

First Bauxite Corporation Announces Re-Financing of Convertible Notes

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TORONTO, ONTARIO--(Marketwired - Jun 26, 2014) - [First Bauxite Corp.](#) (TSX VENTURE:FBX)(FRANKFURT:FBI)(BERLIN:FBI)(the "**Company**") is pleased to announce that the Company has completed a re-financing of its \$8 million principal amount convertible notes previously issued to the Pacific Road Resources Funds by the issuance of replacement 10% per annum interest bearing promissory notes (the "Replacement Notes") and the cancellation of the convertible notes previously issued to Pacific Road.

The non-convertible Replacement Notes have an aggregate principal amount of \$8,313,000, reflecting the \$8 million in cancelled notes, a \$280,000 (3.5%) re-financing fee and \$33,000 in legal costs incurred by Pacific Road on the re-financing. The Replacement Notes mature in January 2016, therefore are considered a non-current liability of the Company. The cancellation of the previously issued notes to Pacific Road leaves the Company in a positive net working capital position.

The Re-financing constitutes a related party transaction pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101") and TSX Venture Exchange Policy 5.9.

The board of the Company consists of six directors, five of whom are unrelated to PRRF and its affiliates, and are otherwise independent as determined pursuant to Part 7 of MI 61-101. The directors reviewed the Company's financial position as advised by the Chief Financial Officer of the Company, including giving consideration to its net working capital deficiency, the June 26, 2014 maturity date of \$3,000,000 in convertible notes and the July 23, 2014 maturity date of \$5,000,000 in convertible notes. In the event of default in payment on the notes due in June and July 2014, accelerated default provisions would have triggered the obligation to pay an additional \$8,000,000 of convertible notes which were previously issued and are also due in January 2016.

In light of the financial situation of the Company, the directors of the Company considered the terms of the Re-financing and the financial status of the Company and resolved unanimously that the Company was in serious financial difficulty; that the Re-financing was designed to improve the Company's financial position and the Re-financing and the terms thereof were reasonable in the circumstances of the Company. The Re-financing was then unanimously authorized and approved by the independent directors.

In consideration of the financial circumstances of the Company and the determination by the directors, the Company relied upon the "financial hardship" exemptions from the requirements to obtain a formal valuation and minority shareholder approval in Sections 5.5(g) and 5.7(e) of MI 61-101 respectively.

The Company is also filing a material change report on SEDAR (www.sedar.com) regarding the Re-financing. The material change report is being filed less than 21 days prior to the closing of the Re-financing due to the short time span between the signing of the amending agreement today and the maturity dates of the previously issued convertible debentures being re-financed by the Replacement Notes.

About First Bauxite Corporation

[First Bauxite Corp.](#) (TSX VENTURE:FBX) is a Canadian natural resource company engaged in the exploration and development of bauxite deposits in Guyana, South America. The Company has its head office in Toronto and is managed by experienced geoscientists and business development professionals with worldwide experience in the exploration and mining business across a number of mineral commodities. The mission of the Company is to become a near term, medium size producer and supplier of high quality

refractory grade sintered bauxite. For further information on [First Bauxite Corp.](#), please visit our corporate website at www.firstbauxite.com.

Forward-Looking Statements

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. 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 our business, or if our 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, the effect of capital market conditions and other factors on capital availability. 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.

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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