



FIRST BAUXITE CORPORATION
206-595 Howe St.
Vancouver, B.C., V6C 2T5
604-806-0916 Fax: 604-806-0956
www.firstbauxite.com

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Symbol: FBX: TSX – V

NEWS RELEASE

**FIRST BAUXITE CORPORATION ENTERS INTO MAJOR FINANCING
ARRANGEMENT WITH PACIFIC ROAD RESOURCES FUNDS TO FUND PRE-
FEASIBILITY STUDY AT BONASIKA MINING LICENCE, GUYANA**

Vancouver, B.C. – FIRST BAUXITE CORP. (“First Bauxite” or the “Company”)

First Bauxite is pleased to announce a financing which, when completed, will be used primarily to fund a pre-feasibility study on the Bonasika Mining Licence in Guyana, the purchase of a drill rig and additional drilling on its Bonasika and Waratilla-Cartwright bauxite licenses in Guyana, and upon receipt of a positive pre-feasibility study, to fund development and construction of a mine and processing facilities for the high-alumina refractory grade bauxite deposits within the Company's mining licences. The Company has entered into a note purchase agreement with the Pacific Road Resources Funds (the “Subscribers”) providing for financing in two phases. The Subscribers have agreed to make an initial C\$8 million subscription. Upon completion of a positive pre-feasibility study, the Subscribers will have an option to make an additional US\$20 million investment. Each subscription will, upon execution of final documentation, provide for the issue to Subscribers of unsecured convertible notes having a five year term, bearing no interest, which are convertible into common shares of the Company.

Principal Terms of Financing:

Phase 1

The Subscribers will initially subscribe for convertible notes in the aggregate principal amount of C\$8 million, which notes are convertible into common shares of the Company at a conversion price of C\$0.83. On the closing: (i) gross proceeds of C\$3 million will be paid to the Company in exchange for the issuance of convertible notes in the aggregate principal amount of C\$3 million; and (ii) gross proceeds of C\$5 million (the “Escrowed Proceeds”) and convertible notes in the aggregate principal amount of C\$5 million (the “Escrowed Notes”) will be placed in escrow. Once the Subscribers have obtained, at their own cost, an independent study of the bauxite

market, and certain other conditions are satisfied, the Escrowed Proceeds will be released to the Company and the Escrowed Notes will be issued and delivered to the Subscribers. If the independent study is not obtained by the Subscribers on or before September 30, 2009, the Escrowed Notes will not be issued and the Escrowed Proceeds will be returned to the Subscribers.

The Company will pay to Pacific Road Capital Management Pty Limited ("PRCM"), which manages and advises the Subscribers, a management fee in the amount of 3.75% of the gross proceeds of the first phase subscription, payable in cash on the closing, or the release of the Escrowed Proceeds from escrow, as applicable. The Company will also pay finders fees to two finders (the "Finders") in the amount of 3.75% of the gross proceeds of the subscription, payable in cash on the closing, or the release of the Escrowed Proceeds from escrow, as applicable. The finders will also receive warrants equal to 7% of the number of common shares issuable upon conversion of the first phase notes, such warrants being issued in the proportion in which the notes are issued on closing and released from escrow. If the entire C\$8 million principal amount of notes is converted, the Company will issue 9,638,555 common shares to the Subscribers.

Upon the closing of the first phase of the financing, the Subscribers will have the right to appoint one nominee to the Board of Directors of the Company.

Phase 2

Upon delivery by the Company of a pre-feasibility study demonstrating the viability of producing and selling refractory calcined bauxite from the Bonasika mining licence, the Subscribers will have the option to subscribe for additional convertible notes in the aggregate principal amount of US\$20 million within two months from the delivery of the pre-feasibility study. The Phase 2 notes will be convertible into common shares at a conversion price equal to the greater of:

1. the maximum discount permitted by the TSXV, but in any event not less than a 20% discount to (i) the volume-weighted average closing price of the Company's common shares on the TSXV for the 20 trading days preceding the day on which the Subscribers exercise their option to acquire the second phase notes; and
2. C\$1.245 (150% of the conversion price for the first phase notes),

provided that,

3. the second phase conversion price will not be greater than C\$2.00 per share; and
4. the second phase conversion price will be reduced as necessary to ensure that the common shares issuable on conversion of the Phase 2 notes will comprise not less than 15% of the Company's common shares calculated on a fully diluted basis following the issuance of the Phase 2 notes based on the Phase 2 conversion price; provided, however, that the Phase 2 conversion price will not be reduced below the Phase 1 conversion price in which case the Subscribers will have the right to purchase additional notes on the same terms and conditions as the Phase 2 notes so that the common shares issuable on conversion will equal 15% of the Company's issued and outstanding common shares calculated on a fully diluted basis.

The Company will pay to PRCM a management fee in the amount of 3.5% of the gross

proceeds of the subscription payable in cash on the closing. The Company will also pay finders fees to the Finders in the amount of 3.5% of the gross proceeds of the subscription payable in cash on the closing. The Finders will also receive warrants equal to 7% of the number of common shares issuable upon conversion of the notes.

Upon completion of the second phase of the financing, the Subscribers will have the right to appoint additional nominee(s) to the Board of Directors of the Company proportionate to their percentage holding of common shares in the Company (calculated on a fully diluted basis assuming conversion of the Subscribers' notes) and in any event the Subscribers will be entitled to not less than two directors in total, although the Company and the Subscribers may agree to appoint a second nominee prior to the closing of second phase financing.

Participation Right for Future Financings

As long as the Subscribers continue to hold all of the Phase 1 notes (or common shares issued on conversion) and if applicable the Phase 2 notes (or common shares issued on conversion), the Subscribers will have the right to participate in future financings by the Company, and to purchase any amount of securities in such financings subject to the Company's existing obligations to third parties, for a period of three years.

Shareholder Approval

The TSX Venture Exchange (the "TSXV") requires shareholder approval of the proposed transaction because the Subscribers may, under such financing arrangements, become a new "control person" (holding more than 20% of the issued and outstanding voting shares) of the Company for purposes of TSXV policies. The Subscribers may become a control person of the Company as a result of the issuance of the Phase 1 notes, the issuance of the Phase 2 notes, the conversion of the Phase 1 notes or Phase 2 notes, the exercise of the Subscribers' participation rights on future financings (as described above) and/or through market purchases of common shares; the Company will seek shareholder approval for the Subscribers to become a control person through any combination of the foregoing, at any time in the future, by obtaining the written consents of shareholders holding more than 50% of the current issued and outstanding shares of the Company, as permitted by the policies of the TSXV. The Subscribers and PRCM do not currently own any shares of the Company and as a result they will not be voting on the transaction. The Company recommends that shareholders approve the transaction with the Subscribers.

Closing

Completion of the financing is subject to certain conditions, including receipt of TSXV approval and all other necessary shareholder and regulatory approvals.

Yannis Tsitos, President of First Bauxite commented: *"First Bauxite is a company with great growth potential. Securing financing to advance the development of our licenses in Guyana was a priority objective in our business plan following the approval of the Bonasika acquisition by the Exchange and the commencement of resource outline drilling at the Bonasika refractory grade bauxite deposits in the autumn of 2008. We are extremely pleased that an international private equity investor of the calibre of the Pacific Road Resources Funds has recognized the true value of our company and its projects. In such difficult economic times, securing a major financing of this size and phased structure, is a significant milestone that will enable the company to maintain its momentum, complete the pre-feasibility study at Bonasika, and further*

develop its properties. Most importantly, it is not only about raised funds; nominees of Pacific Road Resources Funds with significant global mining experience will become part of our Board, and we are looking forward to a true partnership that will enhance the value of our projects and maximize the returns for all of our shareholders.”

Paul Espie, Managing Director of PRCM, commented on behalf of the Pacific Road Resources Funds: *“We are pleased to be involved in the project and associated with the experienced and professional First Bauxite team. We look forward to advancing their project into production and positioning First bauxite to become an important supplier of a high value product to industrial consumers in the Americas and Europe.”*

About First Bauxite and Bonasika Mining Licence

First Bauxite Corporation (FBX: TSX-V) is a Canadian natural resources company engaged in the exploration and development of bauxite deposits, through resource discovery and mining within a niche industrial market. The company has its head-office in Vancouver and its current assets in Guyana, South America and is managed by experienced geoscientists and business development professionals with world-wide experience in the exploration and mining business across a number of mineral commodities. The unambiguous mission of First Bauxite is to become a near term, medium size producer and supplier of high quality refractory grade calcined bauxite. First Bauxite controls a very large land package in Guyana’s historical coastal bauxite belt, including the Bonasika Mining Licence, covering deposits which were drilled in 1940’s-60’s by ALCAN and which host near surface deposits of refractory grade bauxite. The Company is currently drilling the deposits for resource-outline purposes, to make the historical reserves NI43-101 compliant, and has initiated a pre-feasibility study to analyse and outline the viability of an independent mining and processing operation. First Bauxite has leveraged itself to the metallurgical bauxite business, through an option agreement with Rio Tinto Alcan, whereby Rio can earn up to 75% interest in FBX’s exploration ground by expending up to US\$58 million in stages. For further information on First Bauxite Corporation, please visit our corporate website at www.firstbauxite.com.

About Pacific Road Resources Funds and Pacific Road Capital Management Pty Limited

The Pacific Road Resources Funds are private equity funds investing in the global mining industry. They provide expansion and buyout capital for mining projects, mining related infrastructure and mining services businesses located throughout resource-rich regions of the world. The Pacific Road Resources Funds are managed and advised by Pacific Road Capital Management Pty Ltd (“PRCM”). The PRCM team, located in Sydney, Australia, San Francisco and New York, USA, is comprised of experienced mining investment professionals that have extensive knowledge and experience in the mining and infrastructure sectors, including considerable operating, project development, transactional and investment banking experience. For further information on the Pacific Road Resources Funds and PRCM, please go to their website at www.pacroad.com.au.

On behalf of The Board of Directors of First Bauxite Corporation

Ioannis (Yannis) Tsitos
President & Director

Hilbert N. Shields
CEO & Director

This document contains certain forward looking statements which involve known and unknown risks, delays, and uncertainties not under the corporations control which may cause actual results, performance or achievements of the Company to be materially different from the results, performance or expectation implied by these forward looking statements.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.