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### NEWS RELEASE

## **FIRST BAUXITE ANNOUNCES THE ADDITIONAL FINANCING OF US\$10 MILLION PURSUANT TO A SECOND BRIDGE LOAN FACILITY AND FORMAL COMMENCEMENT OF CONSTRUCTION OF THE BONASIKA PROJECT**

**New Orleans, LA, USA - First Bauxite Corporation** (“**First Bauxite**” or the “**Company**”) is pleased to announce that it has received additional financing under a second bridge loan agreement (the “**Second Loan Agreement**”) with Resource Capital Fund VI L.P. (“**RCF VI**”) signed today. RCF VI has agreed to provide additional financing under a second bridge loan facility (the “**Second Bridge Loan Facility**”) to the Company in the principal amount of up to US\$10 million (the “**Second Bridge Loan**”). The Company announced in meetings with Ministers of the Government of Guyana that construction has commenced of the mining and processing facilities for its Bonasika Bauxite Project (the “**Bonasika Project**”) located in Guyana using proceeds from the Second Bridge Loan Facility.

### **Funding Update**

The Second Bridge Loan is to be advanced in four separate advances: (1) a first advance of up to US\$2 million, which is available to be drawn on or after June 15, 2018; (2) a second advance of up to US\$2 million, which is to be available on or after July 1, 2018; (3) a third advance of up to US\$2.5 million, which is available to be drawn on or after August 1, 2018; and (4) an amount equal to the undrawn balance, which is to be available on or after September 1, 2018. The Second Bridge Loan will be repayable in full on the earlier of the demand of RCF VI after an “**Event of Default**” (as this term is defined in the Second Loan Agreement); and (2) the date (the “**Maturity Date**”) falling 12 months after the date of the first advance of the loan under the first bridge loan agreement signed in January 2018 (the “**First Loan Agreement**”) received January 26, 2018. The other terms of the Second Loan Agreement are consistent with the First Loan Agreement.

The First Bridge Loan and Second Bridge Loan (collectively, the “**Bridge Loans**”) 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 Company’s Bonasika Project and the Company’s bauxite mining and beneficiation plant in Guyana, in an aggregate amount of more than US\$25 million.

The Company may pay or prepay the Bridge Loans 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 Bridge Loans to be payable on the date of repayment of the Bridge Loans. In consideration for establishing the Second Bridge Loan Facility, the Company will pay RCF VI an upfront fee of US\$300,000 on or before the first advance of the Second Bridge Loan.

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 Resource Capital Fund V L.P. (collectively, “**RCF**”), which

are under common management by RCF Management LLC, beneficially owns and controls 53,127,984 common shares of the Company (representing approximately 45.19% of the outstanding common shares of the Company) and C\$8 million and US\$19,422,861 aggregate principal amount of convertible notes (the “**Notes**”). RCF VI is also the holder of an option (the “**Option**”) to acquire all of Pacific Road Resources Funds’ 13,127,984 common shares of the Company and C\$9,847,901 aggregate principal amount of Notes. The Option may be exercised at any time until June 30, 2018. Assuming exercise of the Option and conversion in full of the aggregate principal amount of the Notes at a conversion price of C\$0.10 per common share, RCF would acquire an additional 434,577,551 common shares of the Company. The Second Bridge Loan 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.

Additional funding will be required to complete the Bonasika Project.

### **Commencement of Construction**

The Company has formally notified the Guyana Geology and Mines Commission that proceeds of the Second Bridge Loan will be utilized to commence construction of its mine and processing operations for its Bonasika Project in Guyana as required under its Mining License.

The Company is committed to improvements to local infrastructure and keeping Guyana working. Initial construction activity is expected to include improvements in local infrastructure including the construction of a haul road, wharfs and roll-on/roll-off ramps on the Demerara River, and upgrades to the mine camp, all of which will utilize local contractors where possible.

The Company currently employs 88 employees and contractors, of which more than 85% are from local communities. When the Bonasika Project is fully operational, anticipated in the second half of 2019, the Project will create approximately 250 jobs, with more than 95% of them expected to be filled from local communities. Additional local employment is expected to be created by local suppliers to provide goods and services in support the ongoing operations of the Company.

On behalf of the Board of Directors of First Bauxite Corporation

Alan Roughead  
President & CEO

### **About First Bauxite**

First Bauxite Corporation (TSX-V: FBX) is a Canadian natural resources company engaged in the exploration and development of bauxite deposits in Guyana, South America. The Company intends to produce and sell bauxite raw ore from its facility in Guyana and intends to produce sintered refractory products and ceramic proppants for the refractory and energy industries in the future. The Company has its head office in New Orleans, Louisiana and is managed by experienced professionals with worldwide experience in the global industrial minerals industry across a number of industrial minerals. For further information on First Bauxite Corporation, please visit our corporate website at [www.firstbauxite.com](http://www.firstbauxite.com).

*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.*

Certain statements contained herein constitute “forward-looking statements”. Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as “will”, “anticipates”, “believes”, “intends”, “expects” and similar expressions. These statements include, but are not limited to, statements regarding the continued advancement of the Bonasika Project, modifications to the Mineral Agreement, Mining License and Environmental Permit for the Bonasika Project and the Company’s development plans. These forward-looking statements are based on current expectations and entail various risks and uncertainties. Actual results may materially differ from expectations, if known and unknown risks or uncertainties affect the Company’s business, or if the Company’s estimates or assumptions prove inaccurate. Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements, include, but are not limited to, effect of capital market conditions and other factors on capital availability, availability of sufficient financing to fund planned or further required work in a timely manner and on acceptable terms, continuing support of the Government of Guyana for the Bonasika Project; execution of the Company’s existing plans as budgeted, including development programs for the Bonasika Project, which may change due to changes in the views of the Company or if new information arises which makes it prudent to change such budget, plans or programs, including the results of future trials and testwork or any inability to reproduce test results on a commercial scale or in the field, and other risks affecting the Company or the mining industry more fully described in the Company’s continuous disclosure documents, which are available under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com). Readers are cautioned not to place undue reliance on the forward-looking statements contained in this press release. Except as required by law, the Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

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