

2022 01G
IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
GENERAL DIVISION

BETWEEN:

PRICEWATERHOUSECOOPERS INC. in its capacity as court-appointed receiver and manager of BRIDGING FINANCE INC. and BRIDGING INCOME FUND LP

APPLICANT

AND:

CANADA FLUORSPAR (NL) INC. and CANADA FLUORSPAR INC.

RESPONDENTS

AFFIDAVIT

SUMMARY OF CURRENT DOCUMENT	
Court File Number(s):	2022 01G
Date of Filing Document:	February 21, 2022
Name of Party Filing or Person:	PricewaterhouseCoopers Inc.
Application to which Document being filed relates:	Application to appoint an interim receiver for the Respondent pursuant to section 47 of the <i>Bankruptcy and Insolvency Act</i> , RSC 1985, c B-3, section 105 of the <i>Judicature Act</i> , RSNL 1990, c J-4 and Rule 25.01 of the <i>Rules of the Supreme Court, 1986</i>
Statement of Purpose in Filing:	To support the application

I, Graham Page, of the City of Toronto, in the Province of Ontario, make oath and say:

- I am a Director in the Consulting and Deals practice at PricewaterhouseCoopers Inc. ("**PwC**"), the court-appointed receiver and manager of Bridging Finance Inc., Bridging Income Fund LP (formerly Sprott Bridging Income Fund LP) and certain related entities and investment funds. As such, I have personal knowledge of the facts set out in my affidavit. Where I have obtained information from others, I have stated the source of that information and that I believe it to be true.

OVERVIEW OF BRIDGING

- Bridging Finance Inc. ("**Bridging Finance**") is a privately held investment management firm that offers alternative investment options to retail and institutional parties through its

investment funds. Bridging would raise capital from investors for the purpose of making private debt loans to third party borrowers. Each of the Bridging investment funds has appointed Bridging Finance as portfolio manager and as its agent to enter into loan agreements with borrowers, take security on behalf of each Bridging investment fund with respect to loans and collect loan payments from borrowers.

3. Bridging Finance is registered with securities regulators in all provinces and territories in Canada as a restricted portfolio manager and an exempt market dealer.
4. As further detailed below, Bridging Finance is the portfolio manager and agent for Bridging Income Fund LP (formerly Sprott Bridging Income Fund LP) ("**Bridging Income Fund**") the main secured lender to CFI in respect of this proceeding along with five other investment funds managed by Bridging Finance.
5. Throughout my affidavit, Bridging Finance, Bridging Income Fund, and the 5 other investment funds managed by Bridging Finance will be collectively referred to as "**Bridging**".

PWC APPOINTMENT AS RECEIVER AND MANAGER FOR BRIDGING

6. By orders of the Ontario Superior Court of Justice (Commercial List) dated April 30, 2021, May 3, 2021, and May 14, 2021 (collectively, the "**Appointment Orders**"), PwC was appointed as receiver and manager of all of the assets, undertakings, and properties of each of Bridging Finance, Bridging Income, and certain related entities and investment funds. Attached hereto and marked as **Exhibit A** is a copy of the original Appointment Order.
7. PwC was appointed as the receiver and manager pursuant to section 129 of the Ontario *Securities Act* upon application by the Ontario Securities Commission as a result of the

Commission's ongoing investigation into Bridging Finance and certain related individuals and entities.

CFI CORPORATE HISTORY AND BUSINESS

8. Canada Fluorspar (NL) Inc. is a Newfoundland and Labrador corporation, and is a borrower of Bridging as set out below. Canada Fluorspar (NL) Inc. is also the employer for the mine operation described below.
9. Canada Fluorspar Inc. is incorporated under the laws of the Province of Ontario and is extra-provincially registered in Newfoundland and Labrador. Canada Fluorspar Inc. has been 100% owned by Golden Gate Capital ("**Golden Gate**") since 2014. Canada Fluorspar Inc. is the guarantor for Canada Fluorspar (NL) Inc.'s indebtedness as described below.
10. Canada Fluorspar (NL) Inc. and Canada Fluorspar Inc. will be referred to in my affidavit collectively as "**CFI**".
11. CFI's chief place of business is Newfoundland and Labrador, where all of its operational assets are located.
12. CFI is the only active producer of fluorspar in Canada and the United States. CFI is developing the St. Lawrence Fluorspar Mine Project in St. Lawrence, Newfoundland and Labrador, to mine high quality fluorspar ore from the AGS Vein to produce acid-grade fluorspar concentrate and export to domestic and international markets. This is known as the AGS Fluorspar Project, discovered in 2013.
13. The current estimate of available ore indicates that the mine is expected to operate for approximately 10 years. CFI also has other fluorspar ore bodies in the vicinity of the AGS Fluorspar Project, which could be mined after the AGS Vein ore has been exhausted.

14. The fluorspar deposits of St. Lawrence are known for accessibility, high grades, and absence of impurities. The location of the AGS Fluorspar Project, with an ice-free, deep-water harbour close to the major North Atlantic and European shipping routes, enhances its strategic position.
15. Since 2018, shipments have been loaded from a pier in Marystown, NL. However, in July 2021, CFI loaded its first shipment from its new Blue Beach Marine Terminal, 5 kilometers from the mine site in St. Lawrence.
16. Fluorspar is an essential mineral to many industries and applications, including lithium ion batteries; solar panels; refrigeration and air conditioners; high-performance polymers for aerospace; automotive and electronics applications; high-strength and purity glass for smart phones and electronic devices; pharmaceuticals, anaesthetics and medical devices; fire retardants and welding consumables; and steel and aluminum production.
17. In addition to mine development at the AGS Fluorspar Project and the Marine Terminal at Blue Beach Cove, CFI also operates:
 - (a) A Mill Facility with a production capacity of up to 180,000 tonnes per year of acidspar concentrate;
 - (b) Infrastructure to support the mine and mill, including access roads, conveyors, an administration building, a warehouse and maintenance building, employee facilities, a concentrate storage building, a security building, and an electrical building; and
 - (c) A Tailings Management Facility to store 2.8 million tonnes of flotation tailings over the life of the AGS Fluorspar Project.

CFI's INDEBTEDNESS

18. Bridging entered into several non-revolving term loans with CFI:

- (a) A term loan in the principal amount of CAD\$27,000,000, pursuant to a Credit Agreement dated February 2, 2017 with a maturity date of January 31, 2019;
- (b) A second term loan in the principal amount of CAD\$20,000,000, pursuant to an Amended and Restated Credit Agreement dated August 1, 2017 with a maturity date of January 31, 2019 and a CFI option to extend all outstanding term loans to July 31, 2019;
- (c) A third term loan in the principal amount of CAD\$8,000,000 pursuant to a Second Amended and Restated Credit Agreement dated February 1, 2018 with a maturity date of January 31, 2019 and a CFI option to extend to July 31, 2019;

(collectively, the “**Bridging Loan**”). Attached hereto and marked as **Exhibit B** is a copy of the Second Amended and Restated Credit Agreement, dated February 1, 2018, summarizing the Bridging Loan.

19. Bridging is the largest secured creditor of CFI.

20. However, CFI is also a borrower under the following other facilities:

- (a) HSBC: (i) a revolving term loan in the principal amount of USD\$20,000,000, (ii) an overdraft account with a credit limit of up to US\$2,000,000, (iii) a letter of credit facility with a credit limit of up to CAD\$1,500,000, and (iv) a credit card facility with a credit limit of up to CAD\$100,000 (collectively, the “**HSBC Facilities**”); and
- (b) A non-revolving term loan from the Province of Newfoundland and Labrador, as represented by the Minister of Tourism, Culture, Industry and Innovation, in the principal amount of CAD\$17,000,000 pursuant to a loan agreement dated March

30, 2017, as amended, with a maturity date of December 31, 2021 (the "**NL Loan**").

On November 29, 2021 the maturity date of NL Loan was extended to December 31, 2022.

21. CFI's shareholder, Golden Gate, has invested approximately USD\$238,000,000 in equity financing since its acquisition of CFI in 2014.

SECURITY OVER CFI PROPERTY

22. CFI's obligations under the Bridging Loans are secured by a general security agreement and a debenture, as amended, granting a security interest in favour of Bridging with respect to all of CFI's present and after-acquired real and personal property, including all relevant mineral titles (the "**Bridging Security**"). Attached hereto and marked as **Exhibit C** is a copy of the Bridging Security.

23. In addition, CFI has granted to:

- (a) HSBC with respect to the HSBC Facilities a general security agreement providing a security interest in all of CFI present and after acquired personal property and specific security with respect to CFI's accounts receivables (the "**HSBC GSA**");
- (b) The Province of Newfoundland and Labrador, as represented by the Minister of Tourism, Culture, Industry and Innovation, with respect to the NL Loan a general security agreement and a debenture granting a security interest with respect to all of CFI's present and after-acquired real and personal property, including all relevant mineral titles (the "**NL Security**").

24. Pursuant to an Amended and Restated Intercreditor Agreement dated May 25, 2018, as amended, between Bridging, HSBC, the Government of Newfoundland and Labrador and CFI, the HSBC GSA has first priority over all accounts receivable of CFI which have been financed by HSBC pursuant to the Trade Invoice Recourse Financing Facility Agreement

dated May 25, 2018 between Canada Fluorspar (NL) Inc. and HSBC, as amended, up to the limit of US \$20,000,000, plus interest thereon and any fees in relation thereto.

25. I understand that HSBC intends to administer the collection of the subject accounts receivable, rather than having the Interim Receiver do so, as a result of which such accounts receivable and proceeds thereof are excluded property under the form of interim receivership order being sought.

BRIDGING' REVIEW OF CFI'S BUSINESS

26. CFI's current indebtedness to Bridging alone exceeds CAD\$68,000,000 inclusive of accrued interest.
27. My understanding from discussions with CFI's management team is that in order to generate positive cash flow in a given month, CFI needs to operate near full capacity production at the mine in order to produce enough fluorspar to cover the associated cost of mining.
28. Bridging understands that a number of logistical and COVID-19-related challenges have impeded CFI's production since Q4 2021, particularly in the colder months of November 2021 to January 2022. As a result, Bridging understands that CFI's cash burn rate has increased each month and has left CFI generating large negative monthly cash flow.
29. Golden Gate has historically injected equity into CFI to fund its operations since it acquired CFI in 2014. I understand from Golden Gate that this has totalled approximately USD\$238 million of equity injections into CFI.
30. In late January 2022, Golden Gate first advised Bridging that Golden Gate was not prepared to inject additional cash into CFI's operations after the recent operational and COVID-19 related issues from November 2021 to January 2022.

31. I understand that this has left CFI in an immediate cash crunch.
32. The Bridging Loans are set to mature in March 2022 after repeated amendments since the lending relationship began. Bridging understands from discussions with CFI management that CFI will not be in a position to repay the Bridging Loans when they come due.
33. Bridging understands that CFI is similarly unable to repay the HSBC Facilities and the NL Loan.
34. Bridging has also held discussions with CFI, Golden Gate and other secured lenders in an effort to seek a path forward amongst the key stakeholders that would maintain the going concern operations of CFI.
35. Bridging understands that without an urgent further influx of cash or significant reductions in expenses (or both), CFI will not be able to make payroll beyond the payroll that needs to be funded on Wednesday, February 23.
36. Bridging further understands from CFI that, without intervention, CFI will be forced to fully cease operations. In preparation for that, I understand that CFI intends to terminate some 260 employees at the beginning of this week due to the lack of cash.
37. Due to CFI's impending cessation of operations and potential for a bankruptcy, Bridging's security, along with that of HSBC and the Province, is in jeopardy.
38. Bridging intends to give notice to CFI of its intention to enforce its security under section 244 of the BIA. We anticipate such notice being sent on Monday, February 21, 2022.

THE NEED FOR AN INTERIM RECEIVER FOR CFI

39. The economic and social implications of a permanent cessation of CFI's operations would be serious for lenders, equityholders, the employees of CFI, and the province.
40. A CFI bankruptcy could potentially cause the permanent closure of the mine and the permanent loss of approximately 260 jobs, of which the vast majority are in Newfoundland. It would also lead to losses for many others not directly employed by CFI but whose jobs or livelihoods depend on CFI and the significant contribution it makes to the Newfoundland and Labrador economy.
41. PwC, on behalf of Bridging, has been in discussions with CFI's other secured lenders with a view to developing a restructuring plan for CFI. This plan includes appointing an interim receiver and allowing the interim receiver to re-hire a number of employees to take CFI into a care and maintenance mode to preserve its viability during a restructuring.
42. Certain other secured lenders have been generally supportive of developing such a plan provided the substantial operating costs are limited immediately while the various stakeholders seek a path forward to a going concern sale. On this point and as noted above, I am advised that HSBC does not oppose the form of Interim Receivership Order sought by Bridging, provided such order provides for the carve-out provisions noted above.
43. Those discussions are ongoing and Bridging believes that it may be able to bring forward a restructuring plan for CFI with a view to a sales or investment solicitation process in the near future while the mine is put into care and maintenance.
44. Given the issues outlined above, it is critical that CFI's assets be placed under the care and control of a court officer to protect Bridging's interests and the interests of CFI's other stakeholders.

45. Bridging intends that this interim receivership would last only so long as necessary to come to an agreement regarding a potential restructuring plan, or alternatively a bankruptcy if no investor comes forward to fund CFI's restructuring costs, such as in a receivership, BIA or CCAA filing, while under a care and maintenance program.
46. I make this affidavit in support of the within application and for no other or improper purpose.

AFFIRMED before me by audio-video communication pursuant to the *Temporary Alternate Witnessing of Documents Act* at St. John's, NL, this 19th day of February, 2022:

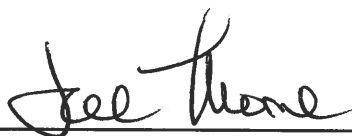


Joe Thorne
Attorney (NL)



GRAHAM PAGE

This is Exhibit A referred to in the Affidavit of
Graham Page, sworn or affirmed before me,
this 19th day of February, 2022.

A handwritten signature in black ink, appearing to read "Joel Thorne", is written above a horizontal line.

Barrister (NL)

DSC

V.

BRIDGING FINANCE INC
et al

① I am satisfied that the order sought on this application is in the Best interests of the investors and will further the due administration of Ontario Securities Law. The Motion is therefore granted on the terms of the attached Orders

Hainey J.

April 30, 2021

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE

)

FRIDAY, THE 30th

JUSTICE HAINEY

)

DAY OF APRIL, 2021

)

ONTARIO SECURITIES COMMISSION

Applicant

- and -

BRIDGING FINANCE INC., BRIDGING INCOME FUND LP, BRIDGING MID-MARKET DEBT FUND LP, SB FUND GP INC., BRIDGING FINANCE GP INC., BRIDGING INCOME RSP FUND, BRIDGING MID-MARKET DEBT RSP FUND, BRIDGING PRIVATE DEBT INSTITUTIONAL LP, BRIDGING REAL ESTATE LENDING FUND LP, BRIDGING SMA 1 LP, BRIDGING INFRASTRUCTURE FUND LP, BRIDGING MJ GP INC., BRIDGING INDIGENOUS IMPACT FUND, and BRIDGING FERN ALTERNATIVE CREDIT FUND

Respondents

Application under Section 129 of the *Securities Act*, R.S.O. 1990, c. S. 5, as amended

ORDER
(Appointment of Receiver)

THIS APPLICATION made without notice by the Ontario Securities Commission (the “**Applicant**” or the “**Commission**”) for an Order pursuant to section 129 of the *Securities Act* (Ontario), R.S.O. 1990, c. S. 5, as amended (the “**Securities Act**”), appointing PricewaterhouseCoopers Inc. (“**PwC**”) as receiver and manager (in such capacities, the “**Receiver**”), without security, of all of the assets, undertakings and properties of each of Bridging Finance Inc., Bridging Income Fund LP, Bridging Mid-Market Debt Fund LP, SB Fund GP Inc., Bridging Finance GP Inc., Bridging Income RSP Fund, Bridging Mid-Market Debt RSP Fund, Bridging Private Debt Institutional LP, Bridging Real Estate Lending Fund LP, Bridging

SMA 1 LP, Bridging Infrastructure Fund LP, Bridging MJ GP Inc., Bridging Indigenous Impact Fund, and Bridging Fern Alternative Credit Fund (collectively, the “**Respondents**”), was heard this day by Zoom videoconference due to the COVID-19 pandemic.

ON READING the affidavit of Daniel Tourangeau sworn April 29, 2021 and the Exhibits thereto (the “**Tourangeau Affidavit**”), the first supplemental affidavit of Daniel Tourangeau sworn April 30, 2021 and the Exhibits thereto, and the affidavit of Sandy McMurrich sworn April 29, 2021 and the Exhibits thereto, and on hearing the submissions of counsel for Applicant and on reading the consent of PwC to act as the Receiver,

APPOINTMENT OF RECEIVER

1. **THIS COURT ORDERS** that, pursuant to section 129 of the Securities Act, PwC is hereby appointed Receiver, without security, of all of the present and future assets, undertakings and properties of each of the Respondents, including all of the assets held in trust or required to be held in trust by or for each of the Respondents or by their lawyers, agents, or any other Person (as defined below), and all proceeds thereof (collectively, the “**Property**”). Without limiting the foregoing, “Property” shall include any present or future assets or funds held by Odyssey Trust Company as trustee for the benefit of Bridging Income RSP Fund, Bridging Mid-Market Debt RSP Fund, Bridging Indigenous Impact Fund, and Bridging Fern Alternative Credit Fund, and all proceeds thereof. In accordance with section 129(3) of the Securities Act, the period of the Receiver’s appointment shall not exceed 15 days from the date of this Order unless otherwise ordered by the Court.

RECEIVER’S POWERS

2. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Respondents and the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

- (b) to receive, preserve, and protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of each of the Respondents, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the businesses, or cease to perform any contracts of each of the Respondents;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of each of the Respondents, or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to each of the Respondents and to exercise all remedies of each of the Respondents in collecting such monies, including, without limitation, to enforce any security held by each of the Respondents;
- (g) to settle, extend or compromise any indebtedness owing to each of the Respondents;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of each the Respondents, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to each

of the Respondents, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business as follows:

- (i) without the approval of this Court, any exchange-traded securities or fixed income non-exchange traded securities held by any of the Respondents;
- (ii) without the approval of this Court, any other Property of the Respondents in which consideration for the transaction does not exceed \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$2,000,000; and
- (iii) with the approval of this Court in respect of any transaction in respect of the Property in which the consideration for the transaction or the aggregate consideration for all such transactions exceeds \$250,000 and \$2,000,000, respectively;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;

- (iv) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

- (l) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver considers appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver considers advisable;
- (m) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (n) to apply for any permits, licences, approvals or permissions as may be required by any governmental or regulatory authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of any of the Respondents;
- (o) to enter into agreements with any trustee in bankruptcy appointed in respect of any of the Respondents including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by any of the Respondents;
- (p) to exercise any shareholder, partnership, joint venture or other rights which each of the Respondents may have;
- (q) to examine under oath any person the Receiver reasonably considers to have knowledge of the affairs of the Respondents, including, without limitation, any present or former director, officer, employee, or other person registered or previously registered with the Commission or subject to or formerly subject to the jurisdiction of the Commission or any other regulatory body respecting or having jurisdiction over the Property and the affairs of any of the Respondents;
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations; and
- (s) in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other

Persons (as defined below), including the Respondents, and without interference from any other Person.

3. **THIS COURT ORDERS** that the Receiver may engage Thornton Grout Finnigan LLP as its legal counsel, notwithstanding that Thornton Grout Finnigan LLP has had an advisory role with respect to the Commission in connection with this proceeding.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Respondents; (ii) all of their current and former directors, officers, employees, partners, unit holders, persons registered or previously registered or subject or formerly subject to the jurisdiction of the Commission or any other regulatory body, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf; and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Receiver of the existence of any Property in such Person’s possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall forthwith deliver all such Property to the Receiver upon the Receiver’s request.

5. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not required, to take possession and control of any monies, funds, deposit instruments, securities, or other Property held by or in the name of any of the Respondents, or by any third party for the benefit of any of the Respondents.

6. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Respondents, or the Property, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person’s possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities

relating thereto, provided, however, that nothing in this paragraph 6 or in paragraph 7 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure, provided that, for greater certainty, law firm trust ledgers requested by the Receiver pursuant to this Order are not subject to solicitor-client privilege and shall be produced to the Receiver.

7. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

8. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords of the Respondents with notice of the Receiver's intention to remove any fixtures from any leased premises of the Respondents at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO ISSUANCE OR REDEMPTION OF UNITS

9. **THIS COURT ORDERS** that none of the Respondents shall: (i) issue any new units in any of the Respondents or any of the partnerships or investment funds controlled by any of the Respondents; or (ii) redeem any of the existing units in any of the Respondents or any of the partnerships or investment funds controlled by any of the Respondents.

NO PROCEEDINGS AGAINST THE RECEIVER

10. **THIS COURT ORDERS** that no proceeding or enforcement process in any court, tribunal, regulatory or administrative body (each, a “**Proceeding**”), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE RESPONDENTS OR THE PROPERTY

11. **THIS COURT ORDERS** that no Proceeding against or in respect of the Respondents or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Respondents or the Property are hereby stayed and suspended pending further Order of this Court, provided that nothing herein shall prevent the commencement or continuation of any investigation or proceedings in respect of the Respondents, or any of them, by or before any regulatory authority, including, without limitation, the Commission and its enforcement staff.

NO EXERCISE OF RIGHTS OR REMEDIES

12. **THIS COURT ORDERS** that all rights and remedies against the Respondents, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any “eligible financial contract” as defined in the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended (the “**BIA**”), and further provided that nothing in this paragraph shall: (i) empower the Receiver or the Respondents to carry on any business which the Respondents are not lawfully entitled to carry on; (ii) exempt the Receiver or the Respondents from compliance with statutory or regulatory provisions relating to health, safety or

the environment; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

13. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Respondents without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

14. **THIS COURT ORDERS** that all Persons having oral or written agreements with any of the Respondents or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to any of the Respondents are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of any of the Respondents' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Respondents or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

15. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including, without limitation, the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements

provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

16. **THIS COURT ORDERS** that all employees of the Respondents shall remain the employees of the Respondents until such time as the Receiver, on the Respondents' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act* (Canada).

PIPEDA

17. **THIS COURT ORDERS** that, pursuant to section 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Respondents, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

18. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated,

might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER’S LIABILITY

19. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act* (Canada). Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER’S ACCOUNTS

20. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the “**Receiver’s Charge**”) on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver’s Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. **THIS COURT ORDERS** that each of the Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

22. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

23. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$2,000,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

24. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

25. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule "A"** hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

26. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

INTERCOMPANY LENDING

27. **THIS COURT ORDERS** that the Receiver may cause any of the Respondents to make any payment to or on behalf of, or incur any obligation on behalf of, or discharge any obligation of, any of the other Respondents, or otherwise transfer value to, or for the benefit of, any of the other Respondents for the purpose of funding the Respondents' ongoing activities and the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures.

28. **THIS COURT ORDERS** that, to the extent any of the Respondents (in each case, an "Intercompany Lender") after the date of this Order makes any payment to or on behalf of, or incurs any obligation on behalf of, or discharges any obligation of, any other of the Respondents or otherwise transfers value to, or for the benefit of, any other of the Respondents (in each case, the "Borrowing Respondent"), such Intercompany Lender is hereby granted a charge (each, an "Intercompany Charge") on all of the Property of the Borrowing Respondent in the amount of such payment, obligation, or transfer of value. The Receiver shall take into account the amount of each Intercompany Charge granted by and to each Respondent to determine the net amount secured by each Intercompany Charge.

29. **THIS COURT ORDERS** that each Intercompany Charge shall rank subordinate to the Receiver's Charge and the Receiver's Borrowings Charge, but in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person in respect of the Property of the applicable Borrowing Respondent. For greater certainty, each Intercompany Charge shall rank *pari passu* with any other Intercompany Charge, as applicable.

PRIORITY OF CHARGES CREATED BY THIS ORDER

30. **THIS COURT ORDERS** that the priorities of the Receiver's Charge, the Receiver's Borrowings Charge, and the Intercompany Charges, as among them, shall be as follows:

- (a) First – Receiver’s Charge;
- (b) Second – Receiver’s Borrowings Charge; and
- (c) Third – Intercompany Charge.

SEALING

31. **THIS COURT ORDERS** that the Commission is authorized to redact any Personal Information (as defined below) contained in the Exhibits to the Tourangeau Affidavit (as so redacted, the “**Redacted Exhibits**”) and file with the Court the Tourangeau Affidavit with the Redacted Exhibits. “Personal Information” means information about an identifiable individual, including, but not limited to, the following: (i) social insurance number; (ii) driver’s license number; (iii) passport number; (iv) license plate number; (v) health plan number; (vi) date of birth; (vii) address (not including city or province); (viii) telephone number; and (ix) bank or trading account number (including a joint account). For greater certainty, “Personal Information” does not include an individual’s name or the title, contact information, or designation of an individual in a business, professional, or official capacity.

32. **THIS COURT ORDERS** that the Commission shall file with the Court the Tourangeau Affidavit without Exhibits pending filing of the Redacted Exhibits with the Court. The Commission shall file the Redacted Exhibits with the Court as soon as reasonably practicable.

33. **THIS COURT ORDERS** that the Commission is authorized to deliver the Tourangeau Affidavit containing the unredacted Exhibits to each of the following parties and its respective lawyers: the Respondents, the directors of the Respondent Bridging Finance Inc., the shareholders of the Respondent Bridging Finance Inc. and David Sharpe (each such party, a “**Recipient**”). Each Recipient shall keep the unredacted Exhibits to the Tourangeau Affidavit confidential and shall not disclose the unredacted Exhibits to the Tourangeau Affidavit to any other party without further order of the Court.

34. **THIS COURT ORDERS** that the unredacted Exhibits to the Tourangeau Affidavit shall be sealed, kept confidential, and shall not form part of the public record pending further Order of the Court.

SERVICE AND NOTICE

35. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure* (Ontario) (the “**Rules**”), this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules. Subject to Rule 3.01(d) of the Rules and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <http://www.pwc.com/ca/BFI>.

36. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding a notice with a link to the Case Website by email, ordinary mail, courier, personal delivery or facsimile transmission to the Respondents’ creditors or other interested parties at their respective addresses as last shown on the records of the Respondents and that any such service or distribution by email, courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

37. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

38. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Respondents, or any of them.

39. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or outside of Canada to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this

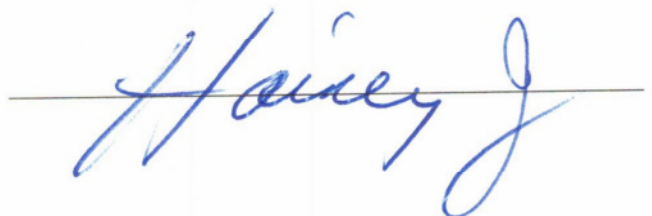
Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

40. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

41. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

42. **THIS COURT ORDERS** that the Receiver, its counsel and counsel for the Applicant may serve or distribute this Order, or any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the applicable Respondent's creditors or other interested parties and their advisors (if any). For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

43. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

A handwritten signature in blue ink, appearing to read "Hainey J.", is written over a horizontal line.

SCHEDULE "A"
RECEIVER'S CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that PricewaterhouseCoopers Inc., the receiver and manager (in such capacities, the "**Receiver**") of the assets, undertakings and properties of each of Bridging Finance Inc., Bridging Income Fund LP, Bridging Mid-Market Debt Fund LP, SB Fund GP Inc., Bridging Finance GP Inc., Bridging Income RSP Fund, Bridging Mid-Market Debt RSP Fund, Bridging Private Debt Institutional LP, Bridging Real Estate Lending Fund LP, Bridging SMA 1 LP, Bridging Infrastructure Fund LP, Bridging MJ GP Inc., Bridging Indigenous Impact Fund, and Bridging Fern Alternative Credit Fund (collectively, the "**Respondents**") acquired for, or used in relation to a business carried on by the Respondents, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the [DAY] day of April, 2021 (the "**Appointment Order**") made in an action having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Appointment Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Appointment Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Appointment Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Appointment Order (including the Receiver's Charge, as defined therein) and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

PricewaterhouseCoopers Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____

Name:

Title:

Application under Section 129 of the *Securities Act*, R.S.O. 1990, c. S. 5, as amended

ONTARIO SECURITIES COMMISSION

- and -

BRIDGING FINANCE INC. *et al*

Applicant

Respondents

Court File No. CV-21-00661458-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at Toronto, Ontario

**ORDER
(Appointment of Receiver)**

Ontario Securities Commission

20 Queen Street West

20th Floor

Toronto, ON

M5H 3S8

Carlo Rossi (LSO# 59054T)

Email: CROSSI@osc.gov.on.ca

Tel: 416.204.8987

Counsel for the Ontario Securities Commission

This is Exhibit B referred to in the Affidavit of
Graham Page, sworn or affirmed before me,
this 19th day of February, 2022.

A handwritten signature in cursive script, appearing to read "Joe Thorne", written above a horizontal line.

Barrister (NL)

CANADA FLUORSPAR (NL) INC.,
as Borrower

and

NEWSPAR,
as Co-Covenantor

and

CANADA FLUORSPAR INC.,
as Guarantor

and

SPROTT BRIDGING INCOME FUND LP
by its Agent, **BRIDGING FINANCE INC.,**
as Lender

SECOND AMENDED AND RESTATED LOAN AGREEMENT
FEBRUARY 1, 2018

SECOND AMENDED AND RESTATED LOAN AGREEMENT

THIS AGREEMENT is made as of February 1, 2018

BETWEEN

CANADA FLUORSPAR (NL) INC., a company incorporated under the laws of the Province of Newfoundland and Labrador (the "**Borrower**"),

- and -

NEWSPAR, a general partnership formed under the laws of the Province of Newfoundland and Labrador, by its partners **CANADA FLUORSPAR (NL) INC.** and **CFI NEWSPAR HOLDINGS INC.** (the "**Co-Covenantor**"),

- and -

CANADA FLUORSPAR INC., a company incorporated under the laws of the Province of Ontario (the "**Guarantor**"),

- and -

BRIDGING FINANCE INC., a company incorporated under the laws of the Canada ("**Bridging Finance**"), as Agent

- and -

SPROTT BRIDGING INCOME FUND LP, a limited partnership created under the laws of Canada, by its agent Bridging Finance Inc., a corporation created under the laws of Ontario (the "**Lender**").

RECITALS

WHEREAS:

- A. the Borrower, the Co-Covenantor, the Guarantor, Bridging Finance and the Lender entered into a Loan Agreement dated January 31, 2017 (the "**Loan Agreement**") pursuant to which the Lender has lent to the Borrower the full amount of Credit Facility 01 (defined below);
- B. the Borrower, the Co-Covenantor, the Guarantor, Bridging Finance and the Lender entered into an Amended and Restated Loan Agreement dated August 1, 2017 (the "**Amended and Restated Loan Agreement**") superseding the Loan Agreement and pursuant to which the Lender has lent to the Borrower the full amount of Credit Facility 02 (defined below);
- C. the Borrower has requested Credit Facility 03 (as defined below) for the purpose of working capital and the Lender has agreed to provide Credit Facility 03 to the Borrower, with the Credit Facilities (defined below) being upon and subject to the terms and conditions set out in this Agreement;

- D. some of the assets of the St. Lawrence Fluorspar Project (defined below) are held in the name of the of the Co-Covenantor, the Co-Covenantor benefits from the Credit Facilities, and the Co-Covenantor has agreed join the Borrower in all covenants and obligations hereunder; and
- E. the Borrower and Co-Covenantor wish secure all of the their obligations under the Loan Documents (defined below) and to grant to the Agent for the benefit of the Secured Parties, a security interest in and a lien upon substantially all of their real and personal property.

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.01 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified but, for the purposes of this Agreement, shall be deemed not to include other portfolio companies or investment funds affiliated with Golden Gate Private Equity Inc.

“Agent” means Bridging Finance in its capacity agent for the Lender hereunder, and any successor agent.

“Agreement” means this second amended and restated loan agreement, including its recitals and schedules.

“Applicable Permit” means any material Permit that is necessary under applicable Law for the Obligors: (i) to construct, operate, maintain, repair, own, use or otherwise carry out the St. Lawrence Fluorspar Project, and (ii) to enter into and perform their respective obligations under the Material Project Agreements, in each case having regard to the current stage of the St. Lawrence Fluorspar Project.

“Arkema Supply Agreement” means the supply agreement between the Borrower and Arkema France dated as of April 18, 2016;

“BMO Prime” means the rate of interest per annum publicly announced from time to time by Bank of Montreal as its prime commercial lending rate at its principal office in Toronto, Ontario.

“Borrower” means Canada Fluorspar (NL) Inc. and its successor and permitted assigns.

“Borrower’s Counsel” means Cox & Palmer, Newfoundland and Labrador counsel to the Obligors, Davies Ward Phillips & Vineberg LLP, Ontario counsel to the Obligors and such other firms of legal counsel as the Borrower may from time to time designate.

“Business Day” means a day of the year, other than a Saturday, Sunday or statutory holiday in St. John’s, Newfoundland and Labrador.

“Canadian GAAP” means accounting principles generally accepted in Canada as set out in the *CPA Canada Handbook - Accounting* at the relevant time applied on a consistent basis.

“Capital Lease” means a lease that is required to be classified and accounted as a capital lease on a balance sheet in accordance with Canadian GAAP.

“Capital Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any lease (other than an operating lease) of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as Capital Leases on a balance sheet of such Person under Canadian GAAP, and the amount of such obligations at any time will be the liability amount thereof at such time determined in accordance with Canadian GAAP.

“Capitalized Interest” has the meaning given to such term in Section 4.03(b).

“Change of Control” means any event as a result of or following which any Person (other than Golden Gate Private Equity Inc. or any of its respective Affiliates or investment funds affiliated with Golden Gate Private Equity Inc.), or group of Persons (other than Golden Gate Private Equity Inc. or its respective Affiliates or investment funds affiliated with Golden Gate Private Equity Inc.) acting jointly or in concert, acquires the shares representing more than 50% of the aggregate ordinary voting power represented by equity interests of Borrower.

“CIM” means the Canadian Institute of Mining, Metallurgy and Petroleum, including its successors.

“Closing Date” means (a) with respect to Credit Facility 01, January 31, 2017, (b) with respect to Credit Facility 02, August 1, 2017, and (c) with respect to Credit Facility 03 the day, as confirmed by the Agent to the Borrower, on which the conditions precedent referred to in Section 3.03 have been met to the reasonable satisfaction of the Agent or waived by the Agent in its discretion.

“Co-Covenantor” means Newspar, a general partnership under the laws of Newfoundland and Labrador, by its partners Canada Fluorspar (NL) Inc. and CFI Newspar Holdings Inc.

“Collateral” means any property, assets or collateral that is subject to the Security Documents.

“Collateral Debenture” has the meaning set out in Section 6.02(a).

“Contingent Obligation” means, with respect to any Person, any obligation, whether secured or unsecured, of such Person guaranteeing or indemnifying, or in effect guaranteeing or indemnifying, any indebtedness, leases, dividends, letters of credit or other monetary obligations (the **“primary obligations”**) of any other Person (the **“primary obligor”**) in any manner, whether directly or indirectly, including any obligation of such Person as an account party in respect of a letter of credit or letter of guarantee issued to assure payment by the primary obligor of any such primary obligation and any obligations of such Person, whether or not contingent, (a) to purchase any such primary obligation or any Property constituting direct or indirect security therefor, (b) to advance or supply funds for the purchase or payment of any such primary obligation or to maintain working capital or

equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (c) to purchase Property, securities or services primarily for the purpose of assuring the obligee under any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (d) otherwise to assure or hold harmless the obligee under such primary obligation against loss in respect of such primary obligation; provided, however, that the term Contingent Obligation does not include endorsements of instruments for deposit or collection in the ordinary course of business.

“Control” (and correlative terms) means (a) the ownership, directly or indirectly of voting shares entitling the holder thereof to elect a majority of the directors of a specified Person or (b) the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a specified Person, whether through the ability to exercise voting power, by contract or otherwise. **“Controlling”** and **“Controlled”** have corresponding meanings.

“Credit Facilities” means, collectively, Credit Facility 01, Credit Facility 02, and Credit Facility 03.

“Credit Facility 01” has the meaning set out in Section 2.01(a).

“Credit Facility 02” has the meaning set out in Section 2.01(b).

“Credit Facility 03” has the meaning set out in Section 2.01(c);

“Current Report” means National Instrument 43-101 Technical Report on the AGS Vein Deposit dated March 27, 2015 as amended, modified, replaced or supplemented from time to time.

“Default” means any event or circumstance which, upon lapse of time or the giving of a notice or both, would constitute an Event of Default.

“Disposition” means, with respect to a Person, any sale, assignment, transfer, conveyance, lease, licence or other disposition of any nature or kind whatsoever of any Property or of any right, title or interest in or to any Property that is out of the ordinary course of business of such Person, and the verb **“Dispose”** has a corresponding meaning.

“Dollar” and the symbol **“\$”** or **“C\$”** each means the lawful money of Canada.

“Encumbrance” means, with respect to any Person, any hypothec, security interest, mortgage, debenture, pledge, lien prior claim, charge, assignment by way of security, or any other agreement or encumbrance of any nature that secures the performance of an obligation, and a Person is deemed to own subject to an Encumbrance any Property that it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, Capital Lease or similar arrangement (other than an operating lease) relating to such Property, and **“Encumbrances”**, **“Encumbrancer”**, **“Encumber”** and **“Encumbered”** have corresponding meanings.

“Enforcement Action” means, following the occurrence and during the continuation of an Event of Default, any of (a) the declaration of the principal of Obligations, together with all accrued and unpaid interest thereon, being immediately due and payable, (b) the exercising of any remedy granted by any of the Security Documents, or (c) the taking of any other enforcement action permitted by this Agreement, the Security Documents or applicable Law.

“Environment” means all components of the earth, air, all layers of the atmosphere, soils, water, ground water, organic and inorganic matters, living species and organisms or any combination of any of the above or the general environment, including any sewage systems.

“Environmental Law” or **“Environmental Laws”** means any applicable Law relating to the Environment, including those pertaining to:

- (a) reporting, licensing, permitting, investigating, monitoring, remediating and cleaning up in connection with any presence or Release, or the threat of the same, of Hazardous Substances; and
- (b) the manufacture, receiving, processing, distribution, use, treatment, storage, disposal, transport, handling and the like of Hazardous Substances, including those pertaining to public or occupational health and safety in relation to Hazardous Substances.

“Environmental Liability” means all liabilities, obligations, responsibilities, costs, losses, damages and expenses (including all reasonable fees, disbursements and expenses of counsel, experts and consultants), fines, penalties and sanctions incurred or imposed pursuant to any claim, suit, action, administrative order, investigation order, proceeding or demand by any Person, to the extent arising out of or attributable to any violation of or remedial obligation under Environmental Laws, including in connection with any Release or threatened Release, presence or exposure to Hazardous Substances whether on, at, in, under, from or about or in the vicinity of any immovable property (real property) or movable property (personal property), and related enforcement, cleanup, removal, response, remedial or other actions or damages.

“Event of Default” has the meaning set out in Section 9.01.

“FCPA Legislation” means the *Corruption of Foreign Public Officials Act* (Canada) and any foreign corrupt practices Law applicable to the subject Person(s) other than by virtue of the identity of or regulatory requirements applicable to the Agent, the Lender or any of their respective Affiliates.

“Financial Assistance” means, without duplication and with respect to any Person, all loans granted by that Person and guarantees or Contingent Obligations incurred by that Person for the purpose of or having the effect of providing financial assistance to another Person or Persons, including letters of guarantee, letters of credit or indemnities issued in connection therewith, endorsements of bills of exchange (other than for collection or deposit in the ordinary course of business), obligations to purchase assets regardless of the delivery or non-delivery thereof and obligations to make advances or otherwise provide financial assistance to any other Person.

“Fiscal Quarter” means each successive three (3) month period of the Borrower’s Fiscal Year ending on or about March 31st, June 30th, September 30th, and December 31st, as such date may be changed with the consent of the Agent.

“Fiscal Year” means a 12 month period ending on December 31st of any year, as such date may be changed with the consent of the Agent.

“Governmental Body” means any (a) federal, provincial, territorial, state, municipal, local or other governmental or public department, court, commission, board, bureau, agency or instrumentality, domestic or foreign; or (b) any subdivision or authority of any of the foregoing.

“Guarantor” means Canada Fluorspar Inc. and its successors and permitted assigns.

“Hazardous Substance” means any substance or material whether natural or artificial and whether in solid or liquid form or in the form of a gas or vapour, which is regulated or otherwise determined to be a pollutant or contaminant, under any Environmental Law.

“Holding Company” has the meaning given to such term in the definition of “Subsidiary” below.

“Indebtedness” means, without duplication, any indebtedness for or in respect of:

- (a) borrowed money;
- (b) any bond, note, debenture, loan stock or other similar instrument;
- (c) redeemable shares which are either redeemable at the option of the holder thereof, are redeemable at a fixed date or are redeemable during fixed intervals, in each case on or before the date which is 30 days following the Maturity Date. For the purposes hereof, the amount of Indebtedness which will be taken into consideration at any time will be the maximum fixed redemption or repurchase price therefor payable therefor;
- (d) any Capital Lease Obligation;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) the acquisition cost of any asset or service to the extent payable after its acquisition or possession by the Person liable where the advance or deferred payment:
 - (i) is arranged primarily as a method of raising finance or financing the acquisition of that asset or the construction of that asset; or
 - (ii) is due more than six months after the date of acquisition or supply unless it is deferred payment linked to performance of underlying asset;
- (g) any derivative transaction entered into between the Borrower with another Person, where the net amount due and payable by the Borrower thereunder as a settlement obligation or as a close-out payment, will be used to calculate its indebtedness at such time;
- (h) any sale and leaseback transaction or forward sale transaction which is entered into as a method of raising finance;

- (i) any counter-indemnity obligation in respect of any guarantee, indemnity, bond, letter of credit or any other instrument issued by a bank or financial institution; or
- (j) a Contingent Obligation to the extent that the primary obligation would be classified as "Indebtedness" (within the meaning of this definition) of the primary obligor;

provided that trade payables, trade accounts and similar obligations incurred in the ordinary course of business shall not constitute "Indebtedness" for any purpose of this Agreement and the other Loan Documents.

"Law" or **"Laws"** means all laws, including all federal, provincial, territorial, state and local statutes, codes, ordinances, guidelines, decrees, rules, regulations and municipal by-laws and all judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, and all published orders, directives, decisions, rulings of any Governmental Body, binding on the Person referred to in the context in which the term is used.

"Lender" means Sprott Bridging Income Fund LP, by its agent Bridging Finance Inc.

"Loan Documents" means (a) this Agreement and the Security Documents, and (b) all present and future agreements, documents, certificates and instruments delivered by any Obligor to the Lender pursuant to this Agreement or any of the Security Documents, in each case as the same may from time to time be amended or restated, and **"Loan Document"** means any one of the Loan Documents.

"Material Adverse Change" means any change of circumstances or any event which has, or would reasonably be expected to have, a Material Adverse Effect, but shall, for greater certainty, not include the addition of "going concern" qualification to financial statements of any Obligor.

"Material Adverse Effect" means an event or circumstance which has a material adverse effect on (a) the ability of the Obligors, taken as a whole, to perform their material obligations under the Loan Documents; (b) without detracting from the provisions of this Agreement which permit the creation or incurrence of Permitted Encumbrances, the rank or priority of the Encumbrances created by or under the Security Documents, or the ability of the Agent to enforce the Encumbrances created by or under the Security Documents, or (c) the Borrower's ability to operate the St. Lawrence Fluorspar Project in all material respects in accordance with the Current Report or the Material Project Agreements (including for the avoidance of doubt as to the quantity and quality of the St. Lawrence Fluorspar Project's production).

"Material Assets" means assets which, individually or in the aggregate, are essential to the operation of the St. Lawrence Fluorspar Project and the loss or attachment of which or cost or time to replace such assets would have a Material Adverse Effect.

"Material Project Agreements" means (i) the Mineral Titles and Surface Rights comprising the St. Lawrence Property; (ii) any written contract or agreement relating to the St. Lawrence Fluorspar Project entered into by an Obligor before or after the Closing Date under which there is an obligation of an Obligor, in the aggregate, to pay, or under which an Obligor shall receive, more than \$3,000,000 per annum, including, without limitation, those contracts and agreements listed in Schedule A hereto; and (iii) all other contracts or agreements that are essential to the development

and operation of the St. Lawrence Fluorspar Project such that breach of, default under or termination of would have a Material Adverse Effect, which, in the case of any contract or agreement referred to in clause (ii) or (iii), cannot be replaced on like or more favourable terms in a reasonable amount of time after breach, default or early termination thereof.

“Maturity Date” means

- (a) where no written notice to extend the Maturity Date has been provided by the Borrower in accordance with Section 5.03, the earlier of (i) January 31, 2019, or (ii) the date on which the outstanding principal amount of the Credit Facilities becomes due and payable in full, whether upon voluntary prepayment under Section 5.04 or mandatory prepayment pursuant to Section 9.02; or
- (b) where the Borrower has provided a written notice to the Agent in accordance with Section 5.03 to extend the Maturity Date, the earlier of (i) July 31, 2019, or (ii) the date on which the outstanding principal amount of the Credit Facilities becomes due and payable in full, whether upon voluntary prepayment under Section 5.04 or mandatory prepayment pursuant to Section 9.02.

“Mineral Titles” means all mineral titles in any form whatsoever, including mining claims (whether staked or map-designated), mining exploration licenses, Mining Leases, exploration licenses, leases to mine, mining concessions or any other mining right, title or interest issued under or conferred by the *Mining Act* (Newfoundland and Labrador) or the *Mineral Act* (Newfoundland and Labrador), which in each case relate to or are used in connection with the St. Lawrence Fluorspar Project.

“Minerals” means any and all minerals of every nature and kind, including metals, ores, commercially valuable rock, waste, aggregate, and other materials in whatever form or state which are mined, excavated, extracted, recovered in soluble solution or otherwise recovered or produced from the St. Lawrence Property, including, fines, pellet feeds, concentrates and any other products resulting from the further milling, processing or other beneficiation of such materials derived from the St. Lawrence Property.

“Mining Leases” means the mining leases granted under the *Mineral Act* (Newfoundland and Labrador) by the Department of Natural Resources to the Borrower (and any other Mineral Title into which it any such lease may be converted or any Mineral Title granted in replacement or substitution thereof).

“Obligations” means the aggregate of all indebtedness, obligations and liabilities, direct or indirect, absolute or contingent, matured or not, of the Borrower or any other Obligor to the Lender and Agent under this Agreement or any other Loan Document.

“Obligors” means, collectively, the Borrower, Co-Covenantor and the Guarantor.

“Operating Costs” means, for any period, the aggregate of all costs including capital expenditures (including expenses for Capital Leases) of the Borrower for purposes of the St. Lawrence Fluorspar Project for such period.

“Organizational Documents” means, with respect to any Person, such Person’s articles, memorandum or other charter documents, partnership agreement, joint venture agreement,

declaration of trust, trust agreement, by-laws, unanimous shareholders' agreement and all other similar agreements, documents and instruments pursuant to which such Person is constituted, organized or governed.

"Pension Plan" means (a) a "pension plan" or "plan" which is a "registered pension plan" as defined in the *Income Tax Act* (Canada) or is subject to the funding requirements of applicable pension benefits legislation in any Canadian jurisdiction and is applicable to employees of an Obligor resident in Canada, or (b) any other pension benefit plan or similar arrangement applicable to employees of an Obligor.

"Permit" means any certificate, certificate of authorization, registration, decree, approval, consent, waiver, exemption, franchise, order, permit, authorization, license or other similar authorization of or from a Governmental Body.

"Permitted Debt" means, without duplication:

- (a) all Indebtedness and other Obligations under the Loan Documents;
- (b) Contingent Obligations of any Obligor in respect of any Obligations or any obligations to a counterparty to a Material Project Agreement (that are not otherwise overdue);
- (c) taxes, fees and levies payable to a Governmental Body;
- (d) Indebtedness to a Governmental Body as part of rehabilitation and reclamation obligations relating to the St. Lawrence Fluorspar Project;
- (e) all costs and expenses incurred by or on behalf of the holder of any "Permitted Debt" in enforcing payment or collection of any such Permitted Debt, including enforcing any security interest securing the same;
- (f) Indebtedness owing or accruing to Golden Gate Private Equity Inc. or its Affiliates as advisory fees, which fees are not to exceed 3% of the Guarantor's EBITDA per annum;
- (g) Related Party Debt provided that the creditor has entered into an inter-creditor agreement or subordination agreement with the Lender and Agent which is in form and substance satisfactory to the Agent;
- (h) TCII Indebtedness;
- (i) Indebtedness to the Atlantic Canada Opportunities Agency ("ACOA") or its successors or permitted assigns in the amount of up to \$5,000,000 or such greater amount as ACOA is willing to lend, provided that, if the amount should increase to more than \$5,000,000 ACOA has entered into an inter-creditor agreement or subordination agreement with the Lender and Agent which is in form and substance satisfactory to the Agent;

- (j) Indebtedness to Golden Gate Capital Opportunity Fund, L.P. or any Affiliate thereof in the amount of up to \$25,000,000;
- (k) Indebtedness to Arkema France or its successors or permitted assigns in connection with the Arkema Supply Agreement;
- (l) Indebtedness in relation to Capital Leases entered into in the ordinary course of business, not to exceed \$10,000,000 in total; and
- (m) Indebtedness to be used for working capital as may be reasonably required to support the Borrower's operations in such amount as to be agreed between the Agent and the Borrower, acting reasonably.

"Permitted Encumbrances" means:

- (a) Encumbrances for taxes, rates, assessments or governmental charges or levies not at the time due nor delinquent or, if due, the validity of which is being contested diligently at the time by the applicable Obligor in good faith by appropriate proceedings; provided that the applicable Obligor has set aside on its books adequate reserves with respect thereto;
- (b) undetermined or inchoate Encumbrances arising or potentially arising under statutory provisions which have not at the time been filed or registered in accordance with applicable Laws or of which written notice has not been duly given in accordance with applicable Laws or which, although filed or registered, relate to obligations not due or delinquent;
- (c) restrictions, easements, rights-of-way, restrictive covenants, licenses, servitudes, watercourse, right of access or user or other similar rights in land (including, without restriction, rights of way and servitudes for railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved by other Persons and rights reserved to or vested in any municipality or governmental or other public authority by the terms of any lease, license, franchise, grant or permit to terminate or to require annual payments as a condition to the continuance thereof, which do not, either individually or in the aggregate, materially impair the use, development, management, ownership or operation of the property subject thereto;
- (d) the rights reserved to or vested in municipalities or governmental or other public authorities or agencies by statutory provisions or by the terms of leases, licenses, franchises, grants or permits, to terminate the leases, licenses, franchises, grants or permits or to require annual or other periodic payments as a condition of the continuance thereof, but only to the extent that same does not in the aggregate materially impair the use, development, management, ownership or operation of the property subject thereto;

- (e) reservations in any original grants from the Crown of any land or interest therein, statutory exceptions to title, and reservations of mineral rights in any grants from the Crown or from any other predecessors in title;
- (f) securities given to a public utility or any municipality or governmental or other public authority when required by such utility or other authority in connection with the development, management, ownership and operation of property;
- (g) Encumbrances arising out of judgments or awards with respect to which there are no execution proceedings and with respect to which the applicable Obligor will in good faith be prosecuting an appeal and will have set aside on its books adequate reserves with respect thereto;
- (h) Encumbrances or deposits to secure workers' compensation, unemployment insurance or other similar statutory assessments, or to secure costs of litigation when required by law, and surety or appeal bonds or deposits;
- (i) zoning, use and building by laws and ordinances, federal, provincial or municipal by-laws and regulations and other governmental restrictions as to the use of property;
- (j) subdivision agreements, site plan control agreements, servicing agreements and other similar agreements with municipalities affecting the development or use of the immovable property which do not, either individually or in the aggregate, materially impair the use, development, management, ownership or operation of the property subject thereto;
- (k) title defects or irregularities which are of a minor nature and in the aggregate will not materially impair the use or marketability of the property for the purposes for which it is held;
- (l) Purchase Money Encumbrances;
- (m) Encumbrances that are contractual rights of set-off or compensation relating to derivatives agreements, the establishment of depository relations with banks not given in connection with the issuance of Indebtedness and any commercial agreements, including the Material Project Agreements, to which an Obligor is a party;
- (n) Encumbrances in favor of customs and revenue authorities arising as a matter of Law to secure payment of customs duties in connection with the importation or exportation of goods;
- (o) Encumbrances (other than Purchase Money Encumbrances) securing Permitted Debt and ranking subordinate to the Encumbrances created under the Security Documents; provided that the applicable secured creditor has entered into an inter-creditor agreement or subordination agreement with the Lender and Agent which is in form and substance satisfactory to the Agent;

- (p) the Encumbrances identified in Schedule B;
- (q) the Encumbrances created pursuant to the Security Documents;
- (r) pledges or deposits in connection with workers' compensation, employment insurance and other social security legislation and other obligations of a like nature incurred in the ordinary course of business;
- (s) deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;
- (t) any Encumbrances for unpaid royalties or duties not yet due pursuant to mining leases, claims or other mining rights running in favour of any Governmental Body;
- (u) Encumbrances that (i) exist at the time such Person is, or the assets subject to such Encumbrances are, acquired by an Obligor and (ii) extend only to the assets acquired or the assets of the Person acquired, as applicable;
- (v) royalty agreements or other rights or claims to royalties on or affecting any Property owned on the date hereof by an Obligor or acquired by the Obligor, whether or not in existence at the time of such acquisition;
- (w) pledges or deposits of cash or cash equivalent instruments made at a time when no Default or Event of Default has occurred and is continuing for purposes of securing obligations to (i) financial institutions issuing letters of credit to secure obligations under Pension Plans, retirement plans or for government reclamation costs, or (ii) issuers of letters of credit, letters of guarantee, surety bonds, performance bonds or guarantees and similar types of instruments issued in the ordinary course of business or in connection with an Obligor's business, including with respect to any reclamation obligations; but excluding any of the foregoing incurred to secure or support indebtedness for borrowed money (including, without limitation, by way of overdraft and drafts or orders accepted representing extensions of credit in respect of borrowed money);
- (x) Capital Leases entered into in the ordinary course of business, not to exceed \$10,000,000 in total;
- (y) Encumbrances in favour of Arkema France or its successors or permitted assigns in connection with the Arkema Supply Agreement provided that Arkema France has entered into an inter-creditor agreement or subordination agreement with the Lender and Agent which is in form and substance satisfactory to the Agent;
- (z) the TCII Encumbrances; and
- (aa) any other Encumbrances consented to in writing by the Agent.

"Person" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Body or other entity, however designated or constituted.

"Pre-Closing Material Adverse Change" means any change, event or circumstance which is or would reasonably be expected to be material and adverse to the business, operations, Material Assets or financial condition, taken as a whole, of the Obligors, taken as a whole, or prevent, or materially delay or hinder the ability of the Obligors to consummate on a timely basis the transactions contemplated by the Loan Documents or from performing their respective obligations thereunder in all material respects.

"Prepayment Amount" has the meaning set out in Section 5.04.

"Prepayment Date" has the meaning set out in Section 5.04.

"Prepayment Notice" has the meaning set out in Section 5.04.

"Property" means, with respect to any Person, all or any portion of that Person's property, assets or undertaking, both real and personal.

"Purchase Money Encumbrance" means any Encumbrance charging a Property acquired by the applicable Obligor (or leased pursuant to a Capital Lease), which is granted or assumed by the applicable Obligor or which arises by operation of law in favour of the transferor concurrently with and for the purpose of the acquisition of such Property, in each case where (a) the principal amount secured by the Encumbrance is not in excess of 100% of the purchase price (after any post-closing adjustment) of the Property acquired, and (b) such Encumbrance extends only to the Property acquired and its proceeds.

"Related Parties" means, with respect to any Person, such Person's directors, officers and employees.

"Related Party Debt" means any Indebtedness of the Borrower to Related Parties or Affiliates.

"Release" means any release or discharge of any Hazardous Substance into the Environment including any discharge, spray, injection, inoculation, abandonment, deposit, spillage, leakage, seepage, pouring, emission, emptying, throwing, dumping, placing, exhausting, escape, leach, migration, dispersal, dispensing or disposal.

"Reserves" means the reserves of the Borrower as set out in the Current Report.

"Restricted Payment" means: (a) any dividend or other distribution, direct or indirect, declared or paid on account of any securities of the Borrower now or hereafter outstanding; (b) any redemption, conversion, exchange, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, declared or paid on account of any securities of the Borrower now or hereafter outstanding; (c) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire any securities of the Borrower now or hereafter outstanding; (d) the payment by the Borrower of any royalty, consulting fee, management fee, bonus

or similar fee to its shareholders (in their capacity as such) or their Affiliates (as well as their Related Parties) other than in the ordinary course of business on an arm's length basis for a *bona fide* commercial purpose; or (e) the making of any payment by the Borrower on account of any fees, principal, interest or otherwise on any shareholder advances (other than the Obligations).

"Secured Parties" means the Agent and the Lender and any of their successors and permitted assigns.

"Security" means the security granted and the guarantees, undertakings and agreements made for the benefit of the Lender, in accordance with the requirements specified in Article 6.

"Security Documents" means any document or agreement evidencing the Security, as may be amended or restated from time to time.

"St. Lawrence Fluorspar Project" means the Borrower's Fluorspar project located in the St. Lawrence, Burin Peninsula, Newfoundland and Labrador and which includes site preparation, open pit development, construction of infrastructure, installation of utilities, restoration of temporary work areas, and commissioning of mining, milling and tailings management facilities, water management facilities and general site drainage, and the restoration of existing buildings for the mining of Fluorspar and all Applicable Permits obtained or issued in connection therewith.

"St. Lawrence Property" means all right, title and interest which the Borrower and/or Co-Covenantor now has or hereafter acquires in and to:

- (a) the Mining Leases and any other Mineral Titles (and any Mineral Titles into which they may be converted) and Surface Rights, in each case used in connection with the development and operation of the St. Lawrence Fluorspar Project, which are listed in Schedule C, whether created privately or through the action of any Governmental Body, whether owned or leased, and including any extension, renewal, replacement or substitution of any of the foregoing; and
- (b) any other property, buildings, structures, facilities and fixtures used, affixed or situated on the interests referred to in (a) above.

"Subordinated Indebtedness" means TCII Indebtedness and any other and any other Indebtedness of any Obligor which is subordinated to the Obligations as to right and time of payment and as to other rights and remedies thereunder and having such terms as are, in each case, reasonably satisfactory to the Agent.

"Subordination Agreements" means collectively the TCII Subordination Agreement and any other agreement or instrument governing or setting the priority related to any Subordinated Indebtedness and **"Subordination Agreement"** means any one of them. For greater certainty Subordination Agreements shall not include any intercreditor agreements, subordination agreements or other agreements or instruments governing or setting priority that have been terminated in accordance with the terms thereof or have been terminated in writing by all parties thereto.

"Subsidiary" means, at any time, with respect to any Person (a **"Holding Company"**), any other Person, if at such time the Holding Company owns, directly or indirectly, securities or other

ownership interests in such other Person, having ordinary voting power to elect a majority of the board of directors or persons performing similar functions for such other Person will include any other Person in like relationship to a Subsidiary of the Holding Company.

“Surface Rights” means all rights of the Borrower to enter, use and occupy the surface of the land necessary for the development and operation of the St. Lawrence Fluorspar Project, pursuant to all leases, licenses, contracts, permits or other instruments relating to such rights.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Body, including any interest, additions to tax or penalties applicable thereto.

“TCII” means Her Majesty in Right of Newfoundland and Labrador, as represented by the Minister of Tourism, Culture, Industry and Innovation.

“TCII Encumbrances” means the Encumbrances currently registered against the Obligors by TCII pursuant to the TCII Indebtedness.

“TCII Indebtedness” means the indebtedness of the Obligors to TCII in the principal amount of \$17,000,000 plus all accrued and unpaid interest thereon pursuant to the terms of a Loan Agreement dated May 30, 2017, as amended by an Amendment Agreement dated May 31, 2017.

“TCII Subordination Agreement” means an inter-creditor agreement between the Obligors, TCII and the Lender in form and substance satisfactory to the Agent and confirming the priority of the security of the Lender over TCII’s security with respect to the Obligations arising out of Credit Facility 01 and Credit Facility 03 and the priority of the security of TCII over the Lender’s security with respect to the Obligations arising out of Credit Facility 02 to the amount of the TCII Indebtedness and any other Government Obligations (as defined therein), as such agreement may be amended, restated, supplemented or replaced by the parties thereto, including to add other parties;

“Transaction Documents” means, collectively, the Loan Documents and the other Material Project Agreements.

“Work Fee” has the meaning set forth in Section 4.02.

“Voluntary Prepayment” means a voluntary prepayment of the Credit Facilities made by the Borrower pursuant to Section 5.04.

1.02 Interpretation

In this Agreement:

- (a) words importing the singular number or masculine gender will include the plural number or the feminine or neuter genders, and *vice versa*;
- (b) all references to Articles and Schedules refer, unless otherwise specified, to articles of, and schedules to, this Agreement;

- (c) all references to Sections refer, unless otherwise specified, to Sections, subsections or clauses of this Agreement;
- (d) “this Agreement”, “hereto”, “herein”, “hereby”, “hereunder”, “hereof” and similar expressions refer to this Agreement and not to any particular Article, Section, subsection, clause, subdivision or other portion hereof, and include any and every instrument supplemental or ancillary hereto;
- (e) the word “including”, when following any general statement, term or matter, is not to be construed to limit such general statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters whether or not non limiting language (such as “without limitation” or “but not limited to” or words of similar import) is used with reference thereto, but rather such general statement, term or matter is to be construed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter;
- (f) reference to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced or supplemented from time to time;
- (g) unless otherwise expressly provided herein, any reference to a Law, includes a reference to all amendments made thereto and in force from time to time, and to any Law that may be passed which has the effect of supplementing or superseding such Law;
- (h) for the purposes of any representation or warranty of the Borrower set out herein which is made to the Borrower’s “knowledge”, the term “knowledge” means actual knowledge of on the part of the directors and officers of the Borrower, or any of them, without due inquiry or investigation; and
- (i) unless otherwise indicated, time periods within which a payment is to be made or any other action is to be taken hereunder will be calculated by including the day on which the period commences and excluding the day on which the period ends.

1.03 Headings, Etc.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement.

1.04 Time of Essence

Time will be of the essence of this Agreement.

1.05 **Invalidity, Etc.**

Any provision hereof which is prohibited or unenforceable will be ineffective only to the extent of such prohibition or unenforceability, without invalidating the remaining provisions hereof.

1.06 **Successors and Assigns**

All covenants and agreements of the Borrower and each other Obligor in the Loan Documents will bind their respective successors and assigns, whether so expressed or not, and enure to the benefit of the successors and assigns of the Lender and Agent.

1.07 **Applicable Law and Attornment**

Each of the Loan Documents will be construed in accordance with the laws of the Province of Newfoundland and Labrador and the federal laws of Canada applicable therein and will be treated in all respects as Newfoundland and Labrador contracts.

The Borrower and Lender submit to the jurisdiction of the courts of the Province of Newfoundland and Labrador, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such court.

1.08 **Non-Business Days**

Whenever any payment to be made hereunder will be due, if any period of time would begin or end, any calculation is required to be made or any other action is required to be taken on, or as of, or from a period ending on, a day other than a Business Day, such payment will be required to be made, such period of time will begin or end, such calculation will be required to be made and such other action will be required to be taken, as the case may be, unless otherwise specifically provided herein, on or as of the next succeeding Business Day without any additional interest, cost or charge to the Borrower.

1.09 **Accounting Terms**

Except as hereinafter provided or as otherwise indicated in this Agreement, all calculations required or permitted to be made hereunder pursuant to the terms of this Agreement will be made in accordance with Canadian GAAP.

1.10 **Interest Calculations and Payments**

Unless otherwise stated, wherever in this Agreement reference is made to a rate of interest "per annum" or a similar expression is used, such interest will be calculated on the basis of a calendar year of 365 days, and using the nominal rate method of calculation and not the effective rate method of calculation or on any other basis that gives effect to the principle of deemed reinvestment of interest. Interest will continue to accrue after maturity and default and/or judgment, if any, until payment thereof, and interest will accrue on overdue interest, if any.

1.11 **Interest Act (Canada)**

For the purposes of this Agreement, whenever interest to be paid hereunder is to be calculated on the basis of any period of time that is less than a calendar year, the yearly rate of interest to which the rate determined pursuant to such calculation is equivalent is the rate so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by such number of days in such period, as the case may be.

1.12 **Currency**

Unless otherwise specified in this Agreement, all references to currency (without further description) are to Dollars.

1.13 **Conflicts**

In the event of a conflict or inconsistency between the provisions of this Agreement and the provisions of any other Loan Document, then notwithstanding anything else contained in this Agreement or any other Loan Document, the provisions of this Agreement will prevail and the provisions of any other Loan Document will be deemed to be amended to the extent necessary to eliminate such conflict or inconsistency.

ARTICLE 2- THE CREDIT FACILITIES

2.01 **Credit Facilities**

Subject to the terms and conditions of this Agreement, the Lender established in favour of the Borrower:

- (a) a non-revolving term facility in the amount of \$27,000,000 (“**Credit Facility 01**”);
- (b) a non-revolving term facility in the amount of \$20,000,000 (“**Credit Facility 02**”);
and
- (c) a non-revolving term facility in the amount of \$8,000,000 (“**Credit Facility 03**”).

2.02 **Purpose of Credit Facilities**

- (a) The Credit Facilities will only be used to finance in part the development of the St. Lawrence Fluorspar Project and the working capital requirements of Borrower in relation to the St. Lawrence Fluorspar Project.
- (b) The Lender is not bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

2.03 **Availability**

- (a) Credit Facility 01 and Credit Facility 02 were fully funded to the Borrower on the applicable Closing Date;

- (b) Subject to the terms and conditions hereof, Credit Facility 03 will be funded to the Borrower on the applicable Closing Date in full less the Work Fee and any other applicable fees hereunder.

2.04 **Borrowing Method**

The Credit Facilities will not revolve and any amount prepaid or repaid may not be re-borrowed.

ARTICLE 3- DISBURSEMENT CONDITIONS

3.01 **Conditions Precedent to Closing Date of Credit Facility 01**

This funding of Credit Facility 01 was subject to the prior satisfaction (or waiver by the Agent) of the following conditions precedent:

- (a) the Obligors shall have provided the Agents with the documentation as the Agent shall have reasonably requested to satisfy its "know your client" and anti-money laundering requirements;
- (b) the Agent will have received evidence that TCII has committed to provide a loan to the Borrower in the amount of \$17,000,000;
- (c) the Agent will have received evidence that Golden Gate Capital Opportunity Fund LP has committed to provide funding to the Borrower of \$25,000,000 for the purpose of completing the St. Lawrence Fluorspar Project;
- (d) the Agent will have received copies of the Organizational Documents of each Obligor, the resolutions authorizing the execution and delivery of, and performance of each Obligor's respective obligations under, the Loan Documents and the transactions contemplated therein, and a certificate as to the incumbency of the officers of the Obligors executing the Loan Documents and any other documents to be provided pursuant to the provisions hereof;
- (e) the Agent will have received certificates of compliance or good standing for each of the Borrower and the Guarantor;
- (f) the Agent will have received executed copies of each of the Loan Documents;
- (g) the Agent will have received evidence that the Borrower has provided notice to the Minister of Natural Resources (Newfoundland and Labrador) and has obtained the consent of the MNR with respect to the charging of the Mineral Titles and Surface Rights;
- (h) the Agent will have received copies of any other shareholder, regulatory, governmental and other approvals required in order for the Obligors to enter into the Loan Documents and to perform their obligations thereunder;

- (i) the Agent will have received evidence of all material servitudes, easements, water licenses, rights of use, property rights (including mining permits and mining leases) and other third party consents relating to the St. Lawrence Fluorspar Project;
- (j) the Agent will have received evidence of insurance coverage satisfactory to the Agent, acting reasonably;
- (k) the Agent will have received the financial statements of the Guarantor for the period ending December 31, 2015, which the Agent acknowledges have been received;
- (l) the Security Documents will have been executed and delivered and all searches, registrations or other action necessary so as to render any such Security Documents perfected will have been made or taken;
- (m) the TCII (formerly Department Business, Trade, Culture and Rural Development) repayment of prior indebtedness and release of security shall have been delivered and made;
- (n) the Agent will have received a certificate of each of the Borrower and the Co-Covenantor, dated as of the Closing Date, signed by a senior officer of each of the Borrower and the Co-Covenantor, certifying for and on behalf of each of the Borrower and the Co-Covenantor, but without personal liability, that:
 - (i) no Pre-Closing Material Adverse Change has occurred and is continuing since the date of the most recent audited consolidated financial statements of the Guarantor;
 - (ii) the representations and warranties of the Borrower contained in this Agreement are true and correct in all material respects (without duplication, for the avoidance of doubt, of any materiality qualification set out in this Agreement) as of the Closing Date with the same force and effect as if made at and as of such time after giving effect to the transactions contemplated by this Agreement; and
 - (iii) no Default or Event of Default has occurred and is continuing;
- (o) the Agent will have received a title opinion from Borrower's counsel pertaining to the Mineral Titles and Surface Rights in which the Borrower or Co-Covenantor has an interest as at the Closing Date in the Province of Newfoundland and Labrador and the Lender's first ranking security there over, subject to Permitted Encumbrances;
- (p) the Agent will have received an opinion of Borrower's Counsel dated as of the Closing Date addressed to the Lender and Agent pertaining to the existence and good standing of the obligors; execution, authorization and enforceability of this Agreement and the other Loan Documents; non-violation of constating documents

and laws; creation of security interests and registration of the Security Documents; and the perfection by control over any pledged securities;

- (q) the Agent will have received payment of all reasonable fees and expenses payable to the Agent and Lender and its counsel and advisors that are due and payable at such time in an amount not exceeding \$75,000 inclusive of HST, unless the Borrower had previously agreed to pay a larger amount, including initial installment of the Work Fee.

All documents and information delivered pursuant to this section must be in full force and effect, and in form and substance satisfactory to the Agent, acting reasonably.

3.02 Condition Precedent to Closing Date of Credit Facility 02

The funding of Credit Facility 02 was subject to the prior satisfaction (or waiver by the Agent) of the following conditions precedent:

- (a) the Agent will have received evidence that Golden Gate Capital Opportunity Fund LP is committed to provide funding to the Borrower of \$10,000,000, such funding to be available for the purpose of completing the St. Lawrence Fluorspar Project and, if required, funding the initial operations thereof, including any working capital requirements of the Borrower, provided that that such commitment shall cease three months after the date on which the Project reaches commercial production;
- (b) the Agent will have received copies of the Organizational Documents of each Obligor, the resolutions authorizing the execution and delivery of, and performance of each Obligor's respective obligations under, the Loan Documents and the transactions contemplated therein, and a certificate as to the incumbency of the officers of the Obligors executing the Loan Documents and any other documents to be provided pursuant to the provisions hereof;
- (c) the Agent will have received certificates of compliance or good standing for each of the Borrower and the Guarantor;
- (d) the Agent will have received executed copies of each of the Loan Documents, as amended or restated for purposes of Credit Facility 02;
- (e) the Agent will have received copies of any shareholder, regulatory, governmental, TCII or other approvals required in order for the Obligors to enter into the Loan Documents and to perform their obligations thereunder;
- (f) the Agent will have received evidence of continuing insurance coverage satisfactory to the Agent, acting reasonably;
- (g) the Security Documents, as amended or restated for purposes of Credit Facility 02, will have been executed and delivered and all searches, registrations or other action

necessary so as to render any such Security Documents perfected will have been made or taken;

- (h) the Agent will have received a certificate of each of the Borrower and the Co-Covenantor, dated as of the applicable Closing Date, signed by a senior officer of each of the Borrower and the Co-Covenantor, certifying for and on behalf of each of the Borrower and the Co-Covenantor, but without personal liability, that:
 - (i) no Pre-Closing Material Adverse Change has occurred and is continuing since the date of the most recent audited consolidated financial statements of the Guarantor;
 - (ii) the representations and warranties of the Borrower contained in this Agreement are true and correct in all material respects (without duplication, for the avoidance of doubt, of any materiality qualification set out in this Agreement) as of the Closing Date with the same force and effect as if made at and as of such time after giving effect to the transactions contemplated by this Agreement; and
 - (iii) no Default or Event of Default has occurred and is continuing;
- (i) the Agent will have received a title opinion from Borrower's counsel pertaining to the Mineral Titles and Surface Rights in which the Borrower or Co-Covenantor has an interest as at the Closing Date in the Province of Newfoundland and Labrador and the Lender's first ranking security interest therein, subject to Permitted Encumbrances;
- (j) the Agent will have received an opinion of Borrower's Counsel dated as of the Closing Date addressed to the Lender and Agent pertaining to the existence and good standing of the obligors; execution, authorization and enforceability of this Agreement and the other Loan Documents; non-violation of constating documents and laws; creation of security interests and registration of the Security Documents; and the perfection by control over any pledged securities;
- (k) no Default or Event of Default has occurred and is continuing;
- (l) the Agent and Lender shall have received any subsequent installments of the fees then outstanding (including Work Fee and Monitoring Fee) under to Credit Facility 01 or, if applicable Credit Facility 02;
- (m) the Agent will have received payment of all reasonable fees and expenses payable to the Secured Parties and their counsel and advisors that are due and payable at such time. The Agent agrees that the aggregate amount of legal fees payable in connection with negotiation and completion of the Loan Documents and the closing of Credit Facility 01 and Credit Facility 02 is not to exceed \$95,000 (inclusive of HST) in the aggregate, unless the Borrower had previously agreed to pay a larger amount and the Agent acknowledges prior receipt of \$75,000 by the Agent's legal counsel in connection with the closing of Credit Facility 01, such

amount credited to legal fees incurred or to be incurred in connection with the Facilities.

All documents and information delivered pursuant to this section must be in full force and effect, and in form and substance satisfactory to the Agent, acting reasonably.

3.03 **Condition Precedent to Closing Date of Credit Facility 03**

The funding of Credit Facility 03 is subject to the prior satisfaction (or waiver by the Agent) of the following conditions precedent:

- (a) the Agent will have received evidence that Golden Gate Capital Opportunity Fund LP has provided funding to the Borrower in the amount of \$8,000,000 within the 60 days immediately preceding the Closing Date;
- (b) the Lender and TCII will have entered into the TCII Subordination Agreement;
- (c) the Agent will have received copies of the Organizational Documents of each Obligor, the resolutions authorizing the execution and delivery of, and performance of each Obligor's respective obligations under, the Loan Documents and the transactions contemplated therein, and a certificate as to the incumbency of the officers of the Obligors executing the Loan Documents and any other documents to be provided pursuant to the provisions hereof;
- (d) the Agent will have received certificates of compliance or good standing for each of the Borrower and the Guarantor;
- (e) if required by the terms thereof, the Agent will have received executed copies of each of the Loan Documents, as amended or restated for purposes of Credit Facility 03;
- (f) the Agent will have received copies of any shareholder, regulatory, governmental, TCII or other approvals required in order for the Obligors to enter into the Loan Documents and to perform their obligations thereunder;
- (g) the Agent will have received evidence of continuing insurance coverage satisfactory to the Agent, acting reasonably;
- (h) the Security Documents, if amended or restated for purposes of Credit Facility 03, will have been executed and delivered and all searches, registrations or other action necessary so as to render any such Security Documents perfected will have been made or taken;
- (i) the Agent will have received a certificate of each of the Borrower and the Co-Covenantor, dated as of the applicable Closing Date, signed by a senior officer of each of the Borrower and the Co-Covenantor, certifying for and on behalf of each of the Borrower and the Co-Covenantor, but without personal liability, that:

- (i) no Pre-Closing Material Adverse Change has occurred and is continuing since the date of the most recent audited consolidated financial statements of the Guarantor;
- (ii) the representations and warranties of the Borrower contained in this Agreement are true and correct in all material respects (without duplication, for the avoidance of doubt, of any materiality qualification set out in this Agreement) as of the Closing Date with the same force and effect as if made at and as of such time after giving effect to the transactions contemplated by this Agreement; and
- (iii) no Default or Event of Default has occurred and is continuing;
- (j) the Agent will have received a title opinion from Borrower's counsel pertaining to the Mineral Titles and Surface Rights in which the Borrower or Co-Covenantor has an interest as at the Closing Date in the Province of Newfoundland and Labrador and the Lender's first ranking security interest therein, subject to Permitted Encumbrances;
- (k) the Agent will have received an opinion of Borrower's Counsel dated as of the Closing Date addressed to the Lender and Agent pertaining to the existence and good standing of the obligors; execution, authorization and enforceability of this Agreement and the other Loan Documents; non-violation of constating documents and laws; creation of security interests and registration of the Security Documents; and the perfection by control over any pledged securities;
- (l) no Default or Event of Default has occurred and is continuing;
- (m) the Agent and Lender shall have received any subsequent installments of the fees then outstanding (including Work Fee and Monitoring Fee) under Credit Facility 01, Credit Facility 02 or, if applicable Credit Facility 03;
- (n) the Agent will have received payment of all reasonable out of pocket fees and expenses payable to the Secured Parties and their legal counsel and other advisors that are due and payable at such time.

All documents and information delivered pursuant to this section must be in full force and effect, and in form and substance satisfactory to the Agent, acting reasonably.

3.04 Waiver

The conditions set forth in Sections 3.01 , 3.02 and 3.03 are inserted for the sole benefit of the Agent and Lender and may be waived by the Agent, in whole or in part (with or without terms or conditions).

ARTICLE 4 - PAYMENTS OF INTEREST, WORK FEES AND DEPOSITS

4.01 Deposit

The Borrower has paid to the Agent:

- (a) a deposit of \$50,000 (the “**First Deposit**”) and on the closing of Credit Facility 01 the full amount of the First Deposit was credited towards the Agent’s out of pocket costs, expenses (excluding legal fees) and work fees; and
- (b) a second deposit of \$20,000 (the “**Second Deposit**”) and on the closing of Credit Facility 02 the full amount of the Second Deposit was credited towards the Agent’s out of pocket costs, expenses (excluding legal fees) and work fees.

No deposit has been paid to the Agent with respect to Credit Facility 03.

4.02 Fees

The following Fees shall apply to the Credit Facilities:

- (a) A non-refundable work fee in the amount of 2% of Credit Facility 01 plus applicable taxes thereon was paid by the Borrower to the Lender on the Closing Date of Credit Facility 01;
- (b) A non-refundable work fee in the amount of 2% of Credit Facility 02 plus applicable taxes thereon was paid by the Borrower to the Lender on the Closing Date of Credit Facility 02;
- (c) The Borrower will pay the Agent a non-refundable work fee in the amount of 2% of Credit Facility 03 (the “**Work Fee**”) plus applicable taxes, which shall be payable from the funds disbursed by the Lender to the Borrower on the Closing Date of Credit Facility 03;
- (d) The Borrower shall pay the Agent a monthly monitoring fee of \$2,000 (the “**Monitoring Fee**”) plus applicable taxes, payable on the last day of each month.

4.03 Interest

- (a) The Borrower shall pay to the Lender interest on the principal amount outstanding under the Credit Facilities at the rate of BMO Prime plus 12.0% per annum calculated and subject to Section 4.03(b) payable on the last day of each month. Any changes in BMO Prime shall be effective as of the first day of the month following the rate change.
- (b) The Borrower will not be required to make any cash payment to the Lender on account of accrued interest on the outstanding principal amount until January 31, 2018 (such date, the “**Interest Payment Date**”). Interest which accrues on the outstanding principal up to the Interest Payment Date will be capitalized to the loan

balance monthly on the last day of each month and such amounts shall accrue interest (all such capitalized interest, the “**Capitalized Interest**”). Commencing on the Interest Payment Date, interest which accrues on the aggregate loan balance (including the Capitalized Interest) from such date shall be payable monthly in arrears on the last date of such month.

ARTICLE 5 - REPAYMENT

5.01 On Demand

Following the occurrence of an Event of Default which is continuing, the Borrower will repay the outstanding principal amount of the Credit Facilities, together with all accrued interest, fees and other amounts then unpaid by it under the Credit Facilities in full on demand by the Agent or Lender, together with payment by the Borrower to the Agent of an amount calculated in accordance with the formula set out below and which shall be due and payable as of the date demand is made, and the Credit Facilities will be automatically terminated on such date:

$$I/365 \times 120 \times M$$

Where:

I = the annual interest rate on the Credit Facilities on the date demand is made; and

M = the outstanding amount, including any interest and other fees owing under this Agreement, of the Credit Facilities on the date demand is made.

5.02 On the Maturity Date

Where no demand for repayment is made, the Borrower will repay the outstanding principal amount of the Credit Facilities, including, without duplication, Capitalized Interest together with all accrued and unpaid interest, fees and other amounts then unpaid by it under the Credit Facilities in full on the Maturity Date, and the Credit Facilities will be automatically terminated on such date.

5.03 Notice

The Borrower has the option, upon written notice to the Agent not less than sixty (60) days before January 31, 2019, to extend the Maturity Date to July 31, 2019. If the Borrower exercises its option to extend the Maturity Date in accordance with this Section 5.03, it shall, promptly upon providing such written notice, pay the Agent a non-refundable work fee in the amount of 0.5% of Credit Facilities plus applicable taxes.

5.04 Voluntary Prepayment

- (a) Subject to compliance with the conditions of this Section 5.04(a), the Credit Facilities may be prepaid in full or partially at any time without any fee or penalty provided that the Borrower shall deliver an irrevocable prepayment notice to the Agent (the “**Prepayment Notice**”) one hundred twenty (120) days prior to the proposed

prepayment date (the “**Prepayment Date**”) setting forth the amount being prepaid (the “**Prepayment Amount**”) and provided that the Borrower pays the full Prepayment Amount on the Prepayment Date.

Where the Borrower has provided a Prepayment Notice, the failure of the Borrower to pay the Prepayment Amount on the Prepayment Date constitutes failure by the Borrower to make a payment when due under this Agreement, including for purposes of Section 9.01(a).

- (b) In the event that the Prepayment Amount is not paid in full on the Prepayment Date, then the Agent shall have the option, in its discretion, to accept or reject any partial payment made on account of the Prepayment Amount, if any, and/or to declare and consider the Prepayment Notice to be null and void such that any prepayment shall thereafter be subject to the delivery by the Borrower of a new Prepayment Notice in compliance with this Section 5.04(a).
- (c) In the event that the Borrower, or an Obligor, attempts a prepayment either without having provided a Prepayment Notice in compliance with Section 5.04(a) or, after having provided such a Prepayment Notice, before the Prepayment Date, then the Agent shall have the options, in its discretion, to accept or reject any such attempted prepayment and, where the Agent elects to accept the prepayment, then the Borrower shall pay to the Agent an amount calculated in accordance with the formula set out below and which shall be due and payable as of the date the prepayment is made:

$$I/365 \times (120 - N) \times M$$

Where:

I = the annual interest rate on the Credit Facilities on the date the Prepayment Notice was given or, if no Prepayment Notice was given, on the date the prepayment is made;

N = where a Prepayment Notice was given, the number of days between the date the Prepayment Notice is given and the date of prepayment, provided that if no Prepayment Notice was given, N shall equal 0; and

M = the Prepayment Amount, including any proportionate interest and other fees owing under this Agreement thereon, on the date the Prepayment Notice was given or, if no Prepayment Notice was given, on the date the prepayment is made.

- (d) All prepayments pursuant to this Section will be made together with payment of all proportionate accrued and unpaid interest, any prepayment fee calculated to the applicable prepayment date, and all other fees and amounts then due and owing to the Agent or Lender hereunder.

5.05 **Place of Payment of Principal, Interest and Fees**

All payments of principal, interest, fees and other amounts to be made by the Borrower to the Lender pursuant to this Agreement will be made by deposit or transfer thereof to the account designated from time to time in writing by the Agent, or by such other means or at such other place as the Borrower and the Agent may from time to time agree.

ARTICLE 6- SECURITY

6.01 **Guarantee and Share Pledge**

The Guarantor shall guarantee, in favour of the Secured Parties, the performance of all Obligations of the Borrower. The guarantee shall be secured by a pledge of shares of the Guarantor in the capital of the Borrower.

6.02 **Security over Assets**

To secure the performance of the Obligations, the Borrower and Co-Covenantor shall provide, in favour of the Secured Parties, a first ranking security interest, subject to Permitted Encumbrances, over all of their real and personal property and assets, present and future.

The Security will be further evidenced by the following documents:

- (a) a collateral debenture duly executed by the Borrower and the Co-Covenantor creating an Encumbrance on all Mineral Titles and Surface Rights of the Borrower, which are identified in Schedule C (the “**Collateral Debenture**”);
- (b) a general security agreement duly executed by each of the Borrower and the Co-Covenantor;
- (c) an assignment of insurance policies and certificate(s) evidencing the insurance policies of the Borrower and Co-Covenantor showing the Agent on behalf of the Secured Parties as loss payable, as its interest may appear on all property insurance policies (other than business interruption insurance) and as an additional insured on all general liability insurance policies;
- (d) such other security documents as the Secured Parties may from time to time reasonably request to ensure that the Secured Parties have valid Security, subject to Permitted Encumbrances, over all of the real and personal property and assets, present and future, of the Borrower and Co-Covenantor.
- (e)

6.03 **Validity of the Security and Contents of Security Documents**

The security interest granted under the Security Documents must be valid, perfected and first-ranking at all times with respect to all property intended to be covered thereby, subject however to Permitted Encumbrances.

ARTICLE 7- REPRESENTATIONS AND WARRANTIES

7.01

Representations and Warranties of the Obligors

The Borrower hereby makes the representations and warranties set forth below to the Lender and Agent, and acknowledges that the Lender and Agent are relying on such representations and warranties.

- (a) **Subsidiaries.** As of the date hereof, the Borrower does not have any Subsidiaries other than CFI AZ Holdings Inc., CFI Newspaper Holdings Inc. and the Co-Covenantor. CFI AZ Holdings Inc. does not have any right, title or interest in any assets or right of, or assets which are necessary for the operation of, the St. Lawrence Fluorspar Project.
- (b) **Single Purpose/Subsidiaries of Borrower.** As of the date hereof (i) the Borrower does not engage, directly or indirectly, in any business unrelated to the St. Lawrence Fluorspar Project, does not have any assets other than those pertaining to its interest in the St. Lawrence Fluorspar Project, and has no equity investments in any other Person other than as set out in Section 7.01(a) and indirect ownership, through CF AZ Holdings Inc., of 20% interest in Acoustic Zoom Inc., and (ii) the Borrower is not engaged in any joint purchasing arrangement, joint venture or other joint enterprise with any other Person.
- (c) **Incorporation and Organization.** Each Obligor, other than the Co-Covenantor, has been incorporated or continued and is a valid and subsisting company in good standing under the Laws of its jurisdiction of incorporation or continuance, as applicable. The Co-Covenantor is a partnership validly formed under the laws of the Province of Newfoundland and Labrador and has not been dissolved. Each Obligor has all requisite corporate or other power and authority to carry on its business as now conducted or proposed to be conducted and to own or lease and operate the property and assets thereof.
- (d) **Extra-provincial Registration.** Each Obligor is licensed, registered or qualified as an extra-provincial or foreign company or partnership in all jurisdictions where the character of the property or assets thereof owned or leased or the nature of the activities conducted by it make licensing, registration or qualification necessary and is carrying on the business thereof in compliance, in all material respects, with all applicable Laws of each such jurisdiction.
- (e) **Authority and Authorization.** Each Obligor has the requisite power and authority to enter into each of the Transaction Documents to which it is a party and to do all acts and things and execute and deliver all documents as are required thereunder to be done, observed, performed or executed and delivered by it in accordance with the terms thereof and each Obligor has taken all necessary corporate or other action to authorize the execution, delivery and performance of each of the Transaction Documents to which it is a party and to observe and perform the provisions of each

of the Transaction Documents to which it is a party in accordance with the provisions thereof.

- (f) Validity and Enforceability. The execution and delivery by each Obligor of each of the Transaction Documents to which it is a party have been duly authorized by all necessary action on the part of such Obligor and each Transaction Document to which it is a party has been (or upon delivery will have been) duly executed by such Obligor and, when delivered in accordance with the terms hereof, will constitute a valid and legally binding obligation of such Obligor enforceable against it in accordance with its terms except: (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other Laws of general application affecting enforcement of creditors' rights; and (ii) as limited by equitable principles and by Laws relating to the availability of specific performance, injunctive relief or other equitable remedies.
- (g) Establishment and Utilization of the Facility. Other than obtaining the consent of TCII to Credit Facility 03 and the Borrower's obligation to use reasonable best efforts to grant Arkema France a subordinated security interest pursuant to the Arkema Supply Agreement, neither the execution and delivery by each Obligor of the Transaction Documents to which it is a party nor compliance on the part of such Obligor with the provisions thereof or the consummation of the transactions contemplated thereby (i) require the consent, approval, or authorization, order or agreement of, or registration or qualification with, any Governmental Body or other Person, except such as have been obtained, or (ii) conflict with or result in any breach or violation of any of the provisions of, or constitute a default under, any Material Project Agreement to which any such Obligor is a party or by which any of its respective Property is bound, or the Organizational Documents of any such Obligor or any resolution passed by the directors (or any committee thereof), shareholders or partners of any such Obligor, or any Law applicable to any such Obligor or any of the Property thereof.
- (h) Ownership Structure. The Guarantor is the direct owner of all of the issued and outstanding equity securities of the Borrower, which equity securities have been duly authorized and validly issued and are outstanding as fully paid and non-assessable shares, and no Person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option, for the purchase of any interest in any of such equity interests or for the issue or allotment of any unissued equity interests or any other security convertible into or exchangeable for any such equity interests.
- (i) Rights to Acquire Securities. No Person has any agreement, option, right or privilege (whether pre-emptive, contractual or otherwise) capable of becoming an agreement for the purchase, acquisition, subscription for or issue of any of equity interests of the Borrower, except pursuant to the Transaction Documents.
- (j) Financial Statements. The most recent audited annual financial statements and board of director approved unaudited quarterly financial statements of the

Guarantor have been prepared in accordance with Canadian GAAP (subject to year-end adjustments) applied on a basis consistent with prior periods (except as otherwise disclosed in such financial statements), fairly present in all material respects, in accordance with Canadian GAAP, the financial condition and position and results of operations of the Guarantor, on a consolidated basis (subject to year-end adjustments), as at date thereof and reflect in all material respects all liabilities (contingent or otherwise) of the Guarantor, on a consolidated basis, as at the date thereof and for the period covered thereby.

- (k) Changes in Financial Position. Except as contemplated by the Transaction Documents since the balance sheet date in the most recent audited annual financial statements of the Borrower:
- (i) the Borrower has not paid or declared a Restricted Payment and none of the Obligors has incurred any material capital expenditure or made any commitment therefor other than Operating Costs; and
 - (ii) no Material Adverse Change has occurred and is continuing.
- (l) Insolvency. None of the Obligors has committed an act of bankruptcy or sought protection from the creditors thereof before any court or pursuant to any Law, proposed a compromise or arrangement to the creditors thereof generally, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to be declared bankrupt or wound up, taken any proceeding to have a receiver appointed of any of the assets thereof, had any Person holding any Encumbrance or receiver take possession of a Material Asset, had an execution or distress become enforceable or levied upon a Material Asset or had any petition for a receiving order in bankruptcy filed against it. No proceedings have been taken, instituted or, to the knowledge of the Borrower, are pending for the dissolution or liquidation of any of the Obligors.
- (m) Insurance. The assets of the Obligors and the business and operations thereof are insured in accordance with Schedule D.
- (n) Non-Arm's-Length Transactions. (i) None of the Obligors owes any amount to, nor has any of the Obligors any present material loans to, or borrowed any material amount from or is otherwise materially indebted to, any officer, director, employee, or securityholder thereof or any other Person on terms which are not at arm's-length, except for usual employee reimbursements and compensation paid in the ordinary and normal course of the business of the Obligors; (ii) except for usual employee or consulting arrangements made in the ordinary and normal course of business, none of the Obligors is a party to any contract with any officer, director, employee, or securityholder thereof or any other Person on terms which are not at arm's-length, and (iii) to the knowledge of the Borrower, no Related Party or Affiliate of any of the Obligors has any cause of action or other claim whatsoever against, or owes any amount to, any of the Obligors, except for amounts payable

under agreements entered into on arm's length terms in the ordinary course of the business consistent with past practice.

- (o) Accounting Controls. The Obligors maintain a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are completed in accordance with the general or a specific authorization of management; and (ii) transactions are recorded as necessary to permit preparation of consolidated financial statements for the Borrower in conformity with Canadian GAAP and to maintain asset accountability.
- (p) Anti-Money Laundering. To the knowledge of the Borrower, the operations of the Obligors are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of Canadian Federal money laundering statutes, and the rules and regulations thereunder and no action, suit or proceeding by or before any Governmental Body involving any of the Obligors with respect to such statutes, rules and regulations is pending or, to the knowledge of the Borrower, threatened.
- (q) Unlawful Payment. To the knowledge of the Borrower, none of the Obligors nor any of their respective officers in the course of their employment has made any unlawful contribution or other payment to any official of, or candidate for, any federal, state, provincial, municipal or foreign office, or failed to disclose fully any contribution, in violation of any Law, or made any payment to any domestic or foreign governmental officer or official, or other Person charged with similar public or quasi-public duties, other than payments required or permitted by applicable Laws. Without limiting the generality of the foregoing, to the knowledge of the Borrower, none of the Obligors nor, to the knowledge of the Borrower, any officers of any of the Obligors, has in the course of their employment violated any applicable FCPA Legislation. To the knowledge of the Borrower, the foregoing representations and warranties in this subsection are also true in respect of the activities of any agents of the Obligors which are related to their services on behalf of the Obligors.
- (r) Material Project Agreements. All Material Project Agreements to which an Obligor is a party or by which it is bound: (i) are valid, binding obligations of such Obligor, enforceable against such Obligor in accordance with their respective terms, subject, however, to limitations with respect to enforcement imposed by equitable principles, by Law in connection with bankruptcy or similar proceedings, the equitable power of the courts to stay proceedings before them and the execution of judgments and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the courts from which they are sought and (ii) other than: (A) the Borrower's obligation to use reasonable best efforts to grant Arkema France a subordinated security interest pursuant to the Arkema Supply Agreement; and (B) the consent of TCII to Credit Facility 03, do not, by their terms, require the consent of any of the parties thereto to any of the transactions contemplated by this Agreement. To the knowledge of the applicable Obligor, as of the date hereof, there is no material default or event which, with notice or lapse of

time or both, would constitute a default under the Material Project Agreements on the part of the Obligor, or, to the knowledge of the applicable Obligor without due inquiry or investigation, on the part of any other party thereto.

- (s) Sufficiency of St. Lawrence Property and other rights. The St. Lawrence Property and other rights granted pursuant to the Material Project Agreements:
- (i) comprise all of the property interests necessary to secure any right material to the operation and maintenance of the St. Lawrence Fluorspar Project in compliance in all material respects with all Laws;
 - (ii) are sufficient to enable the St. Lawrence Fluorspar Project to be operated and maintained; and
 - (iii) provide adequate ingress and egress for any reasonable purpose in connection with the operation and maintenance of the St. Lawrence Fluorspar Project under the Material Project Agreements,

in each case based the current level of development and operation of the St. Lawrence Fluorspar Project.

To the knowledge of the Borrower based on the current level of development and operation of the St. Lawrence Fluorspar Project, there are no material services, materials or rights required for the operation or maintenance of the St. Lawrence Fluorspar Project in accordance with the Material Project Agreements other than those available under the Material Project Agreements.

- (t) Compliance and Directives. Without limiting the other representations and warranties made in this Article, to the knowledge of the Borrower, there are no written (i) directives, (ii) warnings, (iii) work orders, (iv) notices, complaints or orders of deficiency, (v) notices of violation or of non-compliance, which have been issued (or are threatened to be issued) by a Governmental Body pursuant to applicable Laws in respect of any matter relating to the St. Lawrence Fluorspar Project or any of the Obligor, and would reasonably be expected to have a Material Adverse Effect;
- (u) Litigation. Except as set out in Schedule E, as of the date hereof, there are no actions, suits, proceedings, inquiries or investigations existing, pending or, to the knowledge of the Borrower, threatened against any of the Obligor or to which any of the Property thereof is subject, at law or equity, or before or by any court, federal, provincial, state, municipal or other Governmental Body, domestic or foreign and none of the Obligor is subject to any judgment, order, writ, injunction, decree, award, rule, policy or regulation of any Governmental Body.
- (v) No Default. None of the Obligor is in violation of any term of the Organizational Documents thereof. None of the Obligor is in violation of any term or provision under or in respect of any judgment, order or Material Project Agreement and to the knowledge of the Borrower no event has occurred and is continuing, and no

circumstance exists which has not been waived, which constitutes a material default (without duplication, for greater certainty, of any materiality qualification set out therein) in respect of any Material Project Agreement entitling any other party thereto to accelerate the maturity of any amount owing thereunder or which would reasonably be expected to have a Material Adverse Effect.

- (w) Compliance with Laws. Each of the Obligors has conducted and is conducting the business thereof in compliance in all respects with all applicable Laws of each jurisdiction in which it carries on business, including all Laws applicable to the development and operation of the St. Lawrence Fluorspar Project, except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect
- (x) Applicable Permits. (i) the Borrower and Co-Covenantor hold all Applicable Permits required under applicable Laws (including Environmental Laws), having regard to the current stage of the St. Lawrence Fluorspar Project; (ii) each such Applicable Permit is in full force and effect and is not the subject of any appeals or further proceedings; (iii) the Borrower is not in material violation of any Applicable Permit; and (iv) none of the Obligors has received any notice of the modification, revocation, cancellation or refusal to renew of, or any intention to modify, revoke or cancel or refuse to renew or any proceeding relating to the modification, revocation, cancellation or refusal to renew any such Applicable Permit.
- (y) Encumbrances. The St. Lawrence Property and all other Property of the Obligors are not subject to any Encumbrances other than Permitted Encumbrances. Without limiting the foregoing:
 - (i) no Person other than the Borrower and Co-Covenantor has any rights to participate in or operate the St. Lawrence Property or the St. Lawrence Fluorspar Project;
 - (ii) except as disclosed in Schedule F, as of the date hereof, none of the St. Lawrence Property, or the Minerals produced therefrom, are subject to an option, right of first refusal or right, title, interest, reservation, claim, rent, royalty, or payment in the nature of rent or royalty; and
 - (iii) none of the Permitted Encumbrances would reasonably be expected to have, a Material Adverse Effect.

As of the date hereof, Schedule G sets out the locations of the Collateral (except for inventory in transit and mobile equipment).

- (z) Utilities. All utility services necessary for the current level of the development and operation of the St. Lawrence Fluorspar Project are available at the sites upon commercially reasonable terms.

- (aa) Mineral Rights. (i) The Borrower and Co-Covenantor hold either mining leases or mining claims recognized in the jurisdiction in which a particular property is located, in respect of the ore bodies and Minerals located in properties forming part of the St. Lawrence Property under valid, subsisting and enforceable title documents or other recognized and enforceable agreements or instruments; (ii) the Borrower and Co-Covenantor have all necessary Surface Rights, access rights and other necessary rights and interests relating to the properties forming part of the St. Lawrence Property which are subject to the Mining Leases granting the Borrower the right and ability to extract minerals from and explore such Mining Leases for development purposes, with only such exceptions as do not materially interfere with the use made by the Borrower of the rights or interests so held, in each case based on the current level of development and operation of the St. Lawrence Fluorspar Project.
- (bb) Security. The Security creates valid and enforceable Encumbrances upon the Property subject thereto and none of the Obligors has created, consented to or permitted to exist any Encumbrances, other than Permitted Encumbrances. The execution and delivery by each Obligor of each of the Material Project Agreements to which each is party, respectively, and performance of each such Obligor's obligations thereunder will not result in any Encumbrance on the property subject to the Security, except for Permitted Encumbrances.
- (cc) Ranking. The Security granted to the Secured Parties by the Obligors under the Loan Documents is first ranking security in the property charged thereby, subject only to Permitted Encumbrances and the Obligations rank in all respects, in priority to any other Indebtedness of the applicable Obligors, except for Permitted Debt (payable in accordance with its terms) or as permitted by Permitted Encumbrances.
- (dd) No Set-Off/Immunity. None of the Obligors nor any of their respective assets will be entitled to claim any right of immunity from set-off, suit, execution, attachment or other legal process in respect of its obligations under the Loan Documents.
- (ee) Aboriginal Claims. As of the date hereof, there are no claims with respect to aboriginal rights currently, pending or, to the knowledge of the Borrower, threatened with respect to any of the material properties of the Obligors.
- (ff) Intellectual Property. The Obligors own or have the right to use under license, sub-license or otherwise all material intellectual property used by them in their business, including copyrights, industrial designs, trademarks, trade secrets, know-how and proprietary rights except to the extent the failure to do so would not reasonably be expected to have a Material Adverse Effect. As of the date hereof, no material claim or litigation regarding any of the foregoing is pending or, to the knowledge of the Borrower, threatened.
- (gg) Environment. To the knowledge of the Borrower:

- (i) the St. Lawrence Fluorspar Project and each of the Obligor are and have been in compliance with all applicable Environmental Laws in all respects except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect;
 - (ii) there are no Hazardous Substances at the St. Lawrence Property, or any other immovable (real) property any Obligor in violation of, or in excess of applicable limits pursuant to, Environmental Laws, which reasonably be expected to result in a material Environmental Liability;
 - (iii) there are no existing environmental conditions or restrictions related to or affecting the St. Lawrence Property or the St. Lawrence Fluorspar Project that would reasonably be expected to have a Material Adverse Effect;
 - (iv) no order, direction or notice has been issued pursuant to any Environmental Laws relating to any Obligor or the St. Lawrence Fluorspar Project which remains outstanding and would reasonably be expected to have a Material Adverse Effect; and
 - (v) all rehabilitation and/or restoration plans required to have been filed by any of the Obligors with any Governmental Body pursuant to Environmental Laws having regard to the current stage of the St. Lawrence Fluorspar Project: (i) have been duly filed with such Governmental Bodies, and (ii) have been disclosed to the Agent.
- (hh) No Brokerage or Finder's Fee. There is no Person acting or purporting to act at the request of or on behalf of any Obligor that is entitled to any brokerage or finder's fee in connection with the transactions contemplated by this Agreement.
- (ii) Tax Status.
- (i) To the knowledge of the Borrower, (i) each Obligor has duly and timely in the prescribed manner, made or prepared all Tax returns required to be made or prepared by it, has duly and timely filed all Tax returns required to be filed by it with the appropriate Governmental Body and has, in all material respects, completely and correctly reported all income and all other amounts or information required to be reported thereon, and (ii) all such Tax returns are complete and accurate in all material respects.
 - (ii) To the knowledge of the Borrower, (i) each Obligor has (A) duly and timely paid all Taxes due and payable by it, and (B) duly and timely withheld and collected in all material respects all Taxes and other amounts required by Law to be withheld or collected by it and has in all material respects duly and timely remitted to the appropriate Governmental Body such Taxes and other amounts required by Law to be remitted by it, and (ii) no material deficiency with respect to any payment of Taxes has been asserted against any Obligor by any Governmental Body.

- (iii) The charges, accruals and reserves for Taxes reflected on the Financial Statements (whether or not due and whether or not shown on any Tax return but excluding any provision for deferred income Taxes) are adequate in all material respects to cover Taxes with respect to any Obligor which were unpaid but which were accruing due through the period covered by such Financial Statements.
 - (iv) There are no agreements, waivers or other arrangements with any Governmental Body providing for an extension of time with respect to any assessment or reassessment of Tax, the filing of any Tax return or the payment of any material Tax by any Obligor. As at the date hereof, the Borrower has received Notices of Assessment for all taxation years up to the taxation year ended December 31, 2015.
 - (v) No Tax return of any Obligor is under audit by any Governmental Body, and no proceedings are pending or, to the knowledge of any Obligor, threatened by or before any Governmental Body with respect to material Taxes of any Obligor.
- (j) Labour Relations. To the knowledge of the Borrower, (i) the Obligors are in compliance in all material respects with all applicable Laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages, (ii) no material complaint for wrongful dismissal, constructive dismissal or any other claim, complaint, litigation or other proceeding respecting employment and employment practices, terms and conditions of employment, pay equity and wages (each an “**Employment Claim**”) is pending against any of the Obligors or threatened against any of them as of the date hereof and thereafter no Employment Claim is pending against any of the Obligors or threatened against any of them except (with respect to any Employment Claim, either individually or in the aggregate) such as would not reasonably be expected to cause a Material Adverse Effect, (iii) none of the Obligors is engaged in any unfair labour practice and, there is no unfair labour practice complaint pending against any of the Obligors, or threatened against any of them, before any Governmental Body which if determined adversely would reasonably be expected to have a Material Adverse Effect, (iv) no material grievance or arbitration arising out of or under any collective bargaining agreement is pending against any of the Obligors or threatened against any of them as of the date hereof, and thereafter, no grievance or arbitration arising out of or under any collective bargaining agreement is pending against any of the Obligors or threatened against any of them except (with respect to any matter specified in this clause (iv), either individually or in the aggregate) such as would not reasonably be expected to have a Material Adverse Effect, and (v) no strike, or material labour dispute, slowdown or stoppage is pending against any of the Obligors or, threatened against any of them and no union representation proceeding is pending with respect to any employees of the Obligors as of the date hereof and, with respect to subsequent strikes, labour disputes, slowdowns or stoppages, except (with respect to any matter specified in this clause (v), either individually or in the aggregate) such as would not reasonably be expected to have a Material Adverse Effect.

- (kk) Pension Plans. There is no Pension Plan in respect of any of the Obligors.
- (ll) Full Disclosure. Based on the current level of development and operation of the St. Lawrence Fluorspar Project, (i) all information provided to the Agent in connection with the Credit Facilities and the St. Lawrence Fluorspar Project is true and correct in all material respects; (ii) none of the documentation furnished to the Agent by, or by the Borrower's representatives on behalf of, the Borrower in connection with the Credit Facilities and the St. Lawrence Fluorspar Project omits a material fact necessary to make the statements contained therein not misleading in any material way and all expressions of expectation, intention, belief and opinion contained in such documentation were honestly made on reasonable grounds after due and careful inquiry by it at the time they were made; (iii) The Current Report (I) is based on assumptions as to all factual matters material to the estimates set forth therein, including for greater certainty as to design, description, testing, financial details, labour matters, operation, resources and reserves, quality of the Minerals, production levels and optimization processes considered reasonable at the time such assumptions were made and (II) provides a contingency allowance that is reasonable for a project of this nature and size; and (iv) there are no material Operating Costs that are not contemplated in the Current Report.

7.02 Survival and Repetition of Representations and Warranties

The representations and warranties set out in Section 7.01 survive the execution and delivery of this Agreement and all other Loan Documents.

7.03 Effect of Investigations

All representations, warranties, covenants and agreements contained in this Agreement or any other Loan Document furnished to the Agent and Lender by or on behalf of the Borrower in connection with the transactions contemplated by this Agreement will survive any investigation made by or on behalf of the Agent and Lender at any time with respect to any of the foregoing.

ARTICLE 8 - COVENANTS

8.01 Affirmative Covenants

So long as this Agreement is in force and except as otherwise permitted by the prior written consent of the Agent, the Borrower and Co-Covenantor will:

- (a) Timely payment. make due and timely payment of the Obligations required to be paid by it under the Loan Documents;
- (b) Conduct of Business, Maintenance of Existence, Compliance with Laws and Transaction Documents. engage in business of the same general type as now conducted by it; carry on and conduct its business and operations in accordance with good business practice, preserve, renew and keep in full force and effect its existence; take all reasonable action to maintain in all material respects all rights,

privileges and franchises necessary in the normal conduct of its business; and comply (i) in all respects, with all Material Project Agreements and applicable Laws, and (ii) with all Transaction Documents, except where the failure to do so would not reasonable be expected to have a Material Adverse Effect;

- (c) Applicable Permits. obtain, renew on a timely basis, maintain and comply in all material respects with the terms of all Applicable Permits;
- (d) Material Project Agreements.
 - (i) maintain in full force and effect all of the Material Project Agreements;
 - (ii) preserve, protect and defend in all material respects the rights of Borrower under each and every Material Project Agreements;
 - (iii) not cause, consent to, or permit, any termination, amendment, modification, variance or waiver of timely compliance with any terms or conditions of the Current Report or any Material Project Agreement, other than (I) any amendments or modifications to cure any defective provisions contained therein or to permit other minor deviations from the terms thereof, and (II) those amendments, modifications or waivers that are in the best interest of the St. Lawrence Fluorspar Project and are not materially inconsistent with the Current Report; and
 - (iv) deliver to the Agent promptly a copy of any Material Project Agreement entered into after the date hereof or any amendment, modification, variance or waiver to a Material Project Agreement effected after the date hereof.
- (e) Further Assurances. provide the Agent with such other documents, opinions, consents, acknowledgments and agreements as are reasonably necessary to implement this Agreement and the other Loan Documents from time to time;
- (f) Access to Information. promptly provide the Agent with all information reasonably requested by the Agent from time to time concerning its financial condition and Property, and during normal business hours and from time to time upon reasonable notice, permit representatives of the Agent to inspect and access the St. Lawrence Fluorspar Project (provided that all representatives of the Agent shall comply with all site rules and all applicable health and safety rules and regulations applicable to the St. Lawrence Fluorspar Project) or any of its Property and to examine and take extracts from its financial records;
- (g) Obligations and Taxes. pay or discharge, or cause to be paid or discharged, before the same will become delinquent (i) all Taxes imposed upon it or upon its income or profits or in respect of its business or Property and file all Tax returns in respect thereof, (ii) all lawful claims for labour, materials and supplies, (iii) all required payments under any of its Indebtedness, and (iv) all other obligations; provided, however that it will not be required to pay or discharge or to cause to be paid or discharged any such amount so long as the validity or amount thereof is being

contested in good faith by appropriate proceedings and an adequate reserve in accordance with Canadian GAAP has been established on its books;

- (h) Use of Credit Facilities. use the Credit Facilities only for the purposes specified in Section 2.02;
- (i) Insurance. (i) maintain, or cause to be maintained, with reputable insurers insurance policies with respect to the St. Lawrence Fluorspar Project and the operations conducted on and in respect thereof against such liabilities, casualties, risks and contingencies and of such types and in such amounts as is customary in the case of similar operations in Canada; (ii) cause the Lender to be named as a loss payee (as its interests may appear) under all property insurance policies of the Borrower (other than business interruption insurance) and as an additional insured under all general liability insurance policies of the Borrower; (iii) pay punctually, or cause to be paid punctually, all premiums payable for the insurance required by this Agreement and furnish to the Agent, upon request by the Agent, evidence of each such payment; and (iv) promptly notify the Agent of any material interruption in their business and any material loss or casualty affecting the St. Lawrence Fluorspar Project or any Property charged by the Security;

Without limiting the generality of the foregoing, the Borrower will subscribe and maintain, or cause to be maintained the insurance policies described in Schedule D, within the timeframe required in such Schedule. Such policies will be obtained, maintained and dealt with as set forth in Schedule D and will include the provisions required to be included therein under Schedule D. Such Schedule may be amended from time to time with the consent of the Agent, acting reasonably;

- (j) Notice of Material Adverse Change. promptly notify the Agent of any Material Adverse Change of which it becomes aware;
- (k) Notice of Litigation. promptly notify the Agent on becoming aware of the occurrence of any litigation, dispute, order, arbitration or other proceeding the result of which has had or would reasonably be expected to have a Material Adverse Effect and from time to time provide the Agent with all reasonable information requested by the Agent concerning the status of any such proceeding;
- (l) Environmental Compliance. without limiting the generality of subsection (b) of this Section:
 - (i) operate all Property owned, leased or otherwise used by it and conduct all of its activities in compliance with the requirements of all applicable Environmental Laws, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect;
 - (ii) promptly notify the Agent upon learning of (i) the existence of a Hazardous Substance located on, above or below the surface of any land that it occupies or controls (except those present, stored, used or otherwise handled in substantial compliance with Environmental Law), or contained in the soil or

water constituting such land, in either case, where the existence or presence of such Hazardous Substance would reasonably be expected to have a Material Adverse Effect; and (ii) the occurrence of any reportable Release of a Hazardous Substance that has occurred on or from such land, in each case which would reasonably be expected to result in a material Environmental Liability;

- (m) Maintenance of Property. (i) keep all Property useful and necessary for its business in good working order and condition, normal wear and tear excepted, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect; and (ii) ensure that all work done on the St. Lawrence Fluorspar Project is done in a good and workmanlike manner and in compliance, in all material respects, with the Material Project Agreements and applicable Laws;
- (n) Defend Title. take all necessary action to defend any material litigation in relation to the St. Lawrence Fluorspar Project or any of its properties or assets, which has a reasonable likelihood of being successful and the result of which, if determined adversely, would reasonably be expected to have a Material Adverse Effect;
- (o) St. Lawrence Fluorspar Project. develop and operate the St. Lawrence Fluorspar Project in all material respects in accordance with the Current Report;
- (p) Keeping of Books. keep or cause to be kept proper books of record and account, in which in all material respects full and correct entries will be made of financial transactions and the assets and businesses of the Obligor in accordance with Canadian GAAP;
- (q) Pay Suppliers. pay or cause to be paid when due all claims and demands of suppliers which, if unpaid, would result in the creation of a construction lien or analogous claim which is not a Permitted Encumbrance against the St. Lawrence Fluorspar Project or any part thereof, unless there is a *bona fide* dispute related thereto;
- (r) Pension Plans. if there exists any Pension Plan in respect of any of the Obligor, promptly notify the Agent on becoming aware of (i) the institution of any steps by any Person to terminate or effect a partial wind-up of any such Pension Plan, (ii) the failure to make a required contribution to any such Pension Plan in violation of applicable Law if such failure is sufficient to give rise to an Encumbrance under any applicable Law, (iii) the taking of any action with respect to a Pension Plan (other than as required by applicable Law) that is reasonably likely to result in the requirement that any Obligor furnish a bond or other security to such Pension Plan or any applicable Governmental Body, or (iv) the occurrence of any event with respect to any Pension Plan not contemplated by such Pension Plan that is reasonably likely to result in the incurrence by any Obligor of any material liability (other than a funding liability incurred under the Pension Plan or arising in compliance with applicable Law), fine or penalty, and in the notice to the Agent thereof, provide copies of all documentation relating thereto;

- (s) Rehabilitation Plan. submit to the competent Governmental Bodies and revise (as required pursuant to applicable Laws) a rehabilitation and/or restoration plan and provide all financial guarantees in relation with such plan as required pursuant to applicable Laws. The Borrower will also comply in all material respects with all other remediation obligations relating to the St. Lawrence Fluorspar Project under such plans or applicable Laws; and
- (t) Know Your Customer. provide such documentation as is reasonably required by Agent to comply with "Know Your Customer" and anti-money laundering requirements as well as FCPA Legislation, and maintain and update information as is reasonably requested by Agent to satisfy related obligations, as they may change from time to time.

8.02

Negative Covenants

So long as this Agreement is in force, the Borrower and Co-Covenantor will not:

- (a) Disposition of Property. dispose of, in one transaction or a series of transactions, all or any part of its Property, whether now owned or hereafter acquired, except (i) such Property as may be obsolete, surplus, worn out, unnecessary or no longer useful to it in the conduct of its business; (ii) the disposition of inventory, Minerals or any other product or by-product of the St. Lawrence Fluorspar Project to a Person dealing with it on an arm's length basis; (iii) the surrender or waiver of any contractual rights or the settlement, release or surrender of any contractual rights or litigation claims; or (iv) the granting or permitting to exist any Permitted Encumbrances;
- (b) No Consolidation, Amalgamation, etc. permit or cause any Obligor to (i) consolidate, amalgamate or merge with any other Person, (ii) enter into any corporate reorganization or other transaction intended to effect or otherwise permit a change in its existing corporate or capital structure, (iii) liquidate, wind-up or dissolve itself; except in any such case for any corporate reorganization which would not constitute or result in an Event of Default and would not adversely affect the rights and remedies of the Lender or Agent under the Loan Documents, as determined by the Agent acting reasonably;
- (c) No Change of Fiscal Year. change its Fiscal Year without the prior written consent of the Agent, such consent not to be unreasonably withheld or delayed;
- (d) No Change of Name. change its name without providing the Agent with thirty (30) days' prior written notice thereof;
- (e) Additional Debt. incur any Indebtedness other than Permitted Debt or repay or prepay any Indebtedness owing to Affiliates of the Borrower except to the extent any such payments are permitted under any inter-creditor or subordination agreement entered into in accordance with the terms hereof;

- (f) No Financial Assistance. give any Financial Assistance, other than Financial Assistance comprising, or arising under, Permitted Debt;
- (g) Restricted Payments. permit or cause any Obligor to make, declare or pay any Restricted Payment except (I) for a Restricted Payment made by an Obligor to the Borrower, (II) to the extent any such payments are permitted under any inter-creditor or subordination agreement entered into in accordance with the terms hereof, or (III) payment of advisory fees to Golden Gate Private Equity Inc. or its Affiliates, which fees are not to exceed 3% of the Guarantor's EBITDA per annum;
- (h) No Encumbrances. create, incur, assume or permit to exist any Encumbrance upon any of its Property except Permitted Encumbrances;
- (i) Capital Expenditures. make or commit to make capital expenditures (in accordance with Canadian GAAP) other than those (I) in an aggregate amount not to exceed the amount provided for in the budget for the current financial year approved by the Agent; (II) in an aggregate amount not to exceed the amount provided for in the financial projections delivered under Section 8.04(b); or (III) capital expenditures funded by equity raised after the date hereof (except for equity raised by the Borrower in satisfaction of the commitment by Golden Gate Capital Opportunity Fund LP to the Borrower delivered prior to closing under Section 3.01(c) , which funds shall be used only for capital expenditures provided in the budget approved by the Agent);
- (j) No Continuance. subject to Section 8.02(b), permit or cause any Obligor to continue its existence under the laws of any other jurisdiction or to change the nature of its corporate form;
- (k) No Changes to Property and Collateral charged by Security. locate the Property charged by the Security on property other than the St. Lawrence Property (except for goods and equipment used in more than one location in connection with the development and operation of St. Lawrence Fluorspar Project in accordance with the Current Report, without providing the Agent at least ten (10) Business Days prior written notice. Within thirty (30) days of the acquisition of any new immovable (real) Property, the Borrower will provide to the Agent the description of such Property, together with if requested by the Agent, an updated Security Document, provided that if the consent of any Governmental Body is required for the granting of an Encumbrance in such Property any Security Document related thereto shall be provided to the Agent within thirty (30) days of the granting of such consent by the applicable Governmental Body;
- (l) No Change to Business. carry on any business other than the St. Lawrence Fluorspar Project, and any reasonably related businesses, including for greater certainty, holding shares in Acoustic Zoom Inc. through the Borrower's wholly owned subsidiary, CFI AZ Holdings Inc.;

- (m) Arm's Length, enter into any agreement or transaction with any Affiliates (or any of their Related Parties) other than in the ordinary course of business on an arm's length basis;
- (n) Change of the Management Compensation, change its management compensation policies in a manner which is not in all material respects in accordance with the best industry practices;
- (o) Limitation on Subsidiaries, create or purchase any Subsidiaries for the purpose of the St. Lawrence Fluorspar Project or which hold assets of the St. Lawrence Fluorspar Project, except for the creation of a wholly-owned Subsidiary by the Borrower to the extent such Subsidiary grants a guarantee and Security as contemplated by Article 6; or
- (p) Amendments to Organizational Documents, amend, or permit or cause to be amended, any of the Organizational Documents of the Obligor in a manner that would be prejudicial to the interests of the Agent under any of the Transaction Documents.

8.03 Performance of Covenants by the Agent or Lender

After the occurrence of an Event of Default which is continuing, the Agent or Lender may, in their sole discretion and upon notice to the Borrower or an Obligor, as applicable, perform any covenant of the Borrower or an Obligor, as applicable, under any Loan Document that the Borrower or the Obligor, as applicable, fails to perform and that the Agent or Lender is capable of performing, including any covenant the performance of which requires the payment of money; provided that the Agent or Lender will not be obligated to perform any such covenant on behalf of the Borrower or an Obligor, as applicable. No such performance by the Agent or Lender will require the Agent or Lender further to perform the Borrower's or an Obligor's covenants, as applicable, nor relieve the Borrower or an Obligor from any default or operate as a derogation of the rights and remedies of the Agent and Lender under any Loan Document. The Borrower agrees to indemnify and to reimburse the Agent and Lender for all costs and expenses incurred by the Agent and Lender in connection with the performance by them of any such covenant, and all such costs and expenses will be payable by the Borrower to the Agent and Lender on demand, will bear interest at the highest rate per annum borne by any of the Obligations, calculated and compounded monthly, and will (with all such interest) be added and form part of the Obligations.

8.04 Reporting Requirements

So long as this Agreement is in force and, except as otherwise permitted by the prior written consent of the Agent, the Borrower will deliver the following to the Agent (in form and substance reasonably acceptable to the Agent):

- (a) Annual Reports As soon as available and in any event within 120 days after the end of each Fiscal Year of the Guarantor, cause to be prepared and delivered to the Agent the annual audited consolidated financial statements of the Guarantor, including, in each case and without limitation, balance sheet, statement of income and retained earnings and statement of cash flows for such Fiscal Year which will be prepared in accordance with Canadian GAAP. The Borrower will

deliver with the annual audited consolidated financial statements copies of all “management letters” submitted by the auditor in connection with the Borrower’s audited financial statements.

(b) Annual Projections. Within 30 days following the end of each Fiscal Year, the Borrower will prepare and deliver financial and business projections for the following Fiscal Year in a form satisfactory to the Agent, acting reasonably.

(c) Quarterly Reports. As soon as available and in any event within forty-five (45) days of the end of each Fiscal Quarter (other than the last Fiscal Quarter of each Fiscal Year), the Borrower will cause to be prepared and delivered to the Agent as at the end of such Fiscal Quarter unaudited financial statements of the Borrower, prepared on a consolidated basis, including, in each case and without limitation, balance sheet, statement of income and retained earnings, statement of cash flows and the previous year will be prepared in accordance with Canadian GAAP in the case of the first and third Fiscal Quarters of each Fiscal Year and Canadian GAAP in the case of the second Fiscal Quarter of each Fiscal Year (all subject to usual year-end adjustments):

(d) Monthly Reporting. The Borrower shall provide,

- (i) by the 25th of each calendar month, a progress report in the form set out in Schedule H;
- (ii) by the 25th of each calendar month in respect of the preceding month, internally prepared financial statements for the preceding month, internally prepared financial statements for the year to date, cash flow projections and updated project cost projections; and
- (iii) by the 25th of each calendar month in respect of the preceding month, provide a rolling report, current to the end of the preceding month, detailing the progress on all active projects including contract price, project budget, costs to date, costs to complete, variance to budget and management commentary as to cost overruns in a form and with such additional content as is acceptable to the Agent in its sole discretion at any time and from time to time. For greater certainty, this report is anticipated to evolve during the term of the Credit Facilities and is ultimately intended to provide the Agent with visibility on risk associated with cost overruns.

(e) Update on Current Report. The Borrower shall provide the Agent with any update to the Current Report and any update on the resources and reserves, such report to be based on and complying with CIM and National Instrument 43-101 standards and guidelines, and any accompanied by a revised Life-of-Mine Plan, promptly as such updates become available.

(f) Other Information Following the reasonable request of the Agent, furnish such other reports or information reasonably requested by the Agent from time to time, including, without limitation, unaudited unconsolidated financial statements of any Obligor.

ARTICLE 9 - DEFAULT

9.01 Events of Default

The occurrence of any one or more of the following events (each such event being referred to as an “**Event of Default**”) will constitute a default under this Agreement:

- (a) the Borrower fails to pay any principal, interest, fees or other Obligations when due and such failure continues for a period of five (5) Business Days after written notice by the Lender;
- (b) any Obligor neglects to observe or perform any covenant or obligation contained in any of the Loan Documents on its part to be observed or performed (other than a covenant or obligation whose breach or default in performance is specifically dealt with elsewhere in this section) and such Obligor fails to remedy such default within fifteen (15) Business Days after written notice by the Lender;
- (c) a Material Adverse Change has occurred;
- (d) any representation or warranty made by any Obligor in any Loan Document proves to have been incorrect or misleading in any material respect (or in any respect where such representation or warranty is subject to a materiality qualification) on and as of the date that it was made or was deemed to have been made and such Obligor fails to remedy such default within fifteen (15) Business Days after written notice by the Lender;
- (e) any Obligor (i) fails to make any payment in excess of \$1,000,000 which has been admitted as being due and payable by it, or is not disputed to be due and payable by it, to any Person and any applicable grace period in relation thereto has expired, or (ii) defaults in the observance or performance of any other agreement or condition in relation to any Indebtedness to any Person in excess of \$1,000,000 or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs or condition exists, the effect of which default or other condition, if not remedied within any applicable grace period, would be to cause, or to permit the holder of such Indebtedness then to declare such Indebtedness to become due prior to its stated maturity date, provided that any Indebtedness which is being contested in good faith by legal proceedings will not be considered Indebtedness for purposes of this clause;
- (f) the St. Lawrence Fluorspar Project or any material part thereof is abandoned, cancelled or terminated;
- (g) any Security ceases to be first ranking, subject to Permitted Encumbrances, or ceases to be a valid and perfected Encumbrance other than through an act or omission of the Agent or a Lender;
- (h) the subordination provisions of any Subordination Agreement are for any reason revoked or invalidated, or otherwise cease to be in full force and effect (other than

through a deliberate act or omission of the Agent or a Lender which is the primary cause of the revocation, invalidation or cessation of such subordination provisions) and such default is not remedied within fifteen (15) Business Days after written notice by the Agent to the Borrower, but provided that no notice of default shall be required by the Agent where the Borrower, having knowledge of the revocation, invalidation or cessation of such subordination takes any advances under existing Indebtedness (other than normal course use of operating line, receivable and/or inventory financing facilities, or the capitalization of interest and fees) which would rank in priority to the Obligations as a result of the invalidity, revocation or other failing of such subordination provisions;

- (i) should any person (other than the Agent or a Lender) contest in any manner, (other than if due to a deliberate act or omission of the Agent or a Lender which is the primary cause of such contest or challenge) the validity or enforceability of the subordination provisions of any Subordination Agreement if such claim (in the opinion of the Agent acting in good faith and on commercially reasonable grounds) has any reasonable basis for success or should any party to such agreement (other than the Agent or a Lender) deny such person has further obligation thereunder and such claim is not remedied to the reasonable satisfaction of the Agent within fifteen (15) Business Days after written notice by the Agent to the Borrower, but provided that no notice of default shall be required by the Agent where the Borrower, having knowledge of alleged invalidity or lack of enforceability of such subordination provisions, takes any advances under existing Indebtedness (other than normal course use of operating line, receivables and/or inventory financing facilities, or capitalization of interest and fees) which would rank in priority to the Obligations as result of the invalidity or lack of enforceability of such subordination provisions;
- (j) should the Obligations, for any reason not have the priority contemplated by the subordination provisions of any Subordination Agreement (other than if due to a deliberate act or omission of the Agent or a Lender which is the primary cause of such lack of priority) and such default is not remedied within fifteen (15) Business Days after written notice by the Agent to the Borrower, but provided that no notice of default shall be required by the Agent where the Borrower, having knowledge of such loss of priority, takes any advances under existing Indebtedness (other than normal course use of operating line facilities, receivables and/or inventory financing facilities, or the capitalization of interest and fees) which would rank in priority to the Obligations as result of the lack of priority under such subordination provisions;
- (k) a decree or order of a court of competent jurisdiction is entered adjudging an Obligor bankrupt or insolvent or approving as properly filed a petition seeking the winding up of an Obligor under the *Companies' Creditors Arrangement Act* (Canada) or the *Bankruptcy and Insolvency Act* (Canada), or any other applicable bankruptcy, insolvency or analogous laws or ordering the winding up or liquidation of its affairs, and any such decree or order continues unstayed and in effect for a period of sixty (60) Business Days;

- (l) any Obligor ceases or threatens to cease to carry on business generally (except as may be permitted under Section 8.02(b)), or admits its inability or fails to pay its debts generally (other than those that are the subject of *bona fide* disputes) as they become due, makes any assignment in bankruptcy or makes any other assignment for the benefit of creditors, makes any proposal under the *Bankruptcy and Insolvency Act* (Canada) or any comparable law, seeks relief under the *Companies' Creditors Arrangement Act* (Canada), or any other bankruptcy, insolvency, corporate or analogous law, is adjudged bankrupt, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee, receiver, receiver and manager, interim receiver, custodian, sequestrator or other Person with similar powers of itself or of all or substantially all of its assets, or files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditors' rights or consents to, or acquiesces in, the filing of such a petition;
- (m) a Person other than the Lender has seized any Material Asset and such seizure has remained unlifted, unstayed or undischarged for a period of fifteen days;
- (n) except as permitted by Section 8.02(b), proceedings are commenced for the dissolution, liquidation or voluntary winding up of any Obligor, or for the suspension of the operations of any Obligor unless such proceedings are being actively and diligently contested in good faith;
- (o) any final judgments or decrees for the payment of money in excess of \$1,000,000 and that is not payable by an insurer, or the subject of reimbursement, under any insurance policy maintained by an Obligor has been rendered by a court or other competent tribunal against one or more of the Obligors and remains unpaid, unstayed on appeal, undischarged, unbonded or undismissed for a period of sixty (60) days from the date of entry thereof;
- (p) any of (i) the Loan Documents; (ii) any Material Project Agreement, or (iii) any other Security Document has been declared by a court or arbitral panel of competent jurisdiction to be unenforceable against any party thereto other than the Lender other than as a result of an act or omission of the Agent or a Lender, or any such party other than the Lender has repudiated its obligations thereunder and ceased to perform such obligations (for this purpose a statement or dispute regarding the scope or nature of the parties' rights and obligations under any such agreement, and a failure to perform any particular obligation thereunder, will not by itself be deemed to be a repudiation thereof); and, in the case of any Material Project Agreement, such unenforceability, repudiation or cessation is not waived or remedied within thirty (30) days, or such Material Project Agreement is not replaced on terms reasonably acceptable to the Lender within sixty (60) days;
- (q) a Change of Control occurs; and

- (r) any Governmental Body, through an act of expropriation, expropriates any material portion of the St. Lawrence Fluorspar Project or St. Lawrence Property.

9.02 **Acceleration and Enforcement**

Should an Event of Default occur and be continuing, the Lender may, in its discretion, by notice in writing to the Borrower declare the principal of and interest, on amount of the Credit Facilities then outstanding and all other monies outstanding hereunder to be due and payable, take any Enforcement Action and the same will thereupon forthwith become immediately due and payable to the Lender, and the Borrower will forthwith pay to the Lender such principal, accrued and unpaid interest, if any, and interest on amounts in default on the Credit Facilities and all other monies outstanding hereunder. Such monies are payable from the date of such declaration or event until payment is received by the Lender, and at the times and places and in the manner mentioned in and according to the tenor of this Agreement.

9.03 **Notice of Events of Default**

(a) If an Event of Default occurs and is continuing the Borrower will promptly after it becomes aware of the occurrence of such Event of Default, give notice thereof to the Agent.

(b) Where notice of the occurrence of an Event of Default has been given and the Event of Default is thereafter cured, notice that the Event of Default is no longer continuing will be given by the Borrower to the Agent promptly after the Borrower becomes aware that the Event of Default has been cured.

9.04 **Indulgences and Releases**

The Agent may grant extensions of time and other indulgences, take and give up or abstain from perfecting or taking advantage of securities, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Obligors, debtors of the Obligors, surety and others as the Agent may see fit without prejudice to the liability of the Obligors under the Loan Documents.

9.05 **Waiver**

The Borrower hereby waives diligence, presentment, protest, notice of protest, notice of dishonour and notice of non-payment. No delay by the Agent in exercising any power or privilege under any of the Loan Documents, nor the single or partial exercise of any power or privilege under any of the Loan Documents, will preclude any other or further exercise thereof, or the exercise of any other power or privilege it hereunder.

9.06 **Remedies Cumulative**

For greater certainty, it is expressly understood that the respective rights and remedies of the Agent and Lender under the Loan Documents are cumulative and are in addition to and not in substitution for any rights or remedies provided by applicable Laws; and any single or partial exercise by the Lender or Agent of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in any Loan Document will not be deemed to be a waiver of or to

alter, affect or prejudice any other right or remedy or other rights or remedies to which the Lender or Agent may be lawfully entitled in connection with such default or breach.

9.07 **Application of Payments**

All payments made by the Obligors under any Loan Document will be applied to amounts due under the Obligations, (i) prior to the occurrence of an Event of Default, as follows: first, to pay any fees, indemnities or expense reimbursements then due to the Agent and Lender under the Loan Documents, until paid in full, second, to pay interest due in respect of the Credit Facilities, and third, to pay or prepay the principal amount of all outstanding Obligations in accordance with the terms hereof until paid in full (ii) upon the occurrence and during the continuance of an Event of Default, as determined by the Agent (but subject always to applicable Laws).

ARTICLE 10- CONFIRMATION OF CO-COVENANTOR

In addition to any specific representations, warranties and covenants and obligations placed on the Co-Covenantor hereunder, the Co-Covenantor joins in this Agreement to become a co-covenantor with the Borrower with respect to all of the covenants and obligations of the Borrower contained within this Agreement, including, without limitation, the payment of money and each other obligation of the Borrower contained in this Agreement on a joint and several basis with the Borrower.

ARTICLE 11- CONFIRMATION OF APPOINTMENT OF AGENT

11.01 **Appointment and Duties.**

The Lender hereby confirms the appointment Bridging Finance (together with any successor Agent appointed by the Lender) as Agent hereunder and authorizes Agent to (i) execute and deliver the Loan Documents and accept delivery thereof on its behalf from any Obligors, (ii) take such action on its behalf and to exercise all rights, powers and remedies and perform the duties as are expressly delegated to Agent under such Loan Documents and (iii) exercise such powers as are reasonably incidental thereto.

11.02 **Limited Duties.**

Under the Loan Documents, Agent (i) is acting solely on behalf of the Lender, with duties that are entirely administrative in nature, notwithstanding the use of the defined term "Agent", the terms "agent", "Agent" and "collateral agent" and similar terms in any Loan Document to refer to Agent, which terms are used for title purposes only, (ii) is not assuming any obligation under any Loan Document other than as expressly set forth therein or any role as agent, fiduciary or trustee of or for the Lender or any other Person and (iii) shall have no implied functions, responsibilities, duties, obligations or other liabilities under any Loan Document, and each Obligor, by accepting the benefits of the Loan Documents, hereby waives and agrees not to assert any claim against Agent based on the roles, duties and legal relationships expressly disclaimed herein.

ARTICLE 12- GENERAL

12.01 Indemnification

(a) The Borrower must pay on demand the amount of all reasonable, documented costs and expenses (including legal and other professional fees) incurred by the Agent and Lender in connection with the Credit Facilities and the preparation, negotiation, execution, and administration of the Loan Documents, as well as the reasonable costs and expenses incurred by the Agent and Lender in connection with the enforcement of, or the preservation of any rights under, any Loan Document.

(b) The Borrower shall indemnify each of the Agent, the Lender, their Affiliates and their respective officers, directors and employees (each an "Indemnified Party") and hold them harmless from and against all losses, liabilities, claims, damages or expenses (including costs to defend any claim) suffered or incurred by or made against any of them in any manner whatsoever arising from or related to any claim brought against such Indemnified Party by a Person other than an Indemnified Party in connection with the Loan Documents or the transactions contemplated thereby (including as a result of any Default or non-compliance by the Borrower or any Obligor with any Environmental Laws or of any claim under Environmental Laws in connection with the operations of, or any property owned, used or operated by, the Borrower or any Obligor). The foregoing indemnity will not however apply as to any such Indemnified Party for losses, liabilities, claims, damages or expenses resulting from the gross fault, willful misconduct or intentional fault of such Indemnified Party or from breach by any indemnitee of its obligations under the Loan Documents.

12.02 Benefit and Burden of Agreement

This Agreement will be binding upon the Borrower and its successors. This Agreement will enure to the benefit of and will be binding upon the Agent and the Lender and their successors and assigns.

12.03 Assignment

The rights and benefits of the Borrower hereunder may not be assigned by the Borrower. The Lender and Agent may not assign their respective rights and benefits hereunder and under the other Loan Documents without the consent of the Borrower, such consent not to be unreasonably withheld or delayed; provided that the Borrower's consent shall not be required following the occurrence and during the continuance of an Event of Default. Notwithstanding the foregoing, the Lender and Agent may assign their respective rights, benefits and obligations hereunder to Affiliate(s) resident in Canada upon providing written notice of such assignment to the Borrower. For greater certainty, the consent of the Co-Covenantor and Guarantor shall not be required for any assignment by the Agent or Lender.

12.04 Notices

Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery, by registered mail or by electronic means of communication addressed to the recipient at the address, email address or facsimile number set forth on the signature pages to this Agreement, or to such other street address,

individual or electronic communication number or address as may be designated by notice given by either party to the other. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof or, if given by registered mail, on the third (3rd) Business Day following the deposit thereof in the mail or, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day. If the party giving any demand, notice or other communication knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of mail, any such demand, notice or other communication may not be mailed but must be given by personal delivery or by electronic communication.

12.05 **Severability**

If any provision of this Agreement is determined by any court of competent jurisdiction to be illegal or unenforceable, that provision will be severed from this Agreement and the remaining provisions will continue in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either of the parties.

12.06 **Further Assurances**

Each Obligor, the Agent and the Lender will promptly cure any default by it in the execution and delivery of any of the Loan Documents or of any the agreements provided for hereunder to which it is a party. Each Obligor, at its expense, will promptly execute and deliver to the Agent, upon request by the Agent, all such other and further documents, agreements, opinions, certificates and instruments in compliance with, or accomplishment of the covenants and agreements of such Obligor under the Loan Documents or more fully to state the obligations of such Obligor as set forth therein or to make any recording, file any notice or obtain any consent, all as may be reasonably necessary in connection therewith.

12.07 **Entire Agreement**

This Agreement and the Security Documents represent the entire agreement of the parties with respect the subject matter hereof. This Agreement supersedes and replaces any prior letters of intent between the parties with respect to the Credit Facilities, and supersedes and replaces the Amended and Restated Loan Agreement in its entirety.

12.08 **Amendments and Waivers**

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by the Borrower, Co-Covenantor, the Agent and the Lender. No waiver of any breach of any provision of this Agreement and no consent required hereunder will be effective or binding unless made in writing and signed by the party purporting to give the same. Unless otherwise provided, any waiver or consent given hereunder will be limited to the specific breach waived or matter consented to, as the case may be, and may be subject to such conditions as the party giving such waiver or consent considers appropriate.

12.09 **Counterparts**

This Agreement may be executed in any number of counterparts, and by the Lender, and the Borrower in separate counterparts, each of which will be an original, but all of which will, taken together, constitute one and the same agreement. The parties hereby acknowledge and agree that facsimile and electronic signatures of this Agreement will have the same force and effect as original signatures.

12.10 **Confidentiality**

(a) The Agent and the Lender agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (i) to the Agent and Lender's directors, officers, employees, managers, administrators, auditors, agents, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (iii) to the extent required by applicable Laws or regulations or by any subpoena or similar legal process, (iv) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (v) subject to an agreement containing provisions substantially the same as those of this Section 12.10, to any permitted assignee of any of its rights or obligations under this Agreement, (vi) with the consent of the Borrower or (vii) to the extent such Information becomes publicly available other than as a result of a breach of this Section.

(b) For purposes of this Section, "**Information**" means all information received in connection with this Agreement or any other Loan Document from the Borrower or any of its Affiliates relating to the Borrower or any of its Affiliates or any of their respective businesses.

[Signature pages follow]

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first written above.

BORROWER:

Address: Suite 605, 140 Water Street
St. John's, NL
A1C 6J4

CANADA FLUORSPAR (NL) INC.

Attention: Paul Coombs

Facsimile: 709-873-3335

Email: pcoombs@canadafluorspar.com

By:


Name: Paul Coombs
Title: CFO

CO-COVENANTOR:

Address: Suite 605, 140 Water Street
St. John's, NL
A1C 6J4

**NEWSPAR, a general partner by its Partners, CFI
NEWSPAR HOLDINGS INC. and CANADA
FLUORSPAR (NL) INC.**

Paul Coombs

CFI NEWSPAR HOLDINGS INC.

By:


Name: Paul Coombs
Title: CFO

Facsimile: 709-873-3335

Email: pcoombs@canadafluorspar.com

CANADA FLUORSPAR (NL) INC.

By:


Name: Paul Coombs
Title: CFO

GUARANTOR:

Address: Suite 605, 140 Water Street
St. John's, NL
A1C 6J4

CANADA FLUORSPAR INC.

Attention: Paul Coombs

Facsimile: 709-873-3335

Email: pcoombs@canadafluorspar.com

By:


Name: Paul Coombs
Title: CFO

AGENT:

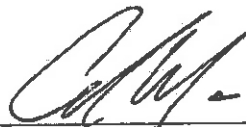
Address: 77 King Street West, Suite 2925
P.O. Box 322
Toronto, Ontario M5K 1K7

BRIDGING FINANCE INC.

Attention: Graham Marr

Facsimile: 1-888-920-9599

Email:

By: 

Name:

Title:

Graham Marr
Portfolio Manager

LENDER:

Address: 77 King Street West, Suite 2925
P.O. Box 322
Toronto, Ontario M5K 1K7

**SPROTT BRIDGING INCOME FUND LP by its
Agent, Bridging Finance Inc.**

Attention: Graham Marr

Facsimile: 1-888-920-9599

Email:

By: 

Name:

Title:

Graham Marr
Portfolio Manager

SCHEDULE A
MATERIAL PROJECT AGREEMENTS

1. Arkema Supply Agreement; and
2. Loan Agreement between the Borrower and Guarantors and Her Majesty in Right of Newfoundland and Labrador dated as of March 30, 2017, as amended.

SCHEDULE B

PERMITTED ENCUMBRANCES

1. Financing Statement registered in favour of GM Financial Canada Leasing Ltd. at Registration No. 12688420 of the Personal Property Security Registry for the Province of Newfoundland and Labrador (the “PPR”);
2. Financing Statement registered in favour of Ford Credit Canada Limited at Registration No. 13246541 of the PPR;
3. Financing Statement registered in favour of Ford Credit Canada Leasing, a Division of Canadian Road Leasing Company at Registration No. 13549977 of the PPR;
4. Financing Statement registered in favour of VW Credit Canada Inc. at Registration No. 13905807 of the PPR;
5. Financing Statement registered in favour of Bank of Montreal/Banque de Montreal at Registration No. 14560924 of the PPR (which, for greater certainty, relates to a pledge of cash as security for an irrevocable letter of credit issued to the Department of Fisheries and Oceans in the amount of \$441,794.93 for certain reclamation obligations of the Borrower);
6. Financing Statement registered in favour of Atlas Coco Canada Inc. at Registration No. 14635064 of the PPR;
7. Financing Statement registered in favour of Atlas Coco Canada Inc. at Registration No. 14635296 of the PPR;
8. Financing Statement registered in favour of Equipement SMS Inc. at Registration No. 14575401 of the PPR;
9. Financing Statement registered in favour of Equipement SMS Inc. at Registration No. 14593941 of the PPR;
10. Financing Statement registered in favour of Equipement SMS Inc. at Registration No. 14606503 of the PPR;
11. Financing Statement registered in favour of Komatsu International (Canada) Inc. at Registration No. 14634182 of the PPR, as amended at Registration No. 14844542 of the PPR;
12. Financing Statement registered in favour of Equipement SMS Inc. at Registration No. 14583066 of the PPR;
13. Financing Statement registered in favour of Equipement SMS Inc. at Registration No. 14653943 of the PPR;

14. Financing Statement registered in favour of BMW Canada Inc. at Registration No. 14633879 of the PPR;
15. Financing Statement registered in favour of Komatsu International (Canada) Inc. at Registration No. 14690457 of the PPR;
16. Financing Statement registered in favour of the Government of Newfoundland and Labrador Department of Tourism, Culture, Industry and Innovation at Registration No. 14986145;
17. Financing Statement registered in favour of Citibank, N.A., its branches, subsidiaries and affiliates at Registration No. 14716633 of the PPR;
18. Financing Statement registered in favour of Komatsu International (Canada) Inc. at Registration No. 14716542 of the PPR;
19. Financing Statement registered in favour of Komatsu International (Canada) Inc. at Registration No. 14781884 of the PPR;
20. Financing Statement registered in favour of Canadian Dealer Lease Services Inc. and Bank of Nova Scotia – DLAC at Registration No. 15220288 of the PPR; and
21. Financing Statement registered in favour of Citibank, N.A., its branches, subsidiaries and affidavits at Registration No. 15077159 of the PPR.

SCHEDULE C

SURFACE RIGHTS, MINERAL LEASES AND MINERAL TITLES

1. Mineral Licence 018023M dated 2010/10/21 and extended on 2015/10/21 covering 8.0 claims at or near St. Lawrence, Burin Peninsula issued by the Minister of Natural Resources to Burin Minerals Ltd. and transferred to Canada Fluorspar (NL) Inc. by transfer dated 2011/02/24 and registered at Volume 24 Folio 132 of the Registry maintained by the Mineral Claims Recorder for Newfoundland and Labrador (the “MCR Registry”) and shall mean and include any and all substitute or successor titles to Mineral Licence 018023M, including without limitation any surface and/or mining lease issued in respect of the lands and minerals described in Mineral Licence 018023M.
2. Mineral Licence 022721M dated 2007/02/19 and extended on 2012/02/19 covering 27.0 claims at or near St. Lawrence Area, Burin Peninsula issued by the Minister of Natural Resources to Canada Fluorspar (NL) Inc. and shall mean and include any and all substitute or successor titles to Mineral Licence 022721M, including without limitation any surface and/or mining lease issued in respect of the lands and minerals described in Mineral Licence 022721M.
3. Mineral Licence 024837M dated 2010/12/09 covering 47.0 claims at or near Lawn Head, Burin Peninsula issued by the Minister of Natural Resources to Canada Fluorspar (NL) Inc. and shall mean and include any and all substitute or successor titles to Mineral Licence 024837M, including without limitation any surface and/or mining lease issued in respect of the lands and minerals described in Mineral Licence 024837M.
4. Mineral Licence 023139M dated 1995/05/18 and extended on 2016/05/18 covering 81.0 claims at or near St. Lawrence, Burin Peninsula issued by the Minister of Natural Resources to Canada Fluorspar (NL) Inc. and shall mean and include any and all substitute or successor titles to Mineral Licence 023139M, including without limitation any surface and/or mining lease issued in respect of the lands and minerals described in Mineral Licence 023139M.
5. Mineral Licence 023140M dated 1995/05/18 and extended on 2016/05/18 covering 37.0 claims at or near St. Lawrence, Burin Peninsula issued by the Minister of Natural Resources to Canada Fluorspar (NL) Inc. and shall mean and include any and all substitute or successor titles to Mineral Licence 023140M, including without limitation any surface and/or mining lease issued in respect of the lands and minerals described in Mineral Licence 023140M.
6. Mining Lease No. 150(4610) dated August 1, 1997 issued by Her Majesty The Queen in Right of Newfoundland and Labrador as lessor to Burin Minerals Ltd. as lessee covering mineral rights to an area of 5.4866 hectares known as the “Grebes Nest now AGS” property situate at and being near St. Lawrence, Burin Peninsula, in the Province of

Newfoundland and Labrador registered at Volume 1 Folio 47 of the MCR Registry and shall mean and include any and all substitute or successor titles to such mining lease.

7. Mining Lease No. 212 (11590M) dated March 5, 2012 issued by Her Majesty The Queen in Right of Newfoundland and Labrador as lessor to Canada Fluorspar (NL) Inc. as lessee covering mineral rights to an area of 177.9326 hectares known as the "Director" property situate at and being near St. Lawrence, Burin Peninsula, in the Province of Newfoundland and Labrador registered at Volume 3 Folio 50 of the MCR Registry and shall mean and include any and all substitute or successor titles to such mining lease.
8. Mining Lease No. 213 (11590M) dated March 27, 2012 issued by Her Majesty The Queen in Right of Newfoundland and Labrador as lessor to Canada Fluorspar (NL) Inc. as lessee covering mineral rights to an area of 186.5081 hectares known as the "Tarefare" property situate at and being near St. Lawrence, Burin Peninsula, in the Province of Newfoundland and Labrador registered at Volume 3 Folio 51 of the MCR Registry and shall mean and include any and all substitute or successor titles to such mining lease.
9. Mining Lease No. 214 (11590M) dated March 27, 2012 issued by Her Majesty The Queen in Right of Newfoundland and Labrador as lessor to Canada Fluorspar (NL) Inc. as lessee covering mineral rights to an area of 106.2397 hectares known as the "Blue Beach" property situate at and being St. Lawrence, Burin Peninsula, in the Province of Newfoundland and Labrador registered at Volume 3 Folio 52 of the MCR Registry and shall mean and include any and all substitute or successor titles to such mining lease.
10. Mining Lease No. 236 (23140M) dated April 1, 2016 issued by Her Majesty The Queen in Right of Newfoundland and Labrador as lessor to Canada Fluorspar (NL) Inc. as lessee covering mineral rights to an area of 107.9555 hectares known as the "AGS" property situate at and being near St. Lawrence, Burin Peninsula, in the Province of Newfoundland and Labrador registered at Volume 4 Folio 19 of the MCR Registry and shall mean and include any and all substitute or successor titles to such mining lease.
11. Surface Lease No. 126 beginning March 5, 2012 issued by the Minister of Natural Resources to Canada Fluorspar (NL) Inc. as lessee covering surface rights to an area of 167.8562 hectares known as the "Director" property in the Province of Newfoundland and Labrador registered at Volume 1 Folio 27 of the MCR Registry and shall mean and include any and all substitute or successor titles to such surface lease.
12. Surface Lease No. 127 beginning March 1, 2012 issued by the Minister of Natural Resources to Canada Fluorspar (NL) Inc. as lessee covering surface rights to an area of 5.4875 hectares known as the "Grebes Nest" property in the Province of Newfoundland and Labrador registered at Volume 1 Folio 28 of the MCR Registry and shall mean and include any and all substitute or successor titles to such surface lease.
13. Surface Lease No. 128 beginning March 5, 2012 issued by the Minister of Natural Resources to Canada Fluorspar (NL) Inc. as lessee covering surface rights to an area of 16.2400 hectares known as the "Water Lot" property in the Province of Newfoundland

and Labrador registered at Volume 1 Folio 29 of the MCR Registry and shall mean and include any and all substitute or successor titles to such surface lease.

14. Surface Lease No. 129 beginning March 5, 2012 issued by the Minister of Natural Resources to Canada Fluorspar (NL) Inc. as lessee covering surface rights to an area of 18.2789 hectares known as the "Wharf Access" property in the Province of Newfoundland and Labrador registered at Volume 1 Folio 30 of the MCR Registry and shall mean and include any and all substitute or successor titles to such surface lease.
15. Surface Lease No. 130 beginning March 27, 2012 issued by the Minister of Natural Resources to Canada Fluorspar (NL) Inc. as lessee covering surface rights to an area of 153.2161 hectares known as the "Tarefare" property in the Province of Newfoundland and Labrador registered at Volume 1 Folio 31 of the MCR Registry and shall mean and include any and all substitute or successor titles to such surface lease.
16. Surface Lease No. 131 beginning March 27, 2012 issued by the Minister of Natural Resources to Canada Fluorspar (NL) Inc. as lessee covering surface rights to an area of 95.9658 hectares known as the "Blue Beach" property in the Province of Newfoundland and Labrador registered at Volume 1 Folio 32 of the MCR Registry and shall mean and include any and all substitute or successor titles to such surface lease.
17. Surface Lease No. 133 beginning March 5, 2012 issued by the Minister of Natural Resources to Canada Fluorspar (NL) Inc. as lessee covering surface rights to an area of 97.0978 hectares known as the "Shoal Cove Pond Tailings" property in the Province of Newfoundland and Labrador registered at Volume 1 Folio 34 of the MCR Registry and shall mean and include any and all substitute or successor titles to such surface lease.
18. Surface Lease No. 148 beginning April 1, 2016 issued by the Minister of Natural Resources to Canada Fluorspar (NL) Inc. as lessee covering surface rights to an area of 433.1408 hectares known as the "AGS" property in the Province of Newfoundland and Labrador registered at Volume 2 Folio 13 of the MCR Registry and shall mean and include any and all substitute or successor titles to such surface lease.
19. Surface Lease No. 149 beginning April 1, 2016 issued by the Minister of Natural Resources to Canada Fluorspar (NL) Inc. as lessee covering surface rights to an area of 8.7218 hectares known as the "Haul Road 1" property in the Province of Newfoundland and Labrador registered at Volume 2 Folio 14 of the MCR Registry and shall mean and include any and all substitute or successor titles to such surface lease.
20. Surface Lease No. 150 beginning April 1, 2016 issued by the Minister of Natural Resources to Canada Fluorspar (NL) Inc. as lessee covering surface rights to an area of 10.8579 hectares known as the "Haul Road 2" property in the Province of Newfoundland and Labrador registered at Volume 2 Folio 15 of the MCR Registry and shall mean and include any and all substitute or successor titles to such surface lease.
21. Surface Lease No. 151 beginning April 1, 2016 issued by the Minister of Natural Resources to Canada Fluorspar (NL) Inc. as lessee covering surface rights to an area of 6.6705 hectares known as the "Haul Road 3" property in the Province of Newfoundland

and Labrador registered at Volume 2 Folio 16 of the MCR Registry and shall mean and include any and all substitute or successor titles to such surface lease.

22. Surface Lease No. 152 beginning April 1, 2016 issued by the Minister of Natural Resources to Canada Fluorspar (NL) Inc. as lessee covering surface rights to an area of 59.8491 hectares known as the "John Fitzpatrick Pond" property in the Province of Newfoundland and Labrador registered at Volume 2 Folio 17 of the MCR Registry and shall mean and include any and all substitute or successor titles to such surface lease.
23. Surface Lease No. 153 beginning April 1, 2016 issued by the Minister of Natural Resources to Canada Fluorspar (NL) Inc. as lessee covering surface rights to an area of 15.6186 hectares known as the "Bypass Road 1" property in the Province of Newfoundland and Labrador registered at Volume 2 Folio 18 of the MCR Registry and shall mean and include any and all substitute or successor titles to such surface lease.
24. Surface Lease No. 154 beginning April 1, 2016 issued by the Minister of Natural Resources to Canada Fluorspar (NL) Inc. as lessee covering surface rights to an area of 4.5647 hectares known as the "Bypass Road 2" property in the Province of Newfoundland and Labrador registered at Volume 2 Folio 19 of the MCR Registry and shall mean and include any and all substitute or successor titles to such surface lease.
25. Surface Lease No. 155 beginning April 1, 2016 issued by the Minister of Natural Resources to Canada Fluorspar (NL) Inc. as lessee covering surface rights to an area of 7.2391 hectares known as the "Bypass Road 3" property in the Province of Newfoundland and Labrador registered at Volume 2 Folio 20 of the MCR Registry and shall mean and include any and all substitute or successor titles to such surface lease.
26. Crown Lease No. 110124 dated August 13, 1997 issued by Her Majesty The Queen in Right of Newfoundland and Labrador as lessor to Burin Minerals Ltd. as lessee, assigned to Arkema Spar NL Limited Partnership and Canada Fluorspar (NL) Inc. and as amended by an Amendment to Crown Lease 110124 dated May 5, 2016, covering 20.0074 hectares situate and being in the Town of St. Lawrence, Burin Peninsula, in the Province of Newfoundland and Labrador and registered in the Registry of Crown Grants for the Province of Newfoundland and Labrador.

SCHEDULE D

INSURANCE

Policy Type	Insurer	%	Policy No.	Effective	Expiry
PACKAGE	RSA		COM800502134	01-Mar-17	01-Mar-18
BUILDERS RISK	Lloyd's (via Price Forbes)	85%	P11HC01510	01-Jun-16	01-Mar-18
	RSA	15%		01-Jun-16	01-Mar-18
Primary - WRAP UP	Lloyd's (via Price Forbes)		B0507N11QA08590	01-Jun-16	01-Mar-18
Excess - WRAP UP	Ironshore		C445512316	01-Jun-16	01-Mar-18
D&O	Ironshore		C444744317A	09-Aug-17	09-Aug-18
CRIME	Ironshore		C444744317B	09-Aug-17	09-Aug-18
POLLUTION	AIG		C444744316B	30-Nov-11	31-Jan-18
Contractors Plant & Machinery Insurance	Lloyd's (via Price Forbes)		B0507P16CP03890	25-Nov-18	25-Nov-19

SCHEDULE E
LITIGATION

Nil

SCHEDULE F

RIGHTS AFFECTING THE ST. LAWRENCE PROPERTY OR THE MINERALS

NIL

SCHEDULE G
LOCATIONS OF COLLATERAL

Suite 605, 140 Water Street
St. John's, NL
A1C 6J4

and/or

1 Clarke's Pond Road
St. Lawrence, NL
A0E 2V0

SCHEDULE H
MONTHLY REPORTING



CFI

CANADA FLUORSPAR INC.

UNEARTH THE POTENTIAL

CANADA FLUORSPAR (NL) INC.

PROJECT PROGRESS REPORT

Month Ending ■

Information in this report is confidential and intended solely for the use of the individual to whom it is addressed or otherwise directed.

Project Milestones:

Milestone	Planned Date	Actual Date	Status
DFS Completed	25 Mar 16	25 Mar 16	✓
Construction Started	1 Jun 16	20 Apr 16	✓
Completion of Detailed Engineering	30 Nov 16	15 Nov 16	✓
Completion of all Package Procurement	30 Nov 16	1 Nov 16	✓
Completion of Mill Building Shell	31 Dec 16	23 Dec 16	✓
Open Pit Development Started	1 Apr 17		
Mechanical Completion of Mill	1 Oct 17		
Complete Hot Commissioning of Mill	15 Nov 17		
Shipping of First Concentrate to Port	30 Nov 17		

Permit Registry:

Permit	Submit Date	Approval Date	Status
Town of St Lawrence Development Permit		3 Nov 15	✓
Provincial Environmental Assessment		5 Nov 15	✓
Certificate of Approval (Construction)		8 April 16	✓
Early Works Approval		29 April 16	✓
Environmental Protection Plan		13 May 16	✓
Environmental Effects Monitoring Plan	21 Jan 16		
Mine Development Plan	15 Feb 16		
Mine Closure and Rehabilitation Plan	19 Feb 16		
Mill Operating License			

Technical Development Status:

Element	Complete Date	Status
Metallurgical Testing		✓
Process Design		✓
Selection of Mechanical Equipment		✓
Mine and Plant Layout		✓
Earthworks Design		✓
Civil Design		✓
Structural Steel Design		✓
Piping Design		✓
Electrical and instrumentation Design		✓

There are no technical developments that will impact the performance or timing of future production.

Summary of Significant Scope Changes:

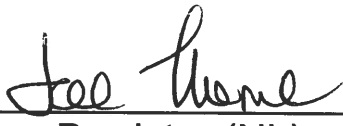
- There have been no scope changes to date.

Open Issues Status:

- There are currently no unresolved significant issues to report

349284 v2

This is Exhibit C referred to in the Affidavit of
Graham Page, sworn or affirmed before me,
this 19th day of February, 2022.

A handwritten signature in black ink, appearing to read "Joe Home", is written over a horizontal line.

Barrister (NL)

CANADA FLUORSPAR (NL) INC.,
as Borrower

and

NEWSPAR,
as Co-Covenantor

and

BRIDGING FINANCE INC.,
as Agent

GENERAL SECURITY AGREEMENT
January 31, 2017

GENERAL SECURITY AGREEMENT

THIS AGREEMENT is made as of the 31st day of January, 2017

BETWEEN

CANADA FLUORSPAR (NL) INC., a company incorporated under the laws of the Province of Newfoundland and Labrador (the "Borrower"),

- and -

NEWSPAR, a general partnership formed under the laws of the Province of Newfoundland and Labrador, by its partners **CANADA FLUORSPAR (NL) INC.** and **CFI NEWSPAR HOLDINGS INC.** (the "Co-Covenantor"),

(the Borrower and the Co-Covenantor being referred to collectively herein as the "Grantors" and each a "Grantor"),

- and -

BRIDGING FINANCE INC., a company incorporated under the laws of the Canada, as agent for each Secured Party (as defined below) (the "Agent")

RECITALS

A. Pursuant to a loan agreement dated as of the date hereof among the Grantors, the Agent and the Lender (as defined below) (including all annexes, exhibits and schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Credit Agreement"), the Lender (as defined below) has agreed to establish in favour of the Grantor the Credit Facility (as defined in the Credit Agreement).

B. In connection with the establishment of the Credit Facility under the Credit Agreement, and as a condition precedent thereto, the Secured Parties require that the Grantors shall have executed and delivered this Agreement as security for all their obligations arising under, by virtue of or otherwise in connection with the Credit Agreement, this Agreement or any of the other Loan Documents to which the Grantors are party.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained in the Credit Agreement and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties agree as follows:

SECTION 1. INTERPRETATION

1.1 Terms Defined in PPSA

Whenever the terms "Accession", "Account", "Account Debtor", "Chattel Paper", "Consumer Goods", "Document of Title", "Equipment", "financing change statement",

"financing statement", "Goods", "Instrument", "Inventory", "Intangible", "Minerals", "Money", "Proceeds" and "Security" are used herein, they shall be interpreted in accordance with their respective meanings in the *Personal Property Security Act* (Newfoundland and Labrador), as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto, is herein referred to as the "PPSA" unless expressly stated or provided otherwise herein. Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

1.2 Other Defined Terms

Unless otherwise defined or stated, the capitalized terms set forth in this Section 1.2 have the following meanings:

- (1) **Agreement** means this agreement and all schedules attached hereto as the same may be amended, restated, supplemented and otherwise modified from time to time.
- (2) **Capital Stock** means (i) in the case of a corporation, capital stock, (ii) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of capital stock, (iii) in the case of a partnership, partnership interests (whether general or limited), (iv) in the case of a limited liability company, membership interests; (v) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person; and (vi) any agreement, option, warrant or other right to acquire any property described in the preceding clauses (i), (ii), (iii), (iv) or (v) or any securities convertible into or other rights to acquire any such property.
- (3) **Collateral** has the meaning given to it in Section 2.1.
- (4) **Contracts** means all contracts, undertakings, or agreements (other than rights evidenced by Chattel Paper, Securities or Instruments) in or under which the Grantors or any one of them may now or hereafter have any right, title or interest, including any agreement relating to the terms of payment or the terms of performance of any Account.
- (5) **Contractual Rights** has the meaning given to it in Section 2.4.
- (6) **Credit Agreement** has the meaning given to it in paragraph A of the Recitals.
- (7) **Lender** means SPROTT BRIDGING INCOME FUND LP, a limited partnership created under the laws of the Province of Ontario, by its agent, BRIDGING FINANCE INC.
- (8) **Person** includes any individual, and any corporation, company, partnership, governmental body, joint venture, association, trust, or any other entity.
- (9) **Pledged Securities** means all of the Grantors' right, title and interest in and to the Capital Stock of any Person, whether now owned or hereafter acquired by a Grantor, and regardless of class or designation, including, without limitation, the Capital Stock more particularly described in Schedule 1.2(9) hereto, and all substitutions therefore and replacements thereof, and including all certificates representing such Capital Stock.

- (10) *Receiver* has the meaning given to it in Section 6.1.
- (11) *Secured Obligations* means the Obligations (as defined in the Credit Agreement).
- (12) *Secured Parties* means the Agent and the Lender, and includes any of their respective successors and assigns.
- (13) *Security Interest* has the meaning given to it in Section 2.1.

1.3 Terms Defined in the Credit Agreement

Each capitalized term used and not otherwise defined herein and that is defined in the Credit Agreement has the meaning given to such term in the Credit Agreement.

1.4 Headings

The headings used in this Agreement are for convenience only and are not to be considered a part of this Agreement and do not in any way limit or amplify the terms and provisions of this Agreement.

1.5 Number and Gender

When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

1.6 References

Unless otherwise specified, references in this Agreement to Sections and Schedules are to sections of, and schedules to, this Agreement. All uses of the words "hereto", "herein", "hereof", "hereby" and "hereunder" and similar expressions refer to this Agreement and not to any particular section or portion of it.

SECTION 2. GRANT OF SECURITY

2.1 Grant of Security

As continuing collateral security for the due payment and performance by the Grantors of all of the Secured Obligations, each of the Grantors hereby irrevocably mortgages, charges, hypothecates and pledges to the Agent, for the benefit of each Secured Party and hereby irrevocably grants to the Agent, for the benefit of each Secured Party, a security interest (such mortgage, charge, pledge and security interest, collectively, the "Security Interest") in, all of its right, title and interest in, to and under all of the Grantor's present and after-acquired personal property, including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of the Grantor (collectively, the "Collateral"):

- (1) all Accounts, claims, choses in action and demands of every nature and kind howsoever arising or secured, including letters of credit and advices of credit, which are now due, owing or

accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Grantor;

- (2) all Chattel Paper and Documents of Title (whether negotiable or not);
- (3) all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto and all extracted Minerals stored on the Grantor's real property or stockpiled at another location);
- (4) all Inventory;
- (5) all Equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures, motor vehicles and other vehicles of whatsoever nature or kind;
- (6) all Instruments;
- (7) all Money and Pledged Securities;
- (8) all present and future Contracts, contract rights and insurance claims;
- (9) all goodwill, patents, trademarks, copyrights and other intellectual property rights (the "Intellectual Property");
- (10) all Intangibles;
- (11) all deeds, documents, writings, papers, books of account and other books relating to or being records of any of the foregoing or by which such are or may hereafter be secured, evidenced, acknowledged or made payable; and
- (12) all Proceeds and renewals thereof, accretions thereto and substitutions therefor,

provided, however, the Security Interest created shall not charge, encumber, create a lien upon or otherwise mortgage any Consumer Goods which the Grantors may own.

2.2 Exception Respecting Trade-marks

Notwithstanding Section 2.1, the Grantors' grants of security in trade-marks (as defined in the *Trade-marks Act* (Canada)) under this Agreement shall be limited to a grant by each Grantor of a security interest in all of the Grantor's right, title and interest in such trade-marks.

2.3 Exception to Last Day

The Security Interest granted hereby shall not extend or apply to, and Collateral shall not include, the last day of the term of any lease or agreement for real property therefor, but upon the enforcement of the Security Interest, the Grantors or any one of them shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

2.4 Exception for Contractual Rights

(1) The Security Interest hereby granted does not and shall not extend to, and Collateral shall not include, any agreement, right, franchise, licence or permit (the "Contractual Rights") to which a Grantor is a party or of which a Grantor has the benefit, to the extent that the creation of the Security Interest herein would constitute a breach of the terms of or permit any Person to terminate the Contractual Rights, but such Grantor shall hold its interest therein in trust for the Secured Party and shall assign such Contractual Rights to the Secured Party forthwith upon obtaining the consent of the other party thereto.

(2) Each Grantor agrees that it shall, upon the request of the Secured Party, use all commercially reasonable efforts to obtain any consent required to permit any Contractual Rights over which it has granted the Security Interest to be subjected to such Security Interest. Such Grantor will also use its commercially reasonable efforts to ensure that all agreements entered into on and after the date of this Agreement expressly permit assignments of the benefits of such agreements as collateral security to the Secured Party in accordance with the terms of this Agreement.

(3) Section 2.4(1) shall not apply to any Contractual Rights in so far as they prohibit, restrict or require the consent of the account debtor for the assignment of, or the giving of a security interest in, the whole of an Account or Chattel Paper for Money due or to become due and Collateral shall, notwithstanding Section 2.4(1), include such Contractual Rights.

2.5 Liability for Deficiency

If the Collateral is realized upon and the Security Interest in the Collateral is not sufficient to satisfy all Secured Obligations, the Grantors acknowledge and agree that they shall continue to be jointly and severally liable for any Secured Obligations remaining outstanding and that the Agent shall be entitled to pursue full payment thereof.

SECTION 3. SECURED PARTY'S AND SECURED PARTY' RIGHTS: LIMITATIONS ON SECURED PARTY'S AND SECURED PARTY' OBLIGATIONS

3.1 Continued Liability of Grantor under Accounts and Contracts

It is expressly agreed by the Grantors that, anything herein to the contrary notwithstanding, each Grantor shall remain liable under each of its Accounts and each of its Contracts to observe and perform all the conditions and obligations to be observed and performed by it thereunder. Neither Agent nor any other Secured Party shall have any obligation or liability under any Account or Contract by reason of or arising out of this Agreement or the granting herein of a Security Interest therein or the receipt by Agent or any other Secured Party of any payment relating to any Account or Contract pursuant hereto. Neither Agent nor any other Secured Party shall be required or obligated in any manner to perform or fulfill any of the obligations of the Grantors or any one of them under or pursuant to any Account or Contract, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any Account or Contract, or to present or file any claims, or to take any action to collect or enforce any performance or the

payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

3.2 Notice to Account Debtors

Without in any way limiting the provisions of the Credit Agreement, Agent may, at any time after an Event of Default has occurred and is continuing, notify any Account Debtor and other Persons obligated on the Collateral that Agent has a security interest therein, and that payments shall be made directly to Agent for the benefit of the Secured Parties. Upon the request of any Secured Party in such circumstances, the Grantors shall so notify such Account Debtors and other Persons obligated on the Collateral of the Grantors. Once any such notice has been given to any Account Debtor or other Person obligated on the Collateral of the Grantors, the Grantors shall not give any contrary instructions to such Account Debtor or other Person without Agent's prior written consent. The Grantors acknowledge that any payments on or other proceeds of Collateral received by the Grantors from such Account Debtors or other Persons obligated on the Collateral, whether before or after notification of the Security Interest to such Account Debtors or other Persons obligated on the Collateral after the occurrence of a Default or an Event of Default, shall be received and held by the Grantors in trust for Agent, segregated from the other funds of the Grantors.

SECTION 4. REPRESENTATIONS AND WARRANTIES OF GRANTOR

4.1 Representations and Warranties

The Grantors hereby jointly and severally represent and warrant that:

- (1) The Grantors' respective correct and complete legal names (including the French language versions of their respective legal names, if any) are as set out on Schedule 4.1(1) hereto;
- (2) Schedule 4.1(3) hereto lists all Instruments and Chattel Paper of the Grantors with a value of \$5,000,000 or greater. All action by the Grantors or any one of them necessary or desirable to protect and perfect the Security Interest of Agent on each item set forth on Schedule 4.1(3) (including the delivery of all originals thereof to Agent and the legending of all Chattel Paper and Instruments as required by Section 5.1(3) hereof) has been duly taken. For greater certainty, the Grantors shall not be required to disclose in Schedule 4.1(3) information regarding the identity of any of their customers; and
- (3) The Grantors' respective jurisdiction of incorporation, chief executive office, principal place of business, registered office according to its constating documents, corporate offices, all warehouses and premises where Collateral of the Grantors is stored or located, and the locations of all of their books and records concerning the Collateral of the Grantors and all Account Debtors of the Grantors are set forth on Schedule 4.1(4) hereto.

SECTION 5. COVENANTS OF GRANTOR

5.1 Covenants

The Grantors hereby jointly and severally covenant and agree with Agent for the benefit of each Secured Party that from and after the date of this Agreement:

- (1) **No Accessions.** Except for Collateral that is disposed of in accordance with this Agreement or the Credit Agreement, the Grantor shall prevent Collateral from being or becoming an Accession not covered by this Agreement or otherwise secured pursuant to the Security Agreements.
- (2) **Maintenance of Records.** If a Grantor retains possession of any Chattel Paper or Instrument with Agent's consent, such Chattel Paper and Instruments shall be marked with the following legend: "This writing and the obligations evidenced or secured hereby are subject to the security interest of Bridging Finance Inc., as Agent for the benefit of the Secured Parties."
- (3) **Further Assurances; Pledge of Instruments; Chattel Paper.** At any time and from time to time, upon the written request of Agent and at the sole expense of the Grantors, the Grantors shall promptly and duly execute and deliver any and all such further instruments and documents and take such further actions as Agent may deem desirable to obtain the full benefits of this Agreement and of the rights and powers herein granted, including (i) filing any financing or financing change statements (or applicable similar instruments) under applicable law with respect to the Security Interest granted hereunder or any Encumbrance granted under any other Loan Document to which the Grantors are (or any one of them is) a party, and (ii) unless Agent shall otherwise consent in writing (which consent may be revoked), delivering to Agent all Collateral of the Grantors consisting of negotiable Documents of Title, Chattel Paper and Instruments (in each case, accompanied by share transfer powers, allonges or other instruments of transfer executed in blank) promptly after the Grantors receive same. The Grantors also hereby authorize Agent for the benefit of the Secured Parties to file any such financing statements or financing change statements (or applicable similar instruments) without the signature of the Grantors to the extent permitted by applicable law, and to do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any Permitted Encumbrances affecting Collateral or identifying the locations at which the Grantors' respective businesses are carried on and Collateral and records relating thereto are situate) as Agent may reasonably deem appropriate to perfect on an ongoing basis and continue the perfection of the Security Interest and, following the occurrence and continuance of an Event of Default, to protect, preserve and realize upon the Security Interest.
- (4) **Delivery of Pledged Securities.** The Grantors shall deliver to the Agent all certificates representing the Pledged Securities, either endorsed in blank or accompanied by stock powers of attorney, and shall deliver all certificates representing any Pledged Securities issued after the date hereof to the Secured Party as and when the same are so issued. Unless and until there exists an Event of Default which is continuing:
 - (a) the Grantors are entitled to exercise all the rights and powers of a holder of the Pledged Securities including, without limitation, the right to vote from time to time exercisable in respect of the Collateral and to give proxies, consents and waivers in respect

thereof, provided that no such action may be taken if it would violate the terms of this Agreement or imposing any restriction on the transferability of any of the Collateral; and

(b) the Grantors shall be entitled to receive all dividends, interest and other cash distributions declared and paid or distributed in respect of the Collateral.

(5) **Further Identification of Collateral.** The Grantors will, if so requested by Agent, acting reasonably, furnish to Agent, as often as Agent requests, statements and schedules further identifying and describing the Collateral of the Grantors and such other reports in connection with the Collateral of the Grantors as Agent may reasonably request, all in such detail as Agent may specify. The Grantors shall promptly, and in any event by the end of each Fiscal Quarter, notify Agent in writing upon acquiring any interest hereafter in property that is of a type where a security interest or other applicable Encumbrance must be or may be registered, recorded or filed under, or notice thereof given under, any federal statute or regulation.

(6) **No Reincorporation.** Except as otherwise provided pursuant to the Credit Agreement, the Grantors shall provide Agent with at least 10 Business Days prior written notice of any change in the information contained in Schedule 4.1(4) to keep Schedule 4.1(4) up to date and accurate.

(7) **Amendments Not Authorized.** Each of the Grantors acknowledges that it is not authorized to file any financing change statement with respect to any financing statement that has been filed in respect of any Security Document without the prior written consent of Agent.

SECTION 6. REMEDIES

6.1 Appointment of Receiver

Upon the occurrence, and during the continuance, of any Event of Default, Agent may take proceedings in any court of competent jurisdiction for the appointment of a receiver (hereinafter called a "Receiver", which term shall include a receiver and manager) of the Collateral or may by appointment in writing appoint any person to be a receiver of the Collateral and may remove any receiver so appointed by the Agent and appoint another in its stead; and any such receiver appointed by instrument in writing shall, to the extent permitted by applicable law, have all of the rights, benefits and powers of the Agent hereunder or under the PPSA or otherwise and without limitation have power, following the occurrence and during the continuance of an Event of Default, (i) to take possession of the Collateral, (ii) to carry on all or any part or parts of the business of the Grantors, including entering a Grantor's mineral properties and mining, production and extraction of Minerals therefrom for refinement into ore and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral; (iii) to borrow money on the security of the Collateral in priority to the security interests created under this Agreement required for the seizure, retaking, repossession, holding, insurance, repairing, processing, maintaining, protecting, preserving, preparing for disposition, disposition of the Collateral or for any other enforcement of this Agreement or for the carrying on of the business of the Grantors, and (iv) subject to applicable law, to sell, lease or otherwise dispose of the whole or any part of the Collateral at public auction, by public tender or by private sale, lease or other disposition either for cash or upon credit, at such time and upon such terms and conditions as the receiver may determine; provided that if any such disposition involves deferred payment the Agent will not be accountable for and the Grantors will not be entitled to be

credited with the proceeds of any such disposition until the monies therefor are actually received; and further provided that any such receiver so appointed by the Agent shall be deemed the receiver of the Grantors and the Agent shall not be in any way responsible for any misconduct or negligence of any such receiver.

6.2 Exercise of Rights by Agent

Upon and during the continuance of any Event of Default, Agent may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of Section 6.1.

6.3 Taking Possession of Collateral

Upon the occurrence and during the continuance of an Event of Default, Agent may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and Agent also may sell, license, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to Agent may seem reasonable and in compliance with applicable law.

6.4 Engagement of Consultant

Upon the occurrence and during the continuance of an Event of Default, Agent may require the Grantors or any one of them to engage a consultant or consultants of Agent's choice, or engage a consultant or consultants on behalf of Agent. Such consultants shall receive the full co-operation and support of the Grantors and their officers and employees, including unrestricted access to the premises and books and records of the Grantors. All reasonable documented fees and expenses of any such consultant shall be for the account of the Grantors and shall be reimbursed or paid by the Grantors upon request from Agent. Each of the Grantors hereby authorizes any such consultant to report directly to Agent and to disclose to Agent any and all information obtained by such consultant. Any such consultant shall be bound by the same confidentiality obligations and undertakings as the Secured Parties pursuant to the Credit Agreement.

6.5 Rights and Remedies under PPSA

In addition to those rights granted herein and in any other agreement now or hereafter in effect between the Grantors (or any one of them) and any Secured Party, and in addition to any other rights the Secured Party may have at law or in equity, Agent shall have, both before and after the occurrence of any Event of Default, all rights and remedies of a secured party under the PPSA. However, Agent shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, neither Agent nor any other Secured Party shall have any obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper, whether Collateral or proceeds and whether or not in Agent's or any other Secured Party's possession, and shall not be liable or accountable for failure to do so.

6.6 Co-operation of Grantors with respect to Taking Possession

The Grantors acknowledge that, upon the occurrence and during the continuance of an Event of Default, Agent or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and the Grantors each agree, upon request from Agent or any such Receiver, to assemble and deliver possession of Collateral at such place or places as directed.

6.7 Notice of Sale

The Agent will give the Grantors such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral of the Grantors is to be made as may be required by the PPSA.

6.8 Grant of License to Use Intellectual Property Collateral

For the purpose of enabling Agent to exercise rights and remedies under Section 6 (including, without limiting the terms of Section 6, in order to take possession of, hold, preserve, process, assemble, prepare for sale, market for sale, sell or otherwise dispose of Collateral) at such time following the occurrence and during the continuation of an Event of Default as Agent shall be lawfully entitled to exercise such rights and remedies, the Grantors hereby grant to Agent, for the benefit of the Secured Parties, with effect following the occurrence and during the continuation of an Event of Default, an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to the Grantors) to use, license or sublicense any Intellectual Property now owned or hereafter acquired by the Grantors, and wherever the same may be located, and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof.

6.9 Limitation on Secured Party's Duty in Respect of Collateral

Agent and each other Secured Party shall use reasonable care with respect to the Collateral in its possession or under its control. Beyond the safe custody thereof, neither Agent nor any other Secured Party shall have any other duty as to any Collateral in its possession or control or in the possession or control of Agent or nominee of Agent or such other Secured Party, or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto.

6.10 Waiver by Grantors

To the maximum extent permitted by applicable law, each of the Grantors waives all claims, damages and demands against Agent or any other Secured Party or any Receiver appointed by Agent arising out of the repossession, retention or sale of the Collateral except such as arise solely out of the gross negligence or wilful misconduct of Agent or any other Secured Party or any Receiver appointed by Agent as finally determined by a court of competent jurisdiction.

6.11 Acknowledgement by Grantors

To the extent that applicable law imposes duties on Agent to exercise remedies in a commercially reasonable manner, the Grantors acknowledge and agree that it is not commercially unreasonable for Agent: (i) to fail to incur expenses reasonably deemed significant by Agent to prepare the Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition, (ii) to fail to obtain third party consents for access to the Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of the Collateral to be collected or disposed of, (iii) to fail to exercise collection remedies against Account Debtors or other Persons obligated on the Collateral or to remove Encumbrances on or any adverse claims against the Collateral, (iv) to exercise collection remedies against Account Debtors and other Persons obligated on the Collateral directly or through the use of collection agencies and other collection specialists, (v) to advertise dispositions of the Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (vi) to contact other Persons, whether or not in the same business as the Grantors, for expressions of interest in acquiring all or any portion of such Collateral, (vii) to hire one or more professional auctioneers to assist in the disposition of the Collateral, whether or not the Collateral is of a specialized nature, (viii) to dispose of the Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets, (ix) to dispose of assets in wholesale rather than retail markets, (x) to disclaim disposition warranties, such as title, possession or quiet enjoyment, (xi) to purchase insurance or credit enhancements to insure the Secured Parties against risks of loss, collection or disposition of the Collateral or to provide to the Secured Parties a guaranteed return from the collection or disposition of the Collateral, or (xii) to the extent deemed appropriate by Agent, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist Agent in the collection or disposition of any of the Collateral. The Grantors acknowledge that the purpose of this Section 6.11 is to provide non-exhaustive indications of what actions or omissions by Agent would not be commercially unreasonable in the Agent's exercise of remedies against the Collateral and that other actions or omissions by any Secured Party shall not be deemed commercially unreasonable solely on account of not being indicated in this Section 6.11. Without limitation upon the foregoing, nothing contained in this Section 6.11 shall be construed to grant any rights to the Grantors or to impose any duties on Agent that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section 6.11.

SECTION 7. MISCELLANEOUS

7.1 Extensions, etc.

Agent may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Grantors, debtors of the Grantors, any other Obligor, sureties and others and with Collateral and other security as Agent may see fit without prejudice to the liability of the Grantors or the Agent's right to hold and realize the Security Interest. Furthermore, without limiting any other provision hereof, following the occurrence and during the continuance of an Event of Default, Agent may demand, collect and sue on Collateral in either the Grantors' names,

a Grantor's name or Agent's name, at Agent's option, and may endorse a the Grantors' names or a Grantor's name on any and all cheques, commercial paper, and any other Instruments pertaining to or constituting Collateral. Nothing herein contained shall in any way obligate Agent to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Secured Obligations.

7.2 No Waiver

No delay or omission by Agent in exercising any right or remedy hereunder or with respect to any of the Secured Obligations shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, Agent may remedy any default by the Grantors hereunder or with respect to any Secured Obligations in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Grantors.

7.3 Waiver of Protest

The Grantors waive protest of any Instrument constituting Collateral at any time held by Agent on which a Grantor is, or the Grantors are, in any way liable and, subject to Section 6.7, notice of any other action taken by Agent, each to the extent permitted by applicable law.

7.4 Assignment and Enurement

All rights of the Agent under this Agreement shall be assignable in accordance with the terms of the Credit Agreement.

All rights of the Agent and Secured Parties under this Agreement shall enure to the benefit of their respective successors and permitted assigns and all obligations of the Grantors under this Agreement shall bind each of the Grantors, their respective successors and permitted assigns.

7.5 Amendment

Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

7.6 Notices

Whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon one party by the other party, or whenever one party desires to give or serve upon the other party any communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be validly served, given or delivered if served, given or delivered as provided for in the Credit Agreement.

7.7 Remedies Cumulative

This Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by Agent and is intended to be a continuing security agreement and shall remain in full force and effect until all Secured Obligations and any extensions or renewals thereof together with interest accruing thereon shall be paid in full. All rights and remedies of Agent granted or recognized in this Agreement are cumulative and may be exercised at any time and from time to time independently or in combination.

7.8 Reinstatement

This Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against the Grantors or any one of them for liquidation or reorganization, should the Grantors or any one of them become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee or similar Person be appointed for all or any significant part of the Grantors' or any Grantor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable preference", "fraudulent conveyance", or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

7.9 Limitation by Law; Severability

All rights, remedies and powers provided in this Agreement may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Agreement are intended to be subject to all applicable mandatory provisions of law that may be controlling and to be limited to the extent necessary so that they shall not render this Agreement invalid, unenforceable, in whole or in part, or not entitled to be recorded, registered or filed under the provisions of any applicable law. In the event any provisions of this Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Agreement shall remain in full force and effect.

7.10 Attachment

The Grantors and Agent hereby acknowledge that (1) value has been given (2) the Grantors has rights in the Collateral of the Grantors and, to the extent that the Grantors do not acquire rights or interests in any of the Collateral until after the execution and delivery of this Agreement, the Security Interest created hereby shall attach to such Collateral at the time the Grantors or any one of them acquire rights or interests therein and (3) this Agreement constitutes a security agreement as that term is defined in the PPSSA.

7.11 Amalgamation

Each Grantor acknowledges and agrees that, in the event it amalgamates with any other company or companies, it is the intention of the parties hereto that the terms "Grantor", and "Grantors" when used herein, shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby:

(1) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company, and

(2) shall secure all "Secured Obligations" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to the Secured Parties at the time of amalgamation and all "Secured Obligations" of the amalgamated company to the Secured Parties thereafter arising. The Security Interest shall attach to all "Collateral" owned by each company amalgamating with the Grantors or any one of them, and by the amalgamated company, at the time of the amalgamation, and shall attach to all "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

7.12 Agent's Appointment as Attorney-In-Fact

On the Closing Date, each Grantor shall execute and deliver to Agent a power of attorney (the "Power of Attorney") substantially in the form attached hereto as Exhibit A. The power of attorney granted pursuant to the Power of Attorney is a power coupled with an interest and shall be irrevocable until the repayment in full of the Secured Obligations. The powers conferred on Agent, for the benefit of the Secured Parties under the Power of Attorney are solely to protect Agent's interests in the Collateral and shall not impose any duty upon Agent or any other Secured Party to exercise any such powers. Agent agrees that (a) it shall not exercise any power of attorney or authority granted under the Power of Attorney unless an Event of Default has occurred and is continuing, and (b) Agent shall account for any money received by Agent in respect of any foreclosure on or disposition of Collateral pursuant to the Power of Attorney provided that none of Agent or any other Secured Party shall have any duty as to any Collateral, and Agent and the other Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers. NONE OF THE SECURED PARTIES OR ITS RESPECTIVE AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR REPRESENTATIVES SHALL BE RESPONSIBLE TO THE GRANTORS FOR ANY ACT OR FAILURE TO ACT UNDER ANY POWER OF ATTORNEY OR OTHERWISE, EXCEPT IN RESPECT OF DAMAGES ATTRIBUTABLE SOLELY TO THEIR OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AS FINALLY DETERMINED BY A COURT OF COMPETENT JURISDICTION, NOR FOR ANY PUNITIVE, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES.

7.13 Governing Law

This Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the province of Newfoundland and Labrador and the federal laws of Canada applicable therein, as the same may from time to time be in effect, including, where applicable, the PPSA.

7.14 Counterparts

This Agreement may be executed in any number of counterparts which shall, collectively and separately constitute one agreement.

7.15 No Strict Construction

The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favouring or disfavouring any party by virtue of the authorship of any provisions of this Agreement.

7.16 Advice of Counsel

Each of the parties represents to each other party hereto that it has discussed this Agreement with its counsel.

7.17 Benefit of Secured Parties

All Encumbrances granted or contemplated hereby shall be for the benefit of Agent and the other Secured Parties, and all proceeds or payments realized from Collateral in accordance herewith shall be applied to the Secured Obligations in accordance with the terms of the Credit Agreement.

7.18 Conflict

In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the Credit Agreement then, notwithstanding anything contained in this Agreement, the provisions contained in the Credit Agreement shall prevail to the extent of such conflict or inconsistency and the provisions of this Agreement shall be deemed to be amended to the extent necessary to eliminate such conflict or inconsistency, it being understood that the purpose of this Agreement is to add to, and not detract from, the rights granted to the Agent (for its own benefit and for the benefit of the other Secured Parties) under the Credit Agreement.

SECTION 8. COPY OF AGREEMENT

8.1 Copy

The Grantors hereby acknowledge receipt of a copy of this Agreement.

8.2 Waiver

To the extent permitted by applicable law, each Grantor waives its right to receive a copy of any financing statement or financing change statement registered by Agent, or of any verification statement with respect to any financing statement or financing change statement registered by Agent.

[Remainder of page intentionally left blank. Signature page to follow.]

IN WITNESS WHEREOF the Grantors have caused this Agreement to be executed by their duly authorized officers in that behalf on the date noted on page one hereof.

SIGNED, SEALED AND DELIVERED
by the **Borrower** in the presence of :

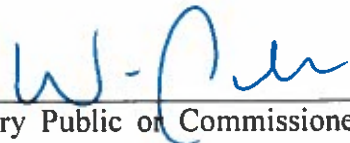


Notary Public or Commissioner of Oaths
(affix seal)
William T. Cahill
Barrister & Solicitor (NL)

SIGNED, SEALED AND DELIVERED
by the **Co-Covenantor** in the presence of :

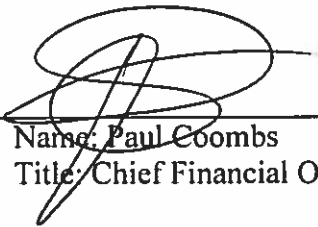


Notary Public or Commissioner of Oaths
(affix seal)
William T. Cahill
Barrister & Solicitor (NL)



Notary Public or Commissioner of Oaths
(affix seal)
William T. Cahill
Barrister & Solicitor (NL)

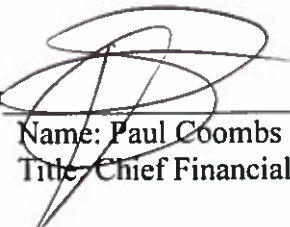
CANADA FLUORSPAR (NL) INC.

Per: 

Name: Paul Coombs
Title: Chief Financial Officer
I have authority to bind the Corporation

NEWSPAR, a partnership pursuant to the laws of the Province of Newfoundland and Labrador, by its partners **CANADA FLUORSPAR (NL) INC.** and **CFI NEWSPAR HOLDINGS INC.**

CANADA FLUORSPAR (NL) INC.

Per: 

Name: Paul Coombs
Title: Chief Financial Officer
I have authority to bind the Corporation

CFI NEWSPAR HOLDINGS INC.

Per: 

Name: Paul Coombs
Title: Chief Financial Officer
I have authority to bind the Corporation, and collectively we have the authority to bind the Partnership

Schedule 1.2(9) – Pledged Securities

Issuer	Holder	Number and Class of Shares	Certificate Number
CFI Newspar Holdings Inc.	Canada Fluorspar (NL) Inc.	1 Common	1
CFI AZ Holdings Inc.	Canada Fluorspar (NL) Inc.	500 Common	1

Schedule 4.1(1) – Legal Name of The Grantor

Legal Names:

- Borrower: Canada Fluorspar (NL) Inc.
- Co-Covenantor: Newspar, by its partners CFI Newspar Holdings Inc. and Canada Fluorspar (NL) Inc.

Schedule 4.1(3) – Instruments And Chattel Paper

1. Nil.

Schedule 4.1(4) – Locations

1. Locations of Borrower's chief executive office and principal place of business:

Suite 605, 140 Water Street
St. John's, NL
A1C 6J4

2. Locations of Co-Covenantor's chief executive office and principal place of business:

Suite 605, 140 Water Street
St. John's, NL
A1C 6J4

3. Locations of Borrower's corporate offices including registered office (where different from that set out above):

N/A

4. Locations of Co-Covenantor's corporate offices including registered office (where different from that set out above):

N/A

5. All premises where Collateral of the Grantors is located:

1 Clarke's Pond Road
St. Lawrence, NL
A0E 2V0

6. Locations of books and records concerning Collateral and Account Debtors of the Grantors:

Suite 605, 140 Water Street
St. John's, NL
A1C 6J4

and/or

1 Clarke's Pond Road
St. Lawrence, NL
A0E 2V0

EXHIBIT A – POWER OF ATTORNEY

This Power of Attorney is executed and delivered by ●, a ● corporation ("Grantor"), to ●, a ● (together with its successors and assigns, the "Attorney"), as Secured Party, under a Security Agreement, dated as of _____, 20●, (the "Security Agreement") and other related documents (the "Documents"). No person to whom this Power of Attorney is presented, as authority for Attorney to take any action or actions contemplated hereby, shall be required to inquire into or seek confirmation from Grantor as to the authority of Attorney to take any action described below, or as to the existence of or fulfilment of any condition to this Power of Attorney, which is intended to grant to Attorney unconditionally the authority to take and perform the actions contemplated herein, and Grantor irrevocably waives any right to commence any suit or action, in law or equity, against any person or entity which acts in reliance upon or acknowledges the authority granted under this Power of Attorney. The power of attorney granted hereby is coupled with an interest and may not be revoked or cancelled by Grantor without Attorney's written consent. Capitalized terms used herein and not defined herein shall have the meanings ascribed to them in the Security Agreement.

Grantor hereby irrevocably constitutes and appoints Attorney (and all officers, employees or agents designated by Attorney), with full power of substitution, as Grantor's true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Grantor and in the name of Grantor or in its own name, from time to time in Attorney's discretion, to take any and all appropriate action and to execute and deliver any and all documents and instruments which may be necessary or desirable to accomplish the purposes of the Documents and, without limiting the generality of the foregoing, Grantor hereby grants to Attorney the power and right, on behalf of Grantor, without notice to or assent by Grantor, and at any time, to do the following: (a) change the mailing address of Grantor, open a post office box on behalf of Grantor, open mail for Grantor, and ask, demand, collect, give acquittances and receipts for, take possession of, endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, and notices in connection with any property of Grantor; (b) effect any repairs to any asset of Grantor or continue or obtain any insurance and pay all or any part of the premiums therefor and costs thereof, and make, settle and adjust all claims under such policies of insurance, and make all determinations and decisions with respect to such policies; (c) pay or discharge any taxes, liens, security interests or other encumbrances levied or placed on or threatened against Grantor or its property; (d) defend any suit, action or proceeding brought against Grantor if Grantor does not defend such suit, action or proceeding or if Attorney believes that Grantor is not pursuing such defense in a manner that will maximize the recovery to Attorney, and settle, compromise or adjust any suit, action, or proceeding described above and in connection therewith, give such discharges or releases as Attorney may deem appropriate; (e) file or prosecute any claim, litigation, suit or proceeding in any court of competent jurisdiction or before any arbitrator, or take any other action otherwise deemed appropriate by Attorney for the purpose of collecting any and all such money due to Grantor whenever payable and to enforce any other right in respect of Grantor's property; (f) cause the certified chartered accountants then engaged by Grantor to prepare and deliver to Attorney at any time and from time to time, promptly upon Attorney's request, the following reports: (1) a reconciliation of all accounts, (2) an aging of all accounts, (3) trial balances, (4) test verifications of such accounts as Attorney may request, and (5) the results of each physical verification of inventory, (g) communicate in its

own name with any party to any Contracts with regard to the assignment of the right, title and interest of the Grantor in and under the Contracts and other matters relating thereto; and (h) execute, in connection with any sale provided for in any Document, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral and to otherwise direct such sale or resale, all as though Attorney were the absolute owner of the property of Grantor for all purposes, and to do, at Attorney's option and Grantor's expense, at any time or from time to time, all acts and other things that Attorney reasonably deems necessary to perfect, preserve, or realize upon Grantor's property or assets and Attorney's Liens thereon, all as fully and effectively as Grantor might do. Grantor hereby ratifies, to the extent permitted by law, all that said Attorney shall lawfully do or cause to be done by virtue hereof.

THIS POWER OF ATTORNEY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE PROVINCE OF NEWFOUNDLAND AND LABRADOR APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THAT PROVINCE.

IN WITNESS WHEREOF, this Power of Attorney is executed by Grantor pursuant to the authority of its board of directors this _____ day of _____, 20__.

By:

Name:

Title:

CANADA FLUORSPAR (NL) INC.,
as Borrower

and

NEWSPAR,
as Co-Covenantor

and

SPROTT BRIDGING INCOME FUND LP
by its Agent, **Bridging Finance Inc.,**
as Lender

COLLATERAL DEBENTURE
January 31, 2017

COLLATERAL DEBENTURE

THIS AGREEMENT is made as of the 31st day of January, 2017.

BETWEEN

CANADA FLUORSPAR (NL) INC., a company incorporated under the laws of the Province of Newfoundland and Labrador (the "**Borrower**"),

- and -

NEWSPAR, a general partnership formed under the laws of the Province of Newfoundland and Labrador, by its partners **CANADA FLUORSPAR (NL) INC.** and **CFI NEWSPAR HOLDINGS INC.** (the "**Co-Covenantor**"),

- and -

BRIDGING FINANCE INC., a company incorporated under the laws of the Canada (the "**Agent**"), as Agent

- and -

SPROTT BRIDGING INCOME FUND LP, a limited partnership created under the laws of the Province of Ontario, by its agent Bridging Finance Inc., a corporation created under the laws of Ontario (the "**Lender**").

WHEREAS:

- A. The Borrower and the Co-Covenantor, hold and are developing a Fluorspar mine located in St. Lawrence, Newfoundland and Labrador, which includes or will include a mill, tailings management facility, and related infrastructure to enable the production of Fluorspar for transport and sale (collectively, the "**Project**").
- B. The Borrower, the Co-Covenantor and the Agent as agent for the Lender have entered into a loan agreement dated the 31 of January, 2017 (the "**Credit Agreement**").
- C. To secure the payment and performance of the Secured Liabilities (defined below), each of the Chargors (defined below) has agreed to grant to the Agent (for its own benefit and for the benefit of the Secured Parties (defined below)) the Security Interests (defined below) with respect to the Charged Property (defined below) in accordance with the terms of this Agreement.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in the Credit Agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Chargors (defined below) agree with the Agent as follows:

1. Obligations secured

This Agreement and the security interests hereby created are in addition to and not in substitution for any other mortgage, charge, assignment or security interest now or hereafter held by the Agent from the Chargors (defined below) and shall be general and continuing security for the payment and performance of the Obligations (as defined in the Credit Agreement) (collectively, the "Secured Liabilities").

2. Definitions

In this Agreement, unless otherwise defined herein, capitalized terms used herein have the respective meanings defined in the Credit Agreement and the following terms shall have the following respective meanings:

- (a) "Agreement" means this collateral debenture, as amended, amended and restated, supplemented or otherwise modified from time to time.
- (b) "Assigned Rights" has the meaning defined in Section 4.
- (c) "Charged Property" has the meaning defined in Section 4.
- (d) "Chargors" means the Borrower and the Co-Covenantor, each of them a "Chargor".
- (e) "Co-Covenantor" has the meaning set out in recital A of this Agreement. as amended from time to time.
- (f) "Credit Agreement" has the meaning set out in recital B of this Agreement.
- (g) "Event of Default" means any "Event of Default" as defined in the Credit Agreement.
- (h) "Leases" mean all the minerals, mineral exploration and mining, surface and access rights or licenses, leases, grants and other rights issued by or held from the Crown in right of Newfoundland and Labrador or otherwise held by the Chargors, including those described in Schedule "B" Mineral Licences, Schedule "C" Mining Leases, Schedule "D" Surface Leases, and Schedule "E" Crown Leases hereto.
- (i) "PPSA" means the *Personal Property Security Act* (Newfoundland and Labrador) as amended from time to time.
- (j) "Project" has the meaning set out in recital A of this Agreement.
- (k) "Properties Ore" means any and all ore mined quarried or otherwise extracted from the properties and rights and minerals, mineral exploration and mining and access rights charged hereby.
- (l) "Secured Liabilities" has the meaning ascribed to it in Section 1.

- (m) "Secured Parties" means the Agent, the Lender, and includes any of their respective successors and assigns.
- (n) "Security Interests" means the mortgages, charges and security interests created in Section 4.
- (o) the words "account", "chattel paper", "clearing house option", "consumer goods", "control", "equipment", "financial asset", "futures account", "futures contract", "goods", "instrument", "intangible", "inventory", "investment property", "money", "option", "receiver", "securities account", "securities", "security", "security certificate", "security entitlement" and "uncertificated security" shall have the same meanings as their defined meanings where such words are defined in the PPSA.

3. Interpretation

In this Agreement, unless the contrary intention appears:

- (a) the singular includes the plural and vice versa and words importing a gender include all genders;
- (b) other grammatical forms of defined words or expressions have corresponding meanings;
- (c) a reference to a party to this Agreement includes that party's successors and permitted assigns;
- (d) a reference to "this Agreement" includes all Schedules attached hereto as amended, supplemented, restated or replaced from time to time;
- (e) a reference to a document or agreement includes that document or agreement as amended, supplemented, restated or replaced from time to time;
- (f) a reference to any thing includes the whole or any part of that thing and a reference to a group of things or persons includes each thing or person in that group;
- (g) words implying natural persons include partnerships, bodies corporate, associations, trusts, governments and governmental and local authorities and agencies;
- (h) the division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement; and
- (i) a reference to any legislation or statutory instrument or regulation includes all amendments thereto and all replacements and re-enactments thereof.

4. Security

As security for the payment and performance of the Secured Liabilities (and subject to Permitted Encumbrances), each of the Chargors hereby assigns, conveys and mortgages as and by way of a first, fixed and specific mortgage, pledge and charge unto the Agent (for the benefit of each of the Secured Parties):

- (a) all the real and immovable property and rights of the Chargor including ALL THAT property described in Schedule "A" hereto, together with all buildings and erections, plant, fixed machinery and fixed equipment, paths, passages, water courses, privileges, hereditaments and appurtenances to the same belonging or in anywise appertaining and the reversion, reversions, remainder and remainders, rents, issues and profits thereof and all the estate, right, title, interest, claim, property and demand, both at law and in equity, of the Chargor therein and thereto, including without limitation all water rights, flooding rights, water storage and water power rights, privileges, concessions, claims, easements, works, rights of way, licences, minerals, mineral exploration and access rights; and
- (b) the Leases and every interest of the Chargor therein or arising thereunder, including without limitation Properties Ore (subject to any exceptions and reservations contained in the Leases) and all other mineral or mining rights, leases, licences and other similar rights and every interest therein, and any rights or similar instruments by way of extension, amendment, renewal, substitution or supplement therefor which the Chargor now has, is entitled to obtain or hereafter acquires in the Province of Newfoundland and Labrador;

AND (subject to the Permitted Encumbrances) each of the Chargors hereby assigns, conveys and mortgages as and by way of a first floating charge:

- (a) all after-acquired real and immovable property and rights of the Chargor, together with all buildings and erections, plant, fixed machinery and fixed equipment, paths, passages, water courses, privileges, hereditaments and appurtenances to the same belonging or in anywise appertaining and the reversion, reversions, remainder and remainders, rents, issues and profits thereof and all the estate, right, title, interest, claim, property and demand, both at law and in equity, of the Chargor therein and thereto, including without limitation all water rights, flooding rights, water storage and water power rights, privileges, concessions, claims, easements, works, rights of way, licences, minerals, mineral exploration and access rights; and
- (b) all after-acquired minerals, mineral exploration and mining, surface and access rights or licenses, leases, grants and other rights issued by or held from the Crown in right of Newfoundland and Labrador or otherwise held by the Chargor from time to time;

provided that the Security Interests shall include all books, accounts, invoices, letters, papers, documents, disks, and other records in any form, electronic or otherwise, evidencing or relating to the foregoing property and all proceeds therefrom, including property in any form derived directly or indirectly from any dealing with such property or proceeds therefrom, and any insurance or other payment as indemnity or compensation for loss of or damage to such property or any right to such payment; provided further that the Security

Interests shall not extend or apply to any personal property which is consumer goods nor to the last day of the term of any lease or any agreement therefor now held or hereafter acquired by a Chargor, but should such Security Interests become enforceable, the Chargor shall thereafter stand possessed of such last day and shall hold it in trust to assign the same to any person acquiring such term or the part thereof mortgaged and charged in the course of any enforcement of such Security Interests or any realization of the subject matter thereof.

All undertaking, property and assets intended to be subject to the foregoing Security Interests are collectively referred to as the "**Charged Property**".

All rights of the Agent hereunder and all obligations of the Chargors hereunder, shall be absolute and unconditional regardless of:

- (a) any lack of validity or enforceability of any loan document including, without limitation, the Credit Agreement, any other agreement with respect to the Secured Liabilities or any other agreement or instrument related to the foregoing;
- (b) any change in time, manner or place of payment of, or in any other term of, the Secured Liabilities or any other amendment or waiver or consent to any departure from any guarantee, any other loan document, including, without limitation, the Credit Agreement or any other agreement or instrument;
- (c) any exchange, release (other than a full release under section 11 hereof) or nonperfection of any security in respect of the Security Interests or any release (other than a full release under section 11 hereof) or amendment or waiver of or consent to or departure from any guarantee for all or any of the Secured Liabilities; or
- (d) any other circumstance which might otherwise constitute a defense available to, or discharge of any or all of the Chargors or any other obligor in respect of the Secured Liabilities.

If any agreement, licence, permit, contract, account, claim, demand, chose in action or other property or assets forming part of the Charged Property (collectively, "**Assigned Rights**") may not be assigned, transferred, subleased, charged or encumbered without the consent or approval of another person, then the Security Interests granted hereunder shall only apply to such Assigned Right upon such consent or approval being obtained; provided that the foregoing limitation shall not affect, limit, restrict or impair the grant of such security interest in any accounts or any money or other amounts due or to become due under any such agreement or contract. Subject to the foregoing proviso, each Chargor shall be deemed to hold in trust, as bare trustee, on behalf of the Agent, such Assigned Rights and all of the right, title and interest of the Chargor in and to such Assigned Rights, together with all benefits, advantages and obligations to be derived therefrom, until such necessary consent or approval is obtained or until such time as such consent or approval is no longer required, whichever is earlier, at which time such Assigned Right shall be automatically assigned to the Agent and form part of the Charged Property. The Chargors represent that all consents or approvals required to charge the present Assigned Rights have been obtained.

Subject to the terms of the Credit Agreement, unless there is an Event of Default that is continuing and the Agent enforces the security hereby constituted, the Chargors shall be entitled to deal with the Charged Property and enforce, use and enjoy all of the benefits thereof as if this Agreement had not been made.

5. Chargors' Covenants, Representations and Warranties

The Chargors hereby jointly and severally covenant, represent, warrant and agree with the Agent (for the benefit of the Secured Parties) as follows:

- (a) subject to the rights of the Co-Covenantor, the Borrower is the registered holder of the Charged Property, free from all Encumbrances other than Permitted Encumbrances;
- (b) collectively, the Borrower and the Co-Covenantor are the sole beneficial owners of the Charged Property, free from all Encumbrances other than Permitted Encumbrances;
- (c) the Chargors have good right and lawful authority to grant a security interest in the Charged Property as provided by this Agreement;
- (d) the Chargors will pay or cause to be paid all taxes levied, assessed or imposed upon each of them and their property and assets or any part thereof as and when the same shall become due and payable, unless the same are being contested, and to pay all other amounts owing in respect of the Charged Property;
- (e) the Chargors shall obtain and maintain all such policy or policies of insurance as they are required to obtain and maintain pursuant to the provisions of the Credit Agreement;
- (f) the Chargors will keep the Charged Property in good condition and repair according to the nature and description thereof, and will allow the Agent, whenever the Agent deems necessary, either in person or by an agent, to enter upon and inspect the Charged Property and records thereof in accordance with the terms of the Credit Agreement; and
- (g) The Chargors shall each use all commercially reasonable efforts to obtain any consents or approvals required to charge any after-acquired or successor Assigned Rights and the Chargors shall deliver to the Agent any document or agreement required to evidence a security interest in such after-acquired or successor Assigned Right within thirty (30) days after the later of (i) the acquisition of such Assigned Right by a Chargor, or (ii) the granting of any required consent or approval required to charge the Assigned Right.

6. Payments

All sums payable by the Chargors hereunder shall be paid in accordance with the terms of the Credit Agreement, and any interest payable hereunder shall be paid at the rate of interest applicable from time to time and in accordance with the terms of the Credit Agreement.

7. Exceptions

- (a) The last day of the term of any lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Chargors or any one of them, is hereby excepted out of any mortgage or charge created hereby or by any other instrument supplemental hereto and does not and shall not form part of the property hereby or by any such other instrument mortgaged or charged so as to be charged with the moneys intended to be secured hereby, but the Chargor(s) shall stand possessed of the reversion remaining in the Chargor(s) of any leasehold premises, for the time being demised, as aforesaid, upon trust to assign and dispose thereof as the Agent shall direct; and upon any sale of the leasehold premises or any part thereof, the Agent, for the purpose of vesting the aforesaid reversion of any such term or any renewal thereof in any purchaser or purchasers thereof, shall be entitled by deed or writing to appoint such purchaser or purchasers or any other person or persons a new trustee or trustees of the aforesaid reversion of any such term or renewal thereof in the place of the Chargor(s) and to vest the same accordingly in the new trustee or trustees so appointed freed and discharged from any obligation respecting the same;
- (b) Except as may be permitted under the Credit Agreement, the Chargors shall not in any way dispose of or deal with the subject matter of the floating charge, if any, provided for herein, save and except in the ordinary course of the Chargors' business, or create, assume or have outstanding any mortgage, charge, security interest or other encumbrance on any part of the Charged Property.

8. Remedies of Agent

- (a) Remedies. Upon the occurrence and continuance of an Event of Default, the Security Interests shall become enforceable and the Agent (on behalf of the Secured Parties) may, subject to applicable laws:
 - (i) immediately take possession of the Charged Property, enter upon any premises of the Chargors and enforce any rights of the Chargors in respect of the Charged Property by any manner permitted by law and may use the Charged Property in the manner and to the extent that the Agent may consider appropriate and may hold, insure, repair, process, maintain, protect, preserve, prepare for disposition and dispose of the same and may require the Chargors or any one of them to assemble the Charged Property and deliver or make the Charged Property available to the Agent at a place designated by the Agent and, whether or not the Agent has done so, sell, lease or otherwise dispose thereof either as a whole or in separate parcels, at public auction, by public tender or by private sale, with or without notice or other formality, all of which is waived by the Chargors, either for cash or upon credit, and upon such terms and conditions as the Agent may determine; and the Agent may

execute and deliver to any purchaser of the Charged Property or any part thereof good and sufficient deeds and documents for the same, the Agent being irrevocably constituted the attorney of each of the Chargors (coupled with an interest) with effect from and after the occurrence of an Event of Default and then only while same is continuing, for the purpose of making any such sale, lease or other disposition and executing such deeds and documents;

- (ii) take proceedings in any court of competent jurisdiction for the appointment of a receiver (which term shall include a receiver and manager) of the Charged Property or may by appointment in writing appoint any person to be a receiver of the Charged Property and may remove any receiver so appointed by the Agent and appoint another in its stead; and any such receiver appointed by instrument in writing shall, to the extent permitted by applicable law, have all of the rights, benefits and powers of the Agent hereunder or under the PPSA or the Conveyancing Act or otherwise and without limitation have power (i) to take possession of the Charged Property, (ii) to carry on all or any part or parts of the business of the Chargors, (iii) to borrow money on the security of the Charged Property in priority to the Security Interests created under this Agreement required for the seizure, retaking, repossession, holding, insurance, repairing, processing, maintaining, protecting, preserving, preparing for disposition, disposition of the Charged Property or for any other enforcement of this Agreement or for the carrying on of the business of the Chargors, and (iv) subject to applicable law, to sell, lease or otherwise dispose of the whole or any part of the Charged Property at public auction, by public tender or by private sale, lease or other disposition either for cash or upon credit, at such time and upon such terms and conditions as the receiver may determine; provided that if any such disposition involves deferred payment the Agent will not be accountable for and the Chargors will not be entitled to be credited with the proceeds of any such disposition until the monies therefor are actually received; and further provided that any such receiver so appointed by the Agent shall be deemed the receiver of the Chargors and the Agent shall not be in any way responsible for any misconduct or negligence of any such receiver;
- (iii) manage the Charged Property, and provided further that the Agent shall be liable to account for only such monies as may actually come into its hand by virtue of these provisions less proper collection charges and that such monies when so received by the Agent may be applied on account of the Secured Liabilities and pending application by the Agent, the same shall be deemed to form part of the Charged Property and be subject to the charge hereby created and shall be held by the Agent as additional security for the repayment of the Secured Liabilities;

- (iv) carry on, or concur in the carrying on of, any or all of the business or undertaking of the Chargors and enter on, occupy and use (without charge by the Chargors) any of the premises, buildings, plant and undertaking of the Chargors, including, without limitation, the entering of the Project and the mining, production, and extraction of minerals for refinement into ore;
 - (v) set-off against any and all accounts, credits or balances maintained by the Chargors to the Agent, the amount of any of the Secured Liabilities; and
 - (vi) exercise any of the other rights to which the Agent is entitled as holder of this Agreement, including the right to take proceedings in any court of competent jurisdiction for the appointment of a receiver and/or manager, for the sale of the Charged Property or any part thereof or for foreclosure, and the right to take any other action, suit, remedy or proceeding authorized or permitted under the Agreement or by law or by equity in order to enforce the Security Interests;
- (b) Remedies Cumulative, Concurrent and Nonexclusive. The Agent (on behalf of the Secured Parties) shall have all rights, remedies and recourses granted in this Agreement, the Credit Agreement and available at law or equity (including the PPSA and the Conveyancing Act), which rights (i) shall be cumulative and concurrent, (ii) may be pursued separately, successively or concurrently against the Chargors or others, or against the Charged Property, or against any one or more of them, at the sole discretion of the Agent, (iii) may be exercised as often as occasion therefor shall arise, and the exercise or failure to exercise any of them shall not be construed as a waiver or release thereof or of any other right, remedy or recourse, and (iv) are intended to be, and shall be, nonexclusive. No action by the Agent in the enforcement of any rights, remedies or recourses under the Credit Agreement or otherwise at law or equity shall be deemed to cure any Event of Default;
- (c) Release of and Resort to Charged Property. The Agent (on behalf of the Secured Parties) may release, regardless of consideration and without the necessity for any notice to or consent by the holder of any subordinate lien or other charge on the Charged Property, any part of the Charged Property without, as to the remainder, in any way impairing, affecting, subordinating or releasing the Security Interests in and to the remaining Charged Property;
- (d) Discontinuance of Proceedings. If the Agent shall have proceeded to invoke any right, remedy or recourse permitted under the Credit Agreement or this Agreement and shall thereafter elect to discontinue or abandon it for any reason, the Agent and the Chargors shall be restored to their former positions with respect to the Secured Liabilities, the Charged Property and otherwise, and the rights, remedies, recourses and powers of shall continue as if the right, remedy or recourse had never been invoked, but no such discontinuance or abandonment shall be construed as a waiver of any Event of Default that may

then exist or the right of the Agent thereafter to exercise any right, remedy or recourse under the Credit Agreement in respect of any such Event of Default.

9. Additional Real Property Provisions

These provisions apply in addition to (and not in substitution or replacement for) the other provisions of this Agreement:

- (a) Upon enforcement after the occurrence and continuance of an Event of Default, the Agent shall be entitled to quiet possession of the Charged Property free from all Encumbrances, except for Permitted Encumbrances;
- (b) The Chargors have done no act to encumber the Charged Property except for Permitted Encumbrances;
- (c) The Agent may distrain for arrears of interest. The Agent may distrain for arrears of principal in the same manner as if the same were arrears of interest;
- (d) The Agent shall not by virtue of these presents be deemed a mortgagee in possession of the Charged Property or any of them and that this Agreement shall not of itself create the relationship of landlord and tenant between the Agent and any lessee;
- (e) The Agent shall be liable to account for only such monies as shall actually come into its hands by virtue of these presents and that such monies when received by the Agent shall be applied on account of the Secured Liabilities from time to time due pursuant to the provisions of the Credit Agreement;
- (f) The Agent may waive any default or breach of covenant herein and shall not be bound to serve any notice upon the lessees upon the happening of any default or breach of covenant but any such waiver shall not extend to any subsequent default or breach of covenant;
- (g) The Chargors and Agent covenant and agree from time to time and at all times hereafter upon request to execute and deliver without expense any documentation required to give full and further effect to this Agreement.

10. Waiver

No consent or waiver by the Agent shall be effective unless made in writing and signed by an authorized signing officer of the Agent.

11. Discharge

If the Chargors pay and perform the Secured Liabilities in full and there are no further commitments owing under the Credit Agreement or any other loan agreement or commitment to the Secured Parties which is granted on the basis of the Security Interests provided to the Secured Parties hereunder under which further Secured Liabilities may arise, then the Agent shall, at the request and at the expense of the Chargors, cancel and discharge the Security

Interests and charges of this Agreement and execute and deliver to the Chargors such deeds and other instruments as shall be reasonably required therefor.

12. Notices

Notice may be given to either party in the same manner as prescribed in the Credit Agreement.

13. Continuing and Additional Security

This Agreement shall not be considered as satisfied or discharged by any intermediate payment of the whole or part of the Secured Liabilities but shall constitute and be a continuing security and shall be in addition to and not in substitution for any other security now or hereafter held by or for the benefit of the Agent.

14. Attachment

The Chargors agree that value has been given by the Agent and that the Security Interests are intended to attach (a) with respect to the Charged Property in existence as of the date hereof, upon execution of this Agreement; and (b) with respect to the Charged Property which comes into existence after the date hereof, upon the Chargors or any one of them acquiring any rights therein. In each case, the parties do not intend to postpone the attachment of any Security Interests created by this Agreement.

15. Law Governing

This Agreement shall be governed in all respects by the laws of the Province of Newfoundland and Labrador and the federal laws of Canada applicable therein, and the Chargors hereby irrevocably attorns and submits to the exclusive jurisdiction of the courts of the Province of Newfoundland and Labrador in any suit, action or proceeding relating to this Agreement.

16. Severability

Any provision of this Agreement which is or becomes prohibited or unenforceable in any relevant jurisdiction shall not invalidate or impair the remaining provisions hereof which shall, to the maximum extent permitted by law, be deemed severable from such prohibited or unenforceable provision and any such prohibition or unenforceability in any such jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

17. Further Assurances

The Chargors hereby agree that, upon request by the Agent, they shall execute, acknowledge and deliver all such additional instruments, certificates, documents, acknowledgements and assurances and do all such further acts and things as may be considered by the Agent, acting reasonably, to be necessary or desirable to give effect to the intent of this Agreement, and the Chargors hereby irrevocably constitute and appoint, after the occurrence and during the continuance of an Event of Default, any officer of the Agent the true and lawful attorney of the Chargors or any one of them, with full power of substitution, to deal with real property

and do any of the foregoing in the name of the Chargors whenever and wherever the Agent may consider it to be necessary or desirable, acting reasonably. Such appointment and power of attorney is hereby declared by the Chargors to be an irrevocable power coupled with an interest.

18. Other Provisions

- (a) The Agent may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Chargors, debtors of the Chargors, sureties and others and with the Charged Property or other security as the Agent may see fit without prejudice to the liability of the Chargors and the rights of the Agent under this Agreement;
- (b) Any failure by the Agent to exercise any right, power or remedy in this Agreement shall not constitute a waiver thereof and no single or partial exercise by the Agent of any right, power or remedy shall preclude any other or further exercise thereof or of another right, power or remedy for the enforcement of this Agreement or the payment in full of the Secured Liabilities;
- (c) No amendment or supplement to any provision of this Agreement shall in any event be effective unless it is in writing and signed by the Chargors and the Agent;
- (d) No waiver of any provision of this Agreement shall in any event be effective unless it is in writing and signed by the Agent, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given;
- (e) No waiver or act or omission of the Agent shall extend to or be taken in any manner whatsoever to affect any subsequent breach by the Chargors or any one of them or the rights resulting therefrom;
- (f) All rights of the Agent under this Agreement shall be assignable only in accordance with the terms of the Credit Agreement;
- (g) All rights of the Agent and Secured Parties under this Agreement shall enure to the benefit of their respective successors and assigns and all obligations of the Chargors under this Agreement shall bind each of the Chargors, their respective successors and permitted assigns;
- (h) Time shall be of the essence of this Agreement;
- (i) The Chargors acknowledge receipt of a true copy of this Agreement;
- (j) The Chargors expressly waive the right to receive a copy of any financing statement or confirmation statement or financing change statement which may be registered by or on behalf of the Agent in connection with this Agreement

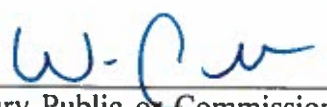
or any verification statement issued with respect thereto, where such waiver is not otherwise prohibited by law;

- (k) In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the Credit Agreement then, notwithstanding anything contained in this Agreement, the provisions contained in the Credit Agreement shall prevail to the extent of such conflict or inconsistency and the provisions of this Agreement shall be deemed to be amended to the extent necessary to eliminate such conflict or inconsistency, it being understood that the purpose of this Agreement is to add to, and not detract from, the rights granted to the Agent (for its own benefit and for the benefit of the other Secured Parties) under the Credit Agreement.
- (l) Payment by the Chargors of interest on the Secured Liabilities at the rate at which such indebtedness may bear interest for any period of time in accordance with the provisions of the Credit Agreement shall constitute satisfaction of interest payable under this Agreement for the equivalent period of time. The Agent shall only be permitted to demand repayment hereunder in accordance with the applicable terms of the Credit Agreement.

IN WITNESS WHEREOF the Chargors have caused this Agreement to be executed by their duly authorized officers in that behalf on the date noted on page one hereof.

SIGNED, SEALED AND DELIVERED
by the Borrower in the presence of :

CANADA FLUORSPAR (NL) INC.



Notary Public or Commissioner of Oaths
(affix seal)
William T. Cahill
Barrister & Solicitor (NL)

Per: 

Name: Paul Coombs
Title: Chief Financial Officer

I have authority to bind the Corporation

SIGNED, SEALED AND DELIVERED
by the Co-Covenantor in the presence of :

NEWSPAR, a partnership pursuant to the laws of the Province of Newfoundland and Labrador, by its partners **CANADA FLUORSPAR (NL) INC.** and **CFI NEWSPAR HOLDINGS INC.**



Notary Public or Commissioner of Oaths
(affix seal)
William T. Cahill
Barrister & Solicitor (NL)

Per: 

Name: Paul Coombs
Title: Chief Financial Officer

I have authority to bind the Corporation

CFI NEWSPAR HOLDINGS INC.



Notary Public or Commissioner of Oaths
(affix seal)
William T. Cahill
Barrister & Solicitor (NL)

Per: 

Name: Paul Coombs
Title: Chief Financial Officer

I have authority to bind the Corporation, and collectively we have the authority to bind the Partnership

AMENDMENT AND CONFIRMATION OF GENERAL SECURITY AGREEMENT

THIS AGREEMENT is made as of the 1st day of August, 2017

BETWEEN

CANADA FLUORSPAR (NL) INC., a company incorporated under the laws of the Province of Newfoundland and Labrador (the "Borrower"),

- and -

NEWSPAR, a general partnership formed under the laws of the Province of Newfoundland and Labrador, by its partners **CANADA FLUORSPAR (NL) INC.** and **CFI NEWSPAR HOLDINGS INC.** (the "Co-Covenantor"),

(the Borrower and the Co-Covenantor being referred to collectively herein as the "Grantors" and each a "Grantor"),

- and -

BRIDGING FINANCE INC., a company incorporated under the laws of the Canada, as agent for each Secured Party (as defined below) (the "Agent").

WHEREAS

A. The Borrower, the Co-Covenantor, Canada Fluorspar Inc. (the "Guarantor"), the Agent and Sprott Bridging Income Fund LP (the "Lender") entered into a loan agreement dated as of the 31st day of January, 2017 (the "Credit Agreement"), pursuant to which the Lender made available to the Borrower a certain Credit Facility (as defined in the Credit Agreement, the "Credit Facility").

B. In connection with the establishment of the Credit Facility, the Grantors executed and delivered to the Agent a General Security Agreement dated as of the 31st day of January, 2017 (the "GSA") as security for, *inter alia*, all their obligations arising under, by virtue of or otherwise in connection with the Credit Agreement and the GSA, and which GSA was registered at the Mineral Claims Recorder's Office for the Province of Newfoundland and Labrador on the 1st day of February, 2017 at Volume 33, Folio 47.

C. The Borrower, the Co-Covenantor, the Guarantor, the Agent and the Lender have entered into an Amended and Restated Loan Agreement dated as of the date hereof (including all annexes, exhibits and schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Amended and Restated Credit Agreement"), pursuant to which the Lender has agreed to establish in favour of the Borrower Credit Facility 02 (as defined in the Amended and Restated Credit Agreement, "Credit Facility 02").

D. In connection with the establishment of Credit Facility 02, and as a condition precedent thereto, the Secured Parties require that the Grantors shall have executed and delivered this

Agreement in order to amend and confirm the GSA, as thus amended, as security for all of the Grantor's obligations arising under, by virtue of or otherwise in connection with the Amended and Restated Credit Agreement, this Agreement or any of the other Loan Documents to which the Grantors are party.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained in the Amended and Restated Credit Agreement and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties agree as follows:

1. Each capitalized term used and not otherwise defined herein and that is defined in the Amended and Restated Credit Agreement has the meaning given to such term in the Amended and Restated Credit Agreement.
2. Recital A of the GSA is hereby deleted in its entirety and replaced with the following:

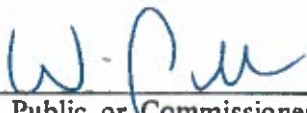
A. Pursuant to a amended and restated loan agreement dated as of the 1st day of August, 2017 among the Grantors, the Agent and the Lender (as defined below) (including all annexes, exhibits and schedules thereto, and as from time to time amended, restated, supplemented or otherwise modified, the "Amended and Restated Credit Agreement"), the Lender (as defined below) has agreed to establish in favour of the Grantor the Credit Facilities (as defined in the Amended and Restated Credit Agreement).
3. The definition of Credit Agreement found at section 1.2(6) of the GSA is hereby deleted in its entirety and replaced with the following:

(6) *Amended and Restated Credit Agreement* has the meaning given to it in paragraph A of the Recitals.
4. All references in the GSA to the Credit Agreement shall be revised to references to the Amended and Restated Credit Agreement.
5. Except as set forth in this Agreement, all of the terms of the GSA are and remain unchanged and the GSA, as amended by this Agreement, is hereby ratified and confirmed and continues to be in full force, virtue and effect.
6. The GSA, as amended and supplemented by this Agreement, shall be binding upon the parties hereto, and each of their respective successors and permitted assigns.
7. This Agreement may be executed in any number of counterparts which shall, collectively and separately constitute one agreement.
8. The Grantors hereby acknowledge receipt of a copy of this Agreement.

[Remainder of page intentionally left blank. Signature page to follow.]

IN WITNESS WHEREOF the Grantors have caused this Agreement to be executed by their duly authorized officers in that behalf on the date noted on page one hereof.

CANADA FLUORSPAR (NL) INC.



Notary Public or Commissioner of Oaths
(affix seal)

William T. Cahill
Barrister & Solicitor (NL)

Per: 

Name: Paul Coombs
Title: Chief Financial Officer

I have authority to bind the Corporation

NEWSPAR, a partnership pursuant to the laws of the Province of Newfoundland and Labrador, by its partners CANADA FLUORSPAR (NL) INC. and CFI NEWSPAR HOLDINGS INC.

CANADA FLUORSPAR (NL) INC.



Notary Public or Commissioner of Oaths
(affix seal)

William T. Cahill
Barrister & Solicitor (NL)

Per: 

Name: Paul Coombs
Title: Chief Financial Officer

I have authority to bind the Corporation

CFI NEWSPAR HOLDINGS INC.



Notary Public or Commissioner of Oaths
(affix seal)

William T. Cahill
Barrister & Solicitor (NL)

Per: 

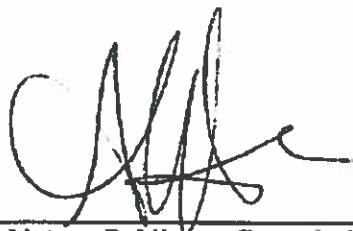
Name: Paul Coombs
Title: Chief Financial Officer

I have authority to bind the Corporation, and collectively we have the authority to bind the Partnership



Notary Public or Commissioner of Oaths
(affix seal)

Andrew James Mushora, a Commissioner, etc.,
Province of Ontario, for Bridging Finance Inc.
and Bridging Factor Inc. Expires July 2, 2018.



Notary Public or Commissioner of Oaths
(affix seal)

Andrew James Mushora, a Commissioner, etc.,
Province of Ontario, for Bridging Finance Inc.
and Bridging Factor Inc. Expires July 2, 2018.

BRIDGING FINANCE INC.

Per: 

Name:

Title:

Graham Mac
Portfolio Manager

I have authority to bind the Corporation

**SPROTT BRIDGING INCOME
FUND LP by its Agent, Bridging
Finance Inc.**

Per: 

Name:

Title:

Graham Mac
Portfolio Manager

I have authority to bind the Corporation

- 1996). The authors also found that the frequency of use of the Internet was positively related to the frequency of use of the telephone, and that the frequency of use of the Internet was negatively related to the frequency of use of the television. The authors concluded that the Internet was a new medium for social interaction, and that it was likely to become a more important part of social life in the future.
20. Roberts, J. A., & Smith, P. (1997). The use of the Internet for social interaction: A study of young people. *Journal of the American Academy of Child and Adolescent Psychiatry*, 36, 1044-1052.
21. Roberts, J. A., & Smith, P. (1998). The use of the Internet for social interaction: A study of young people. *Journal of the American Academy of Child and Adolescent Psychiatry*, 37, 1044-1052.
22. Roberts, J. A., & Smith, P. (1999). The use of the Internet for social interaction: A study of young people. *Journal of the American Academy of Child and Adolescent Psychiatry*, 38, 1044-1052.
23. Roberts, J. A., & Smith, P. (2000). The use of the Internet for social interaction: A study of young people. *Journal of the American Academy of Child and Adolescent Psychiatry*, 39, 1044-1052.
24. Roberts, J. A., & Smith, P. (2001). The use of the Internet for social interaction: A study of young people. *Journal of the American Academy of Child and Adolescent Psychiatry*, 40, 1044-1052.
25. Roberts, J. A., & Smith, P. (2002). The use of the Internet for social interaction: A study of young people. *Journal of the American Academy of Child and Adolescent Psychiatry*, 41, 1044-1052.
26. Roberts, J. A., & Smith, P. (2003). The use of the Internet for social interaction: A study of young people. *Journal of the American Academy of Child and Adolescent Psychiatry*, 42, 1044-1052.
27. Roberts, J. A., & Smith, P. (2004). The use of the Internet for social interaction: A study of young people. *Journal of the American Academy of Child and Adolescent Psychiatry*, 43, 1044-1052.
28. Roberts, J. A., & Smith, P. (2005). The use of the Internet for social interaction: A study of young people. *Journal of the American Academy of Child and Adolescent Psychiatry*, 44, 1044-1052.
29. Roberts, J. A., & Smith, P. (2006). The use of the Internet for social interaction: A study of young people. *Journal of the American Academy of Child and Adolescent Psychiatry*, 45, 1044-1052.
30. Roberts, J. A., & Smith, P. (2007). The use of the Internet for social interaction: A study of young people. *Journal of the American Academy of Child and Adolescent Psychiatry*, 46, 1044-1052.

Manuscript accepted 15 May 2008
Published online 15 May 2008

Correspondence: Dr J. A. Roberts, School of Psychology, University of Birmingham, Birmingham B15 2TT, UK.
E-mail: j.a.roberts@bham.ac.uk

© 2008 The Authors
Journal compilation © 2008 Association for Child and Adolescent Mental Health.

This is an open access journal. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or by any information storage or retrieval system, without permission in writing from the publisher.

For all other use, permission should be sought from Cambridge University Press. This article does not contain any trademarked names or registered trademarks.

Cambridge University Press is not responsible for the content or consequences of any information provided by this publication, or for any errors or omissions in the text.

The publisher disclaims any liability for any damage or loss of any kind, including any loss of profits, arising from the use of the information contained in this publication.

The publisher disclaims any liability for any damage or loss of any kind, including any loss of profits, arising from the use of the information contained in this publication.

The publisher disclaims any liability for any damage or loss of any kind, including any loss of profits, arising from the use of the information contained in this publication.

The publisher disclaims any liability for any damage or loss of any kind, including any loss of profits, arising from the use of the information contained in this publication.

The publisher disclaims any liability for any damage or loss of any kind, including any loss of profits, arising from the use of the information contained in this publication.

AMENDMENT AND CONFIRMATION OF COLLATERAL DEBENTURE

THIS AGREEMENT is made as of the 1st day of August, 2017

BETWEEN

CANADA FLUORSPAR (NL) INC., a company incorporated under the laws of the Province of Newfoundland and Labrador (the "Borrower"),

- and -

NEWSPAR, a general partnership formed under the laws of the Province of Newfoundland and Labrador, by its partners **CANADA FLUORSPAR (NL) INC.** and **CFI NEWSPAR HOLDINGS INC.** (the "Co-Covenantor"),

- and -

BRIDGING FINANCE INC., a company incorporated under the laws of Canada (the "Agent"), as Agent

- and -

SPROTT BRIDGING INCOME FUND LP, a limited partnership created under the laws of the Province of Ontario, by its agent Bridging Finance Inc., a corporation incorporated under the laws of Canada (the "Lender").

WHEREAS

- A. The Borrower, the Co-Covenantor, Canada Fluorspar Inc. (the "Guarantor"), the Agent and the Lender entered into a loan agreement dated as of the 31st day of January, 2017 (the "Credit Agreement"), pursuant to which the Lender made available to the Borrower a certain Credit Facility (as defined in the Credit Agreement, the "Credit Facility").
- B. In connection with the establishment of the Credit Facility, the Chargors executed and delivered to the Agent a Collateral Debenture dated as of the 31st day of January, 2017 (the "Debenture") as security for, *inter alia*, all their obligations arising under, by virtue of or otherwise in connection with the Credit Agreement and the Debenture and which Debenture was registered at the Registry of Deeds for the Province of Newfoundland and Labrador on the 1st day of February, 2017 as Registration Number 801734 and also registered at the Mineral Claims Recorder's Office for the Province of Newfoundland and Labrador on the 1st day of February, 2017 at Volume 33, Folio 46.
- C. The Borrower, the Co-Covenantor, the Guarantor, the Agent and the Lender have entered into an Amended and Restated Loan Agreement dated as of the date hereof (including all annexes, exhibits and schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Amended and Restated Credit

Agreement”), pursuant to which the Lender has agreed to establish in favour of the Borrower Credit Facility 02 (as defined in the Amended and Restated Credit Agreement, “Credit Facility 02”).

- D. In connection with the establishment of Credit Facility 02, and as a condition precedent thereto, the Secured Parties require that the Chargors shall have executed and delivered this Agreement in order to amend and confirm the Debenture, as thus amended, as security as security for the payment and performance of the Secured Liabilities.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained in the Amended and Restated Credit Agreement and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties agree as follows:

1. Each capitalized term used and not otherwise defined herein has the meaning given to such term in the Debenture.
2. Recital B of the Debenture is hereby deleted in its entirety and replaced with the following:

B. The Borrower, the Co-Covenantor and the Agent as agent for the Lender have entered into a amended and restated loan agreement dated as of the 1st day of August, 2017 (including all annexes, exhibits and schedules thereto, and as from time to time amended, restated, supplemented or otherwise modified, the “Amended and Restated Credit Agreement”).

3. The definition of Credit Agreement found at Section 2(f) of the Debenture is hereby deleted in its entirety and replaced with the following:

(f) “Amended and Restated Credit Agreement” has the meaning set out in recital B of this Agreement.

4. All references in the Debenture to the Credit Agreement shall be revised to references to the Amended and Restated Credit Agreement.

5. Item 1 of Schedule C of the Debenture is hereby deleted in its entirety and replaced with the following:

1. Mining Lease No. 150(4610) dated August 1, 1997 issued by Her Majesty The Queen in Right of Newfoundland and Labrador as lessor to Burin Minerals Ltd. as lessee covering mineral rights to an area of 5.4866 hectares known as the “Grebes Nest now AGS” property situate at and being near St. Lawrence, Burin Peninsula, in the Province of Newfoundland and Labrador registered at Volume 1 Folio 47 of the MCR Registry and shall mean and include any and all substitute or successor titles to such mining lease.

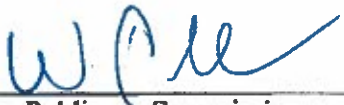
6. Except as set forth in this Agreement, all of the terms of the Debenture are and remain unchanged and the Debenture, as hereby amended, is hereby ratified and confirmed and continues to be in full force, virtue and effect.

7. The Debenture, as amended and supplemented by this Agreement, shall be binding upon the parties hereto, and each of their respective successors and permitted assigns.
8. This Agreement may be executed in any number of counterparts which shall, collectively and separately constitute one agreement.
9. The Chargors each acknowledge receipt of a true copy of this Agreement.

[Remainder of page intentionally left blank. Signature page to follow.]

IN WITNESS WHEREOF the Chargors have caused this Agreement to be executed by their duly authorized officers in that behalf on the date noted on page one hereof.

CANADA FLUORSPAR (NL) INC.



Notary Public or Commissioner of Oaths
(affix seal)

William T. Cahill
Barrister & Solicitor (NL)

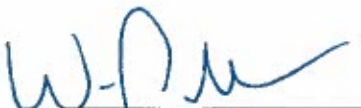
Per: 

Name: Paul Coombs
Title: Chief Financial Officer

I have authority to bind the Corporation

NEWSPAR, a partnership pursuant to the laws of the Province of Newfoundland and Labrador, by its partners **CANADA FLUORSPAR (NL) INC.** and **CFI NEWSPAR HOLDINGS INC.**

CANADA FLUORSPAR (NL) INC.



Notary Public or Commissioner of Oaths
(affix seal)

William T. Cahill
Barrister & Solicitor (NL)

Per: 

Name: Paul Coombs
Title: Chief Financial Officer

I have authority to bind the Corporation

CFI NEWSPAR HOLDINGS INC.



Notary Public or Commissioner of Oaths
(affix seal)

William T. Cahill
Barrister & Solicitor (NL)

Per: 

Name: Paul Coombs
Title: Chief Financial Officer

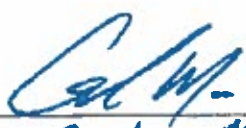
I have authority to bind the Corporation, and collectively we have the authority to bind the Partnership



Notary Public or Commissioner of Oaths
(affix seal)

Andrew James Mushore, a Commissioner, etc.,
Province of Ontario, for Bridging Finance Inc.
and Bridging Factor Inc. Expires July 2, 2018.

BRIDGING FINANCE INC.

Per: 

Name:

Title:

Graham Mear
Portfolio Manager

I have authority to bind the Corporation



Notary Public or Commissioner of Oaths
(affix seal)

Andrew James Mushore, a Commissioner, etc.,
Province of Ontario, for Bridging Finance Inc.
and Bridging Factor Inc. Expires July 2, 2018.

**SPROTT BRIDGING INCOME
FUND LP by its Agent, Bridging
Finance Inc.**

Per: 

Name:

Title:

Graham Mear
Portfolio Manager

I have authority to bind the Corporation