

First Bauxite Announces the Arrangement of \$5 Million Bridge Loan Facility

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NEW ORLEANS, LOUISIANA--(Marketwired - Jan 23, 2018) - First Bauxite Corporation (TSX VENTURE:FBX)(FRANKFURT:FBI)(BERLIN:FBI) ("First Bauxite" or the "Company") is pleased to announce that it has entered into a loan agreement (the "Loan Agreement") with Resource Capital Fund VI L.P. ("RCF VI") pursuant to which RCF VI has agreed to provide a bridge loan facility (the "Bridge Loan") to the Company in the principal amount of up to US\$5 million. The proceeds of the Bridge Loan are to be used for the purpose of funding development initiatives related to its direct shipping operations and to fund working capital expenses.

The Bridge Loan is to be advanced in three separate advances: (1) a first advance (the "First Advance") of up to US\$2 million, which amount has been paid to the Company; (2) a second advance of up to US\$2 million, which is to be available on or after March 1, 2018; and (3) a third advance of up to an amount equal to the undrawn balance, which is to be available on or after April 1, 2018. The 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 Loan Agreement); and (2) the date falling 12 months after the date of the First Advance (the "Maturity Date").

The Bridge Loan 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 Bauxite Project (the "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 Loan 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 Loan to be payable on the date of repayment of the Bridge Loan. In consideration for establishing the Bridge Loan, the Company will pay RCF VI an upfront fee of US\$150,000 on or before the first advance of the 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 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.

On behalf of the Board of Directors of [First Bauxite Corp.](#)

Alan Roughead, President & CEO

About First Bauxite

[First Bauxite Corp.](#) (TSX VENTURE: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 Corp.](#), please visit our corporate website at 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 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. 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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