



First Bauxite announces third financing facility of US\$10 million and date of Special Meeting of Shareholders to approve the Arrangement

NEW ORLEANS, October 29, 2018 -- First Bauxite Corporation (“**First Bauxite**” or the “**Company**”) (TSX-V:FBX) (FRANKFURT:FBI) (BERLIN:FBI) is pleased to announce that it has received an additional financing facility (the “**Third Bridge Loan Facility**”) under a third bridge loan agreement with Resource Capital Fund VI L.P. (“**RCF VI**”) pursuant to which RCF VI has agreed to provide: (1) an operating loan facility (the “**Operating Loan Facility**”) in the principal amount of US\$8 million to be applied in financing First Bauxite’s Bonasika Project and its bauxite mining and beneficiation plant in Guyana (collectively, the “**Projects**”), which Operating Loan Facility is to be available in multiple advances in accordance with First Bauxite’s cashflow forecast; and (2) a loan of up to US\$2 million to fund First Bauxite’s redemption of its fractional shares pursuant to the arrangement between RCF VI, Resource Capital Fund V L.P. (“**RCF V**”) and collectively with RCF VI, the “**RCF Funds**”) and First Bauxite announced on October 19, 2018 (the “**Arrangement**”) as well as to pay First Bauxite’s costs and expenses in connection with the Arrangement.

Once the Arrangement becomes effective, the RCF Funds will own 100% of the common shares of the Company (the “**Common Shares**”). Under the Arrangement, among other things, the Common Shares will be consolidated at the effective time of the Arrangement on the basis of one (1) post-consolidation Common Share for one hundred million (100,000,000) pre-consolidation Common Shares (the “**Consolidation**”). After effecting the Consolidation, those shareholders of the Company who would end up holding less than one whole post-Consolidation Common Share will have their fractional post-Consolidation Common Share purchased by First Bauxite at a price of \$0.04 for each pre-Consolidation Common Share held. As a result of the Consolidation, the RCF Funds would be the sole shareholders of First Bauxite.

The Company is to seek shareholder approval to the Arrangement at a special meeting of shareholders to be held in Toronto on Friday, December 7, 2018 (the “**Special Meeting**”). A record date of October 30, 2018 has been set for the Special Meeting.

First Bauxite and RCF VI have previously established a US\$5 million bridge loan facility on January 23, 2018 and a US\$10 million bridge loan facility on June 14, 2018 (the “**Prior Bridge Loan Facilities**”) and collectively with the Third Bridge Loan Facility, the “**Loan Facilities**”). The Loan Facilities mature on January 23, 2019 (the “**Maturity Date**”) and would become immediately due and payable in full upon the incurrence, creation or assumption by the Company or any of its subsidiaries of any indebtedness or the establishment, sale or creation of any royalty, metal stream or similar arrangement in connection with financing the Projects in an aggregate amount of more than US\$25 million.

The Company may pay or prepay the Loan Facilities in whole or in part at any time prior to the Maturity Date without penalty or premium. Interest will accrue at a rate equal to 10.0% per annum, which will immediately be increased by 3.5% annually on the occurrence of an Event of Default, all accrued and outstanding interest on the Loan Facilities to be payable on the date of repayment of the Loan Facilities. In consideration for establishing the Third Bridge Loan Facility, the Company has paid RCF VI an upfront fee of US\$300,000 from the US\$1,300,000 first advance of the Operating Loan Facility provided today.

RCF VI is a “related party” (as such term is defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) and TSX Venture Exchange Policy 5.9) of the Company: RCF VI, together with RCF V, which are under common management by RCF Management LLC, beneficially owns and controls approximately 496.9 million common shares of the Company (representing approximately 90.7% of the outstanding common shares of the Company). The provision of the Third Bridge Loan Facility is therefore a “related party transaction” (as such term is defined in MI 61-101). In consideration of the financial circumstances of the Company, the Company is relying upon the “financial hardship” exemptions from the requirement to obtain a formal valuation and minority shareholder approval in Sections 5.5(g) and 5.7(e) of MI 61-101 respectively.

On behalf of the Board of Directors of First Bauxite Corporation

Alan Roughead
President & CEO

Neither the 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.

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