices and trading history of our common shares; the outlook for the market price of our common shares, and the marketability of our common shares, or common share linked instruments, in any potential equity financing; and the price of our common shares following any such financing.

Reducing the number of outstanding common shares through the Consolidation is intended, absent other factors, to increase the market price of our common shares. However, other factors, such as our financial results, market conditions and the market perception of our business may adversely affect the market price of our common shares. As a result, there can be no assurance that the Consolidation, if completed, will result in the intended benefits described above, that the market price of our common shares will increase following the Consolidation or that the market price of our common shares will not decrease in the future. Additionally, we cannot assure you that the market price per share of our common shares after a Consolidation will increase in proportion to the reduction in the number of shares of our common shares outstanding before the Consolidation.

Q. What happens if the shareholders do not approve Proposal No. 1 regarding the Consolidation?

A. If Proposal No. 1 regarding the Consolidation is not approved by the shareholders, the Board would not be permitted to effect the Consolidation. As part of the Consolidation, the number of outstanding shares held by each shareholder would be reduced consistent with the selected consolidation ratio (between 3:1 and 10:1). This would not occur if the Consolidation were not approved by the shareholders. The reduction in outstanding common shares is intended, however, to cause a proportionate increase in the market price of the common shares. This is intended to raise the market price above the \$1.00 minimum bid price required for continued listing on the NASDAQ Capital Market and to otherwise increase the marketability and liquidity of our common shares. If the Consolidation is not approved by the shareholders, the Corporation would be required to rely on market forces, rather than the Consolidation, to timely satisfy the \$1.00 minimum bid price requirement and to increase the marketability and liquidity of the common shares, which may or may not occur. Even if the Consolidation is implemented, there can be no assurance that the Consolidation will result in an increase in the market price of the common shares or that the market price of the common shares will not decrease in the future.

Q. What is the difference between holding shares as a shareholder of record and as a beneficial owner?

A. Many shareholders hold their shares through a broker or bank rather than directly in their own names. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

Shareholder of Record — If your shares are registered directly in your name with our transfer agent, you are considered, with respect to those shares, the shareholder of record, and these Circular materials are being sent directly to you by us. You may vote the shares registered directly in your name by completing and mailing the proxy card or by written ballot at the Meeting.

Beneficial Owner — If your shares are held in a stock brokerage account or by a bank, you are considered the beneficial owner of shares held in street name, and these Circular materials are being forwarded to you by your bank or broker, which is considered the shareholder of record of these shares. As the beneficial owner, you have the right to direct your bank or broker how to vote and are also invited to attend the Meeting. However, since you are not the shareholder of record, you may not vote these shares in person at the Meeting unless you bring with you a legal proxy from the shareholder of record. Your bank or broker has enclosed a voting instruction card providing directions for how to vote your shares.

Q. How do I vote?

A. If you are a shareholder of record, there are two ways to vote:

By completing and mailing your proxy card or

By written ballot at the Meeting.

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Shareholders who are not shareholders of record and who wish to deliver proxies should follow the instructions of their intermediary with respect to the procedure to be followed. Generally, shareholders who are not shareholders of record will either: (i) be provided with a proxy executed by the intermediary, as the shareholder of record, but otherwise uncompleted and the beneficial owner may complete the proxy and return it directly to our transfer agent; or (ii) be provided with a request for voting instructions by the intermediary, as the shareholder of record, and then the intermediary must send to our transfer agent an executed proxy form completed in accordance with any voting instructions received by it from the beneficial owner.

Q. Can I change my vote or revoke my proxy?

A. A shareholder who has given a proxy has the power to revoke it prior to the commencement of the Meeting by depositing an instrument in writing, including another proxy bearing a later date, executed by the shareholder or by the shareholder's attorney authorized in writing either (i) at the Corporation's principal office located at 204 Edison Way, Reno, Nevada, 89502 at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof or (ii) with the chairman of such Meeting on the day of the Meeting or any adjournment thereof or in any other manner permitted by law.

Q. How are proxies being solicited and who pays for the solicitation of proxies?

A. Proxies will be solicited by mail and also may be solicited personally, by email, by facsimile or by telephone. Proxies will be solicited by officers and employees of the Corporation without additional compensation. In addition, we have retained D. F. King & Co., Inc. (the "Soliciting Agent") to assist with the solicitation of proxies.

The cost of solicitation by management will be borne directly by the Corporation. We have agreed to pay the Soliciting Agent an estimated fee of \$5,000, plus reasonable out-of-pocket expenses. Arrangements will also be made with brokerage houses and other custodians, nominees and fiduciaries for the forwarding of solicitation materials to the beneficial owners of the common shares of the Corporation held of record by such persons, and we will reimburse them for their reasonable out-of-pocket expenses incurred by them in connection therewith.

Q. What is the quorum requirement of the Meeting?

A. One-third of the outstanding common shares entitled to vote, represented in person or by properly executed proxy, is required for a quorum at the Meeting.

Q. What vote is required to approve each proposal?

A. Proposal No. 1, the Consolidation Resolution, requires the affirmative vote, in person or by proxy, of not less than two-thirds of the votes cast by the shareholders who voted in respect of the resolution.

Proposal No. 2, election of directors – the seven nominees with the highest number of votes will be elected.

Proposal No. 3, appointment of auditors – the appointment of the auditors and the authorization of the Audit Committee of the Board of Directors to fix the auditors' remuneration requires a majority of the votes cast by the shareholders who voted in respect of the resolution.

Q. What are broker non-votes and how will they affect the vote?

A. Broker non-votes occur when holders of record, such as banks and brokers holding shares on behalf of beneficial owners, do not receive voting instructions from the beneficial holders at least ten days before the Meeting and do not

have authority under governing rules to vote with respect to the proposal in question on behalf of beneficial holders without instructions. Broker non-votes will not affect the outcome of any of the proposals, assuming that a quorum is obtained.

Q. Who can attend the Meeting?

A. All registered shareholders, their duly appointed representatives, our directors and our auditors are entitled to attend the Meeting.

Q. I own my shares indirectly through my broker, bank, or other nominee, and I receive multiple copies of the annual report, Circular, and other mailings because more than one person in my household is a beneficial owner. How can I change the number of copies of these mailings that are sent to my household?

A. If you and other members of your household are beneficial owners, you may eliminate this duplication of mailings by contacting your broker, bank, or other nominee. Duplicate mailings in most cases are wasteful for us and inconvenient for you, and we encourage you to eliminate them whenever you can. If you have eliminated duplicate mailings, but for any reason would like to resume them, you must contact your broker, bank, or other nominee. If you are a shareholder of record contact John Fallini, Chief Financial Officer, by phone at (775) 858-3750 or by mail to P.O. Box 10630, Reno, Nevada, U.S.A. 89510-0630.

Q. Multiple shareholders live in my household, and together we received only one copy of this Circular and annual report. How can I obtain my own separate copy of those documents for the Meeting?

A. You may pick up copies in person at the Meeting or download them from our Internet web site, www.altairannualmeeting.com. If you want copies mailed to you and are a beneficial owner, you must request them from your broker, bank, or other nominee. If you want copies mailed to you and are a shareholder of record, we will mail them promptly if you request them from John Fallini, Chief Financial Officer by phone at (775) 858-3750 or by mail to P.O. Box 10630, Reno, Nevada, U.S.A. 89510-0630. We cannot guarantee you will receive mailed copies before the Meeting.

Q. Where can I find the voting results of the Meeting?