SOLICITATION LETTER

To: Potential buyer/investor

Re: Canada Fluorspar Inc., Canada Fluorspar (NL) Inc., and Newspar (a General Partnership) (together, the "**Company**")

Opportunity Overview

- The Company's chief place of business is in the Province of Newfoundland and Labrador, where all of its operational assets are located. Canada Fluorspar Inc. has been 100% owned by Golden Gate Capital ("**GGC**"), an American private equity firm, since 2014.

- The Company is one of the few active producer of fluorspar in Canada and the United States. The Company 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.

- The Monitor, through the SISP outlined below, is seeking interest for investments, restructuring, recapitalization, refinancing or other forms of reorganization of the business and affairs of the Company as a going concern or a sale (or partial sales) of all, substantially all, or certain aspects of the Company's business, or a combination thereof (the "**Opportunity**").

Sale and Investment Solicitation Process:

- On the 11th day of March 2022, the Supreme Court of Newfoundland and Labrador in Bankruptcy and Insolvency (the "**Court**") granted an order pursuant to the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36 with respect to the Company (the "**Initial CCAA Order**"), which among other things, appointed Grant Thornton Limited (in such capacity, the "**Monitor**") as Monitor of the Company in the CCAA proceedings.

- On the 18th day of March 2022, the Court granted an amended and restated order pursuant to the *Creditors Arrangement Act,* R.S.C. 1985, c. C-36 with respect to the Company (the "**ARIO**") approving, among other things, a sale and investment solicitation process (the "**SISP**") to solicit bids on any form of Opportunity that bidders may elect, pursuant to the SISP. The proposed deadline for the submission of bids is April 17, 2022. The SISP is being undertaken by the Monitor, in consultation with the Company and DIP Lenders (as defined in the Application Record).

- Copies of the SISP and the CCAA Application Materials (the "**Application Record**") are available on the Monitor's website: **www.GrantThornton.ca/CFI**

Asset Overview

- The Company is developing the St. Lawrence Fluorspar Mine Project in St. Lawrence, Newfoundland and Labrador, known as the AGS Fluorspar Project.

- The Company holds several Mineral Licenses and Mining/Surface Leases at the AGS Fluorspar Project site.

- Since 2018, shipments have been loaded from a pier in Marystown, Newfoundland and Labrador. However, in July 2021, the Company loaded its first shipment from its new Blue Beach Marine Terminal, 5 kilometers from the mine site in St. Lawrence.

- In addition to mine development at the AGS Fluorspar Project and the Marine Terminal, the Company also operates the following: (i) A Mill Facility with a production capacity of up to 200,000 tonnes per year of acidspar concentrate; (ii) 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 (iii) a Tailings Management Facility to store 2.8 million tonnes of flotation tailings over the life of the AGS Fluorspar Project.

Investment Highlights

- New production records of fluorspar concentrate were achieved in May and June 2021, and the Company is consistently able to sell its production into the markets.

- The current estimate of ore in the AGS Vein is expected to operate for approximately 7 years. The Company also has other fluorspar ore bodies in the vicinity of the AGS Fluorspar Project, which could be mined after the AGS vein has been exhausted.

- 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.

- Fluorspar is an essential mineral to many industries and applications, including lithiumion 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, anesthesias and medical devices; fire retardants and welding consumables; and steel and aluminum production.

Contact Information

Parties interested in the opportunity will be asked to execute a Confidentiality and Non-Disclosure Agreement that is satisfactory for the purposes of the SISP, the form of which is attached hereto. All inquiries regarding a potential transaction and any request for additional information should be directed to one of the Grant Thornton Limited contacts listed below:

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