

First Bauxite Mails Information Circular for Meeting to Seek Shareholder Approval of Going-Private Transaction and Provides Bonasika Project Update

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NEW ORLEANS, Nov. 13, 2018 - [First Bauxite Corporation](#) ("First Bauxite" or the "Company") (TSX-V:FBX, FSE:FBI) advises that further to its news release dated October 19, 2018, the Company has mailed its management information circular (the "Circular") and related proxy materials to shareholders of record as of October 30, 2018 (the "Shareholders") for its upcoming special meeting (the "Meeting") to be held on December 7, 2018 at 10:00 a.m. (Toronto time). The Meeting materials are also available for download under the Company's profile on [www.sedar.com](#)

At the Meeting, Shareholders will be asked to consider, and if thought fit approve a special resolution (the "Arrangement Resolution") authorizing a going-private transaction (the "Going-Private Transaction") with the Company's largest shareholders, Resource Capital Fund V L.P. ("RCF V") and Resource Capital Fund VI L.P. ("RCF VI") and together with RCF V, the "RCF Funds"), by way of a statutory plan of arrangement (the "Arrangement") under section 288 of the *Business Corporations Act* (British Columbia) (the "BCBCA"). In order to be effective, the Arrangement Resolution must be approved by at least two-thirds of the votes cast by the Shareholders present in person or represented by proxy at the Meeting on the Arrangement Resolution. The votes attached to the Common Shares held by the RCF Funds are sufficient to adopt the Arrangement Resolution. The RCF Funds are therefore in a position to have the Arrangement approved.

The Arrangement involves, among other things, the consolidation (the "Consolidation") of the common shares of the Company (the "Common Shares") on the basis of one post-Consolidation Common Share for every 100,000,000 Common Shares currently issued and outstanding. After giving effect to the Consolidation, each holder of pre-Consolidation Common Shares who holds less than one post-Consolidation Common Share ("Fractional Shareholders") will be paid, in lieu of any fractional post-Consolidation Common Share, CAD\$0.04 in cash by the Company in exchange for each pre-Consolidation Common Share held by them (the "Consideration") and such Fractional Shareholder will cease to be the holder of Common Shares or have any rights as a holder in respect of such Common Shares other than the right to be paid by the Company the Consideration for such Common Shares.

The disinterested members of the Board have unanimously approved the Arrangement and recommend that Shareholders vote FOR the Arrangement Resolution, on the basis that the Arrangement is in the best interests of the Company and, in particular, is fair to the Fractional Shareholders.

In making their recommendation, the disinterested members of the Board considered the following (amongst other reasons set out in the Circular):

1. the price at which the Fractional Shareholders will be paid out in cash following the Arrangement (\$0.04 per pre-consolidation Common Share) represents:
 1. a 100% premium to the closing price of the Common Shares on October 17, 2018 (the last trading day prior to conversion of the RCF Convertible Loans held by the RCF Funds);
 2. a 79% premium to the volume weighted average trading price of the Common Shares for the 20 trading days ended October 18, 2018 (being the last trading day before the date that the Company announced that it would pursue the Arrangement); and
 3. a 34% premium to the volume weighted average trading price of the Common Shares for the 3 months ended October 18, 2018
2. the Common Shares are very thinly traded, making it difficult or impossible for Shareholders to sell efficiently through the facilities of the TSX-V;
3. the Arrangement presents an efficient liquidity mechanism for all Fractional Shareholders at a premium to the recent share price which could not otherwise be generated from the trading platforms given the Company's liquidity and capital structure; and

4. following completion of the Arrangement, the Company will save significant administrative expense associated with it no longer having obligations as a reporting issuer and a listed company.

The Arrangement requires approval by the Supreme Court of British Columbia (the "Court"). The Company filed a Petition to the Court, and obtained an interim order (the "Interim Order") providing for the calling and holding of the Meeting and other procedural matters. Subject to the approval of the Arrangement Resolution by Shareholders at the Meeting in the manner required by the Interim Order, a Court hearing for the final order in respect of the Arrangement (the "Final Order") is to take place on or about December 12, 2018 at 9:45 a.m. at the courthouse at 800 Smithe Street, Vancouver, British Columbia V6Z 2E1, Canada.

A letter of transmittal ("Letter of Transmittal") is being delivered by the Company with the Circular to the Shareholders in respect of the Common Shares. Upon timely receipt by TSX Trust Company, acting as depositary under the Arrangement (the "Depositary"), of certificates representing Common Shares and a properly completed and duly executed Letter of Transmittal, Fractional Shareholders will be entitled to receive the Consideration. If the Arrangement is not completed, the surrendered share certificates will be returned by the Depositary as soon as is practicable.

First Bauxite shareholders are encouraged to carefully read the Circular and other Meeting materials as they contain important information regarding the Going-Private Transaction.

Update on Bonasika Project Developments

In June 2018, the Company notified the Guyana Geology and Mines Commission that it had commenced construction on the Bonasika Project and the Company also received a second bridge loan of US\$10 million from RCF VI. Since that time, the Company has achieved the following milestones: it has engaged JDS Mining & Energy to perform the engineering, procurement and construction management of the Bonasika Project; site mobilization occurred in September 2018; it has received permits for a haul road, wharf and roll-on, roll-off ramps in October 2018; it commenced construction of the haul road in October, 2018; it has shipped more than 4,100 metric tonnes of ore to a customer in Europe in October 2018; and, as recently disclosed, the Company has obtained a third bridge loan from RCF VI of US\$10 million to continue financing of the Bonasika Project and to acquire the Fractional Shares pursuant to the Arrangement. The Company expects that further permits and major construction package awards will be in place by the end of the year with construction scheduled to be completed and commissioning to commence during the 4th quarter of 2019.

As a result of such developments, beginning in the 3rd quarter of 2018, the Company has considered the Bonasika Project to be in the development stage for accounting purposes, which will result in the majority of costs incurred in Guyana being capitalized.

On behalf of the Board of Directors of First Bauxite Corporation

Alan Roughead
President and Chief Executive Officer

About First Bauxite

[First Bauxite Corporation](http://www.firstbauxite.com) 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.

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Forward-looking Statements

Certain statements contained herein constitute "forward-looking statements" or "forward-looking information" under applicable securities laws ("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, including the Company's expectation that further permits and major construction package awards will be in place by the end of the year with construction scheduled to be completed and commissioning to commence during the 4th quarter of 2018. 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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