2022 01G 0709

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF an application of Grant Thornton Limited, as Court- Appointed Monitor of Canada Fluorspar (NL) Inc., Canada Fluorspar Inc., and Newspar (collectively, "**CFI**" or the "**Company**"); and

IN THE MATTER OF the *Companies Creditors Arrangement Act* R.S.C., 1985 c. C-36 as Amended (the "**CCAA**")

EIGHTH REPORT OF GRANT THORNTON LIMITED, IN ITS CAPACITY AS MONITOR UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36 OF CANADA FLUORSPAR (NL) INC. AND CANADA FLUORSPAR INC. AND NEWSPAR; AND IN ITS CAPACITY AS PROPOSED MONITOR UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36 OF CFI NEWSPAR HOLDINGS INC.

May 12, 2023

Grant Thornton

Grant Thornton Limited,
Court Appointed Monitor

Suite 300 - 15 International Place
St. John's, NL A1A 0L4

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INTRODUCTION

1. On February 21, 2022, upon the application of PricewaterhouseCoopers Inc., in its capacity as court-appointed receiver and manager of Bridging Finance Inc. and Bridging Income Fund LP (collectively referred to as "**Bridging**"), Grant Thornton Limited ("**GTL**") was appointed as Interim Receiver (the "**Interim Receiver**") of all the current and future assets, undertakings and properties (the "**Property**") of Canada Fluorspar (NL) Inc. and Canada Fluorspar Inc. by Order of the Supreme Court of Newfoundland and Labrador (the "**Court**").

2. The Interim Receivership Order authorized the Interim Receiver, among other things, to:

    a) receive, preserve, protect and maintain control over the Property;

    b) to retain or hire any employees on behalf of the Company;

    c) to report to, meet with and discuss with such Affected Persons (as defined in the Interim Receivership Order) as the Interim Receiver deems appropriate;

    d) to utilize monies on hand or borrowed by the Interim Receiver to fund payments of employee payroll obligations, rent, insurance, utilities, and other obligations determined by the Interim Receiver to be integral to the preservation of the Property;

    e) to commence proceedings for the Company pursuant to the *Bankruptcy and Insolvency Act* ("**BIA**") or the *Companies' Creditors Arrangement Act* ("**CCAA**"); and

    f) to report to the Court and the creditors of CFI regarding the status of the business and financial affairs of CFI, including its assets, liabilities, accounts payable and other matters deemed relevant by the Interim Receiver.

3. On March 8, 2022, the Interim Receiver made application to commence proceedings pursuant to the CCAA and the Court issued an Initial Order on March 11, 2022. Grant Thornton Limited was appointed Monitor ("**Monitor**").

4. The Initial Order imposed a stay of proceeding against Canada Fluorspar (NL) Inc., Canada Fluorspar Inc., and Newspar (a General Partnership) (collectively referred to as the "**Company**" or "**CFI**").

5. The Initial Order granted an initial stay of proceedings and authorized the Monitor, among other things, to:

a) Preserve and protect the Business and Property of CFI excluding certain property in favour of HSBC Bank of Canada ("**HSBC**");

b) Providing the Monitor with certain enhanced powers;

c) Approving the debtor in possession financing to allow CFI to continue to operate in the ordinary course pending the comeback hearing; and

d) Setting down the comeback hearing for March 18, 2022 at 10am NL Time.

6. On March 18, 2022 (Court order is dated March 21, 2021), the Court issued an Amended and Restated Initial Order ("**ARIO**") which affirmed the terms of the Initial Order and authorized the Monitor, among other things:

a) Authority to file, if deemed appropriate, a plan of compromise and arrangement on behalf of the Company;

b) Authority to implement operational changes and pursue restructuring opportunities on behalf the Company;

c) Authority under s. 32 of the CCAA to disclaim or rescind agreements for real property;

d) Granted an extension of the stay of proceedings to July 10, 2022;

e) Empowered to run a Sales and Investment Solicitation Process ("**SISP**"), with the terms being outlined in the SISP Process on behalf of the Company and approved by the Court via a SISP Order;

f) Provided enhanced powers within the CCAA due to the directors of the Company resigning and there being no officers;

g) Authorized an increase to the DIP Financing Agreement to borrow on behalf of the Company in accordance with the DIP Financing Agreement.

7. On June 10, 2022, the Monitor made application to the Court to extend the stay of proceedings and extend the SISP process. The Court issued an Order regarding the SISP, an extension of the stay of proceedings and authorized the Monitor, among other things:

a) Approved of the Monitor's activities to the date of the Third Report of the Monitor of May 30, 2022;

b) Granted an extension of the stay of proceedings to September 2, 2022;

c) Granted and declared that pursuant to section 5(5) of the *Wage Earners Protection Act* ("**WEPPA**") the Company's former employees meet the criteria prescribed by section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222 and are individuals to whom the WEPPA applies as of March 18, 2022;

d) Granted approval of amendments to the SISP Order; and

e) Granted approval of amendments to the ARIO Order.

8. On August 24, 2022, the Monitor made application to the Court for, amongst other things, an extension of the stay of proceedings and to extend the SISP process. The purpose of the second extension was to provide additional time for the Monitor to finalize the Definitive Agreements as required by the SISP Order. The Court issued an Order that, among other things:

a) Approved the Monitor's activities to the date of the Fourth Report of the Monitor of August 24, 2022;

b) Granted approval of amendments to the SISP Order;

c) Granted approval of amendments to the ARIO Order; and,

d) Granted an extension of the stay of proceedings to October 17, 2022.

9. On October 6, 2022, the Monitor made application to the Court for, amongst other things, an extension of the stay of proceedings to February 28, 2023. The purpose of the third extension was to provide additional time for the Monitor to close the proposed transaction and proceed to terminating these CCAA proceedings as contemplated in the Fifth Report of Grant Thornton Limited in its Capacity as Monitor (the "**Fifth Report**"). However, as a result of a Material Adverse Change (**"MAC"**) this application was withdrawn.

10. On October 12, 2022, the Monitor filed with the Court a MAC as described in the Sixth Report of Grant Thornton Limited in its Capacity as Monitor (the "**Sixth Report**") as the previously selected successful bidder had not provided the Monitor a top up of the deposit as contemplated in the proposed transaction in the Fifth Report. The purpose of the application or an extension to February 26, 2023, was to determine next steps in consultation with the DIP Lenders. On the same date, the Court issued an Order that, amount other things:

a) Approved the Monitor's activities to the date of the Fifth Report;

b) Granted approval of amendments to the ARIO Order; and

c) Granted an extension of the stay of proceedings to February 26, 2023.

11. On February 16, 2023, the Monitor made application to the Court for, amongst other things, an extension of the stay of proceedings and to extend the SISP. In addition, the Monitor disclosed to the Court that it had finalized a binding letter of intent ("**LOI**") with a New Successful Bidder. The purpose of the third extension of the stay of proceedings was to allow the Monitor and the New Successful Bidder to conduct due diligence and finalize Definitive Agreements, as required by the SISP Order. On February 21, 2023, the Court issued an Order that, among other things:

a) Approved the Monitor's activities to the date of the Seventh Report;

b) Granted approval of amendments to the ARIO Order;

c) Granted an extension of the stay of proceedings to May 31, 2023; and

d) Granted approval for the sealing of the Monitor's Second Confidential Report until the earlier of:

i. The closing of the transaction for the sale of all of the assets or shares of the Company;

ii. The conclusion of the CCAA; or

iii. Further order of this Honourable Court.

12. A copy of the Amended and Restated Initial Order – Amendment #4 dated February 21, 2023 is attached hereto as **Appendix "A"**.

13. A copy of the Order regarding the Third Extension of the stay of proceedings dated February 21, 2023 is attached hereto as **Appendix "B"**.

14. The preceding reports of Grant Thornton Limited as Interim Receiver and Monitor, and all other information in respect of the interim receivership, and all other information in respect to the CCAA proceeding, are posted on the Interim Receiver's and Monitor's website at www.GrantThornton.ca/CFI. Readers are encouraged to read the following reports of Grant Thornton Limited, the materials filed with the court in relation to the applications, and the orders of the Court to provide additional information:

Reports to the Court

a) First Report of Grant Thornton Limited in its capacity as Interim Receiver and Proposed Monitor dated March 8, 2022;

b) Second Report of Grant Thornton Limited in its capacity as Monitor dated March 15, 2022;

c) Third Report of Grant Thornton Limited in its capacity as Monitor dated May 30, 2022;

d) Fourth Report of Grant Thornton Limited in its capacity as Monitor dated August 24, 2022;

e) Fifth Report of Grant Thornton Limited in its capacity as Monitor dated October 6, 2022;

f) Sixth Report of Grant Thornton Limited in its capacity as Monitor dated October 12, 2022; and

g) Seventh Report of Grant Thornton Limited in its capacity as Monitor dated February 15, 2023.

Court Orders

a) Interim Receivership Order dated February 21, 2022, including reasons for judgement;

b) CCAA Initial Order dated March 11, 2022, including reasons for judgement;

c) ARIO dated March 21, 2022, including reasons for judgement;

d) Order approving the SISP dated March 21, 2022;

e) Order approving the Revised SISP, Amended and Restated Initial Order – Amendment #1, and WEPP eligibility dated June 10, 2022;

f) Order approving the Amended and Restated Initial Order – Amendment #2 dated August 30, 2022;

g) Order approving the Amended and Restated Initial Order – Amendment #3 dated October 12, 2022; and

h) Order approving the Third Extension of the stay of proceedings dated February 21, 2023.

15. On March 25, 2022, on application by HSBC Bank Canada, the Court appointed Deloitte Restructuring Inc. ("**Deloitte**") as receiver over the accounts receivable of the Company. Stakeholders wishing additional information on that proceeding are encouraged to contact Deloitte.

16. This is the Eighth Report of the Monitor.

PURPOSE OF THE REPORT

17. The purpose of this report (the "**Eighth Report**") is to inform the Court of the following:

    a) The activities of the Monitor since February 15, 2023, the date of the Seventh Report;

    b) Advise the Court as to the status of the SISP and ongoing work on the Definitive Agreements with the New Successful Bidder;

    c) Seeking the following Orders:

        i. Approving this Eighth Report, the activities of the Monitor and its counsel;

        ii. Approval to add CFI Newspar Holdings Inc. ("**CFI Newspar**") as an applicant in these CCAA proceedings; and

        iii. Granting an extension to the stay of proceedings to June 16, 2023.

TERMS OF REFERENCE

18. In preparing this Eighth Report, the Monitor has relied upon unaudited financial information, certain Company's records, financial information and projections, and discussions with the Management of the Company, and its legal advisors. While the Monitor reviewed various documents provided by the Company and its legal advisors (including, among other things, unaudited internal financial statements and financial projections) and believes that the information therein provides a fair summary of the transactions as reflected in the documents, such work does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles ("**GAAP**") or International Financial Reporting Standards

("**IFRS**"). Accordingly, the Monitor expresses no opinion or other form of assurance pursuant to GAAP or IFRS with respect to such information.

19. Some of the information used in preparing this Eighth Report consists of financial projections, including the Cash Flow Forecast. The Monitor cautions that these forecasts are based upon assumptions about future events and conditions that are not ascertainable. The Company's actual results may vary from the Cash Flow Forecast, even if the Hypothetical and Probable Assumptions (defined herein) contained therein materialize, and the variations could be significant. The Monitor's review of the future oriented information used to prepare this Eighth Report did not constitute an audit of such information under Generally Accepted Auditing Standards, GAAP or IFRS.

20. In the course of its mandate, the Monitor has assumed the integrity and truthfulness of the information and explanations presented to it by the Company, its Management and other stakeholders, within the context in which such information was presented. To date, nothing has come to the Monitor's attention that would cause it to question the reasonableness of these assumptions, or accuracy of the information. The Monitor has requested that Management bring to its attention any significant matters which were not addressed in the course of the Monitor's specific inquiries. Accordingly, this Eighth Report is based solely on the information (financial or otherwise) made available to the Monitor by the Company and its Management.

21. This Eighth Report has been prepared for the use of this Court and the Company's stakeholders as general information relating to the Company and to assist the Court in determining whether to grant the relief sought by the Company. Accordingly, the reader is cautioned that this Report may not be appropriate for any other purpose. The Monitor will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Eighth Report contrary to the provisions of this paragraph.

22. All references to dollars are in Canadian currency unless otherwise noted.

BUSINESS, PROPERTY, AND COLD IDLE

23. Since its appointment, the Monitor, has continued to preserve and protect the Company's business and property. Due to the failure of the previously selected successful bidder, as

detailed in the MAC and Sixth Report, the Monitor proceeded to transition the mine and its assets to Cold Idle.

24. The maintenance and care of the business and property in Cold Idle is ongoing and there is/are no significant issue(s) to note.

25. The Monitor has continued to maintain:

a) Security – Maintained the existing Company security processes, procedures and physical security protocols for the mine sites, and IT security enhancements;

b) Insurance – Insurance by the Monitor has been maintained. The Monitor successfully renewed a portion of the Company's property insurance that expired on March 30, 2023. Details of the renewal are further described later in this Eighth Report;

c) Utilities and services – Arranged for the continued provision of services from utilities and other vendors to maintain the mine in Cold Idle and protect the assets of CFI, including new payment processes and credit terms (if applicable). The Monitor has paid for all services rendered to date in the normal course;

d) Employees – Headcount of 11 has been maintained for security, environmental monitoring, the operation of mobile equipment and to support the SISP process.

e) Operations – In conjunction with the Company's management, participate in weekly updates and planning processes as part of the cold idle program. The weekly operational report is shared with the Bridging and the Province of Newfoundland and Labrador (together the "**DIP Lenders**");

f) Inventory of certain assets – Monitor has continued to work and update an inventory of capital assets, leases, supply agreements, etc. in support of its estate communication processes, the SISP, and for use by other stakeholders in the CCAA process;

g) Statutory Filing – Monitor has continued to communicate with, file all statutory reports, and make all required payments with/to Canada Revenue Agency, Service Canada (for the WEPP Program), Workplace NL, NL Department of Industry Energy and Technology ("**DIET**"), Department of Fisheries and Oceans, NL Department of Finance, Environment Canada and the NL Department of Environment and Climate Change;

h) DIP Lenders – Monitor has continued to report to the DIP Lenders in accordance with the DIP Financing Agreement without issue; and

i) Reporting to Creditors and Other Stakeholders – Monitor has continued to respond to creditor and stakeholder queries, attend meetings with various creditors and stakeholders, and has continued to maintain the estates website by posting updated information as it becomes available.

ENVIRONMENTAL ACTIVITIES

Open Pits

26. The Company has allowed for both Grebe's Nest Pit and Center Pit to flood with water and are being monitored weekly. Current water levels for both pits are 94.1 meters and 87.6 meters, respectively.

27. The flooding of the open pits is in line with the Company's Initial Mine Rehabilitation and Closure Plan, as prepared by Knight Piesold ("**KP**"), which recommended both pits to be flooded gradually over time to an elevation of 116 meters to be in line with sea level.

Tailings Pond

28. Throughout the Care and Maintenance phase, from the date of the Monitor's appointment to October 12, 2022, the Company had been actively treating and discharging the water in the Tailings Pond to the Events Pond and Polishing Pond.

29. The current water level of the Tailings Pond is 111.5 meters. This is a slight increase of 2.5 meters from the date of the Monitor's Seventh Report but is still lower than the 116 meters on and around March 12, 2022, and still substantially lower than the designed spillway elevation of the Tailings Pond of 118 meters.

30. On October 17, 2022, the Company informed the Monitor that a small tear in the tailings' liner was discovered by staff on routine patrols. The Company immediately informed the Engineer of Record, Alex MacIntyre with KP, of the tear and requested guidance on possible solutions.

31. The Company has been working with KP to identify the cause of the tear and possible repair solutions. This work is ongoing and there is no immediate cause for concern.

Events Pond and Polishing Pond

32. As a part of the transition to cold idle, the Company has stopped treating and are currently not treating water from the Tailings Pond to the Events and Polishing Ponds. Currently, the only water input in the Events and Polishing Ponds are rainwater and snow melt.

33. A minimum water level is maintained in both the Events Pond and Polishing Pond for fire suppression in the case of an emergency with the Mill or other surrounding buildings.

34. The Company continues to regularly test the Total Suspended Solids ("**TSS**") levels, as per the Certificate of Approval ("**CofA**"), issued by the Department of Environment and Climate Change of the Province of Newfoundland and Labrador ("**NL DECC**") on August 17, 2022.

35. As the water level rises, or if significant rainfall is expected in the coming days, the Company will verify that the TSS levels are within acceptable range for the water to be discharged to the environment, and if so, will allow discharge to the environment.

Water Testing and Air Quality Monitoring

36. The Company has continued to test and monitor various bodies of water around site, as directed in the CofA. The results of these tests are provided the NL DECC as required.

37. The Company has no uncorrected water testing environmental non-compliances since transitioning to cold idle.

38. The Company also continues to maintain the Air Quality Monitoring station as required by the CofA. The equipment at the Air Quality Monitoring Station may be in need of a repair, as indicated by recent audits from the NL DECC. The Company continues to diagnose any potential problem, but its recent audit indicates that the equipment is still operating within acceptable parameters.

INSURANCE RENEWAL

39. As detailed in the Seventh Report, the Monitor in conjunction with the Company successfully renewed various insurance policies with multiple brokers. All insurance policies were renewed to November 30, 2023, with the exception of 72% of the property insurance policy which expired on March 30, 2023.

40. Since the date of the Seventh Report, the Company has engaged with BFL Canada, the Company's existing insurance broker for the property insurance, regarding the renewal of the 72% of the insured property values to November 30, 2023.

41. The Company was successful and the policy was renewed to November 30, 2023. The Monitor has paid the renewal of the policy for the entire term. All policies are now paid to November 30, 2023.

42. The Monitor is of the opinion that all coverage renewed and obtained is sufficient and reasonable in the circumstances.

CREDITORS

43. The Monitor has, and continues, to engage with all significant creditors and stakeholders in the CCAA proceeding by responding to queries in a timely and factual manner.

44. Secured Creditors – Bridging and the Province of Newfoundland and Labrador ("**PNL**") – The Monitor has provided regular updates to Bridging and PNL on operational and the financial matters in the estate pursuant to the DIP Loan agreement. In addition, the Monitor has responded to all queries to the satisfaction of Bridging and PNL.

45. HSBC Bank of Canada ("**HSBC**") – The CCAA proceeding has carved out the Company's accounts receivable and those assets are being dealt with by Deloitte. The Monitor has continued to cooperate with Deloitte in furtherance of its mandate, and Deloitte has cooperated with the Monitor in furtherance of its mandate.

46. Unsecured – The Monitor continues to manage an email address to engage with stakeholders in the proceeding (canadafluorspar@ca.gt.com). That address is monitored, and queries responded too. In addition, the Monitor has created a website for stakeholders on this proceeding at www.grantthornton.ca/cfi. This website is updated regularly.

47. Employees – The Monitor has created a section on the estate's website dedicated to employees and posts responses to employee related questions, and other updates.

48. Equipment leases – The Monitor has engaged with the various leasing companies for equipment and has made satisfactory arrangements with the majority of them. Further details are:

    a) The Monitor continues to maintain lease payments on 1 lease agreement with Ford Credit Canada Leasing ("**Ford**") for a 2020 Ford F150;

b) A lease with Ford for a 2020 Ford F250 will end on May 12, 2023. The Monitor has reached out to Ford to request an extension of the lease for a term of 1 month, ending on June 12, 2023.

c) The Monitor has also been in communication with Komatsu International (Canada) Inc. ("**Komatsu**"), beneficiary of 13 lease agreements for various equipment with the Company. Komatsu has agreed to suspend future payments on these lease agreements through the SISP;

d) As detailed in the Sixth Report, the Monitor has ceased payments on remaining financing agreements as they have been determined by the Monitor and the Monitor's legal counsel that the agreements are considered Purchase Money Security Interest ("**PMSI**"). The equipment continues to be parked at the CFI site. The agreements are as follows:

   i. Financing agreement with Navstar Capital (Bank of Montreal) for the purchase of a 2020 International Truck and a 2020 Tremcar 1000LT Tank, with the last payment by the Monitor being made on October 6, 2022;

   ii. Financing agreement with Meridian OneCap Credit Corp. for the purchase of a 2019 Takeuchi Mini Excavator, with the last payment by the Monitor being made on October 6, 2022;

   iii. Financing agreement with De Lage Landen Financial Services Canada Inc. ("**DLL**") for the purchase of two 2021 Takeuchi TL8CRWH Track Loaders, with the last payment by the Monitor being made on October 6, 2022; and

   iv. Lease agreements with DLL for the rental of a MX3051, two MX3071 and a MX4071 printers, with the last payments by the Monitor being made on October 6, 2022.

e) The Monitor notes that certain lease agreements with DLL that were disclaimed have not been retrieved by DLL.

f) The Monitor has not been made aware of any creditor seeking to dispute any disclaimers and has not received any notice that any of the lessors intend to dispute the disclaimer.

49. Supply Agreements – The Company had entered into various supply agreements with customers for the sale of acid grade fluorspar, and certain supply agreements with

vendors. It is the Monitors view that claims, if any, can be dealt with within a transaction for the assets of CFI.

THIRD PARTY ASSETS

50. The Monitor developed a process to receive and evaluate claims from stakeholders for the return of property owned by third parties using Form 74 of the *Bankruptcy and Insolvency Act*.

51. Since the date of the Seventh Report, the Monitor has not received any further property claims.

52. As mentioned in the Fifth Report, the Monitor had not received a property claim from Atlantic Explosives Limited ("**AEL**") or Brenco High Voltage Solutions ("**Brenco**") and proceeded to issue letters, dated September 8, 2022, acknowledging their ownership of their respective property. To date, the Monitor has not received a response from either AEL or Brenco. As such, their respective property remains on site as of the date of this Eighth Report. This will not impact any transaction as this asset will be included with the Excluded Assets.

EMPLOYEES AND CONTRACTORS

Employees

53. Employee head count remains unchanged from the Seventh Report, being 11 in total.

54. The Monitor considers the current work force level of 11 is what is required to continue to preserve and protect the business and assets of the Company in cold idle.

55. No further reductions are anticipated; however, the Monitor will continue to evaluate this need, and the circumstances of the business and its assets, and retain and employ those parties whose experience and skill sets are required to continue to preserve and protect the business and assets for the benefit of the stakeholders.

56. On June 10, 2022, this Court approved an Order concerning the WEPP eligibility of terminated employees.

57. Since the date of this Order, the Monitor has filed with Service Canada all Trustee Information Forms ("**TIF**") for employees who have filed a proof of claim with the Monitor.

58. In total, 255 eligible employees have submitted a proof of claim with the Monitor. The Monitor has filed the required TIF's with Service Canada for these employees.

59. As of the date of this report, 5 eligible employees have not submitted a proof of claim with the Monitor. The Monitor will file the TIF with Service Canada for these employees when a proof of claim form has been submitted.

Contractors

60. As detailed in the Seventh Report, the Monitor agreed to temporarily layoff two employees on January 17, 2023 and January 24, 2023 as requested by those individuals.

61. Both employees have since returned from the temporary layoff and remain employed by the Company.

62. The Monitor had replaced these two employees temporarily with local individuals who are former employees of the Company on a contract basis. These contracts have since finished as the individuals have returned to work.

NOTICES AND STATUTORY REPORTING

63. The Monitor has reported to the Court in the Second Report on the CCAA statutory notices. The Monitor continues to update the estate's website at www.GrantThornton.ca/CFI providing estate stakeholders updates when available.

64. The Monitor, together with CFI management continues to work to update, and file, all statutory filings, reports and payments with the Canada Revenue Agency ("**CRA**"), Workplace NL, Service Canada (for the WEPP Program), NL Department of Industry Energy and Technology ("**DIET**"), NL Department of Fisheries and Oceans, Natural Resources Canada, and Environment Canada.

65. CRA completed a payroll trust examination for Canadian employees covering the prefiling pay period in the calendar year 2022. The Monitor has been advised by CRA that there are no issues, and that no property claim will be forthcoming.

66. As detailed in the Monitor's previous reports, CRA issued a letter to the Monitor dated June 1, 2022, indicating a proposed change to the GST/HST return for the audit period of March 1, 2022, to March 11, 2022, ("**HST Assessment**"):

a) On receipt of this letter, the Monitor requested and was granted an extension to July 18, 2022, to respond;

b) On July 18, 2022, the Monitor formally responded to the letter concerning the HST Assessment;

c) On August 8, 2022, the Monitor has received a response from CRA dismissing the Monitor's response to the audit;

d) On November 7, 2022, the Monitor filed a Notice of Objection (GST/HST) with CRA;

e) On December 8, 2022, CRA notified the Company that it has received the Monitor's Notice of Objection (GST/HST);

f) On March 17, 2023, CRA requested of the Monitor its calculation of the amounts which remain unpaid by the Company. The Monitor provided this to CRA on March 21, 2023 via an Excel file. A copy of the summary calculation and the confirmation of the Monitor providing this information to CRA through CRA's online portal is attached hereto as **Appendix "C"**;

g) On April 5, 2023, the CRA asked various questions regarding the Monitor's Notice of Objection (GST/HST) filing. The Monitor responded to CRA on its questions on April 26, 2023. A copy of the response and confirmation of the Monitor responding to CRA through CRA's online portal is attached hereto as **Appendix "D"**;

h) The Monitor has not received a response from CRA as of the date of this Eighth Report. The result of this Notice of Objection filing will not have an impact on a proposed transaction, as this liability is intended to be an excluded liability in any reverse vesting order transaction; and

i) All previous correspondence with CRA on the HST Assessment, as and before the date of the Seventh Report, can be found in the appendices of the Monitor's Seventh Report.

67. On June 8, 2022, the Company received notice from CRA of a tax audit of the Part XIII, Regulation 105 and Regulation 102, of Account 89811 4087 RC0001 for the years 2016 to 2020 (the "**Withholding Tax Audit**"). A summary of activity regarding this audit is as follows:

a) The Monitor, with assistance from CFI's management, have compiled the documents requested by CRA. The Monitor provided these documents to CRA on December 9, 2022;

b) On November 29, 2022, CRA issued a subsequent letter to the Monitor requesting additional items concerning this audit. Notably being, among other things, previously provided documents for the years 2016 to 2020 (as requested on June 8, 2022) and further increasing this request to cover the periods of January 1, 2021 to March 11, 2022;

c) The Monitor, with assistance from CFI's management, have compiled the documents requested by CRA. The Monitor provided these documents to CRA on January 11, 2023;

d) On January 13, 2023, CRA issued a letter to the Monitor requesting audit samples as a result of the information provided to CRA by the Monitor on December 9, 2022;

e) On February 20, 2023, CRA issued a letter to the Monitor requesting additional information as a result of the information provided to CRA on January 11, 2023. A copy of this letter is attached hereto as **Appendix "E"**;

f) On February 28, 2023, the Monitor responded to CRA's request for additional information by informing CRA that there are no remaining employees at the Company who could address its questions. As well, the Monitor was unable to provide a response to CRA as the questions were regarding transactions incurred prior to the appointment of the Interim Receiver and Monitor. A copy of this letter is attached hereto as **Appendix "F"**;

g) On April 14, 2023, the Monitor received a subsequent request from CRA for additional audit samples and expanding the audit period to March 11, 2022. A copy of this letter is attached hereto as **Appendix "G"**;

h) On May 5, 2023, the Monitor provided to CRA all of the samples that could be found by the Company from both requests, being from the letter on January 13, 2023 and April 14, 2023. A copy of the confirmation of the Monitor providing this to CRA through CRA's online portal is attached hereto as **"Appendix "H"**; and

i) The Monitor has estimated that the deemed trust claim related to withholding taxes to be $76,438.26. The unsecured portion of the withholding tax is estimated to be approximately $31,000. The ongoing Withholding Tax Audit should not impact any transaction. The deemed trust amount has been withheld from the net proceeds from the inventory sales and represents a priority charge on the assets of CFI, subject to the DIP and Administration charge. The unsecured portion is a liability that is expected to be discharged as an excluded liability in any reverse vesting order transaction; and

j) All previous correspondence with CRA on the Withholding Tax Audit, as and before the date of the Seventh Report, can be found in the appendices of the Monitor's Seventh Report.

68. On October 20, 2022, the Monitor was informed by the Canadian Nuclear Safety Commission ("**CNSC**") of the Company's requirement to register a new Radiation Safety Officer ("**RSO**") following the termination of the previous RSO on October 12, 2022:

a) The Monitor was provided the regulation by the CNSC as the *General Nuclear Safety and Control Regulations*, specifically *Section 15* being to inform the CNSC of the names of the individual who would be the newly appointed RSO;

b) The Monitor has also been made aware by the CNSC on October 26, 2022 a new Applicant Authority ("**AA**") will also need to be appointed, as the contract with the General Manager has been terminated effective November 5, 2022;

c) The Monitor was informed on October 12, 2022 by the previous RSO that the Company's radiation devices are up to date on their leak testing, as required by its license; and

d) The Monitor has requested quotes for various RSO services from independent contractors and is currently reviewing the Companies' options to maintain the license for a new owner operator.

SALES AND INVESTMENT SOLICITICATION PROCESS ("SISP")

69. As detailed in the Seventh Report, the Monitor and the New Successful Bidder finalized a binding LOI on February 13, 2023 (dated February 10, 2023 but finalized February 13, 2023).

70. The binding LOI contemplated an exclusivity period up to an including March 17, 2023 for Definitive Agreements to be executed and an outside closing date of no later than April 30, 2023, unless otherwise agreeable in writing by the parties.

71. The Monitor in consultation with the DIP Lenders have made several amendments to the exclusivity period and the most recent one being an extension until May 11, 2023 for the execution of Definitive Agreements and an outside closing date of May 22, 2023. Negotiations to extend these dates are ongoing at the time of the writing of the report and are expected to be extended to allow for finalizing the agreements and closing.

72. The Monitor is of the view the New Successful Bidder and all stakeholders are working in good faith to complete the proposed transaction and the Monitor, and DIP Lenders continue to be supportive of the proposed transaction with the New Successful Bidder.

73. It is the Monitor's expectation that Definitive Agreements will be finalized by no later than the third week of May 2023.

74. The Monitor has scheduled a hearing with this Honourable Court on June 6, 2023 with the intention of requesting approval of the proposed transaction with the New Successful Bidder. The requested extension of the stay of proceedings would allow for the Monitor to successfully close on the transaction, should the approval from the Court be granted.

75. The Monitor has disclosed details of the SISP and any revisions to the SISP on its website at www.GrantThornton.ca/CFI.

76. The New Successful Bidder intends to restart the operations of CFI.

77. Details regarding the New Successful Bidder are commercially sensitive at this time as the Monitor and the New Successful Bidder work through negotiations on Definitive Agreements. The Monitor is of the view that the continued sealing of the Second Confidential Report, as granted by this Honourable Court on February 21, 2023, continues to be appropriate.

78. Extending the proposed stay of proceedings to allow the New Successful Bidder to finalize Definitive Agreements is in the best interest of the stakeholders and the proceeding. The Monitor supports the extension, which is also supported by the DIP Lenders.

79. The proposed transaction contemplated by the New Successful Bidder remains to be a Reverse Vesting Order and remains unchanged as detailed in the Seventh Report.

LEGAL PROCEEDINGS

80. Other than the CCAA proceeding, the estate provides the following update on one other active legal proceeding:

a) As previously reported, Inaminka Marine Services Limited ("**IMSL**") has the CFI barge under arrest in Marystown. Details on the arrest were provided in the Monitor's Third Report. If required, the Monitor intends to vigorously defend this claim;

b) On September 2, 2022, the principal of IMSL, Mr. Spellacy also filed a claim for unpaid master's wages and filed a caveat release with the Federal Court on the matter. If required, the Monitor intends to vigorously defend this claim;

c) The Monitor filed an emergency application to have the various orders, and the stay of proceedings, recognized by the Federal Court;

d) On October 5, 2022 the Federal Court provided its decision and stayed the IMSL actions to October 17, 2022 or any later date determined by order of this Court;

e) On November 17, 2022, legal counsel for IMSL filed with the Federal Court a motion to lift the stay of proceedings given the MAC was reported by the Monitor. The Federal Court scheduled a hearing on March 21, 2023;

f) The Federal Court provided its decision to dismiss the recent application from IMSL on April 20, 2023. A copy of this decision has been attached hereto as **Appendix "I"**; and

g) All previous applications and decisions from the Federal Court on this matter, can be found in the Monitor's previous reports.

81. The Monitor was advised there is an ongoing Labour Relations Board Matter (File 5761) in relation to an Unfair Labour Practice complaint, and a Human Rights Complaint (File 13862). Both matters pre-date the initial order and are not expected to have an impact on the CCAA proceedings.

ACTIVITIES OF THE MONITOR - OTHER

82. The Monitor has continued to complete the following:

    a) The Monitor has continued to fully fund payroll for the remaining employees to Ceridian Canada Ltd. ("**Ceridian**") and has paid all outstanding wages. Ceridian has remitted all applicable source deductions to the Crown on behalf of the Monitor;

    b) The Monitor has paid all regulatory costs owed to the Mineral Lands Division of the Province of Newfoundland and Labrador under the Mineral Act RSNL 1990, c. M-12 relating to mineral licenses, mine and surface leases, water-use licenses and water monitoring charges;

    c) The Monitor, with assistance from CFI Management, has filed all outstanding tax and GST/HST returns for Canada Fluorspar Inc., Canada Fluorspar (NL) Inc. and Newspar; and

    d) The Monitor has completed and filed with the Department of Finance of Newfoundland and Labrador on May 5, 2023 the following outstanding returns:

        i. Return of Income Derived from Mineral Rights for the calendar years of 2018, 2019, 2020, 2021 & 2022; and

        ii. Return of Income Derived from Mining Operations for the calendar years of 2018, 2019, 2020, 2021 & 2022.

FILING OF CFI NEWSPAR HOLDINGS INC. AS AN APPLICANT

83. The Monitor is seeking approval of this Honourable Court to include the legal entity CFI Newspar as an applicant in these CCAA proceedings.

84. CFI Newspar is a wholly owned subsidiary of Canada Fluorspar (NL) Inc. ("**CFI (NL)**") as illustrated in CFI's organization chart attached hereto as **Appendix "J"**.

85. CFI Newspar is the owner of a 0.001% partnership interest in Newspar (a General Partnership) ("**Newspar**"). CFI (NL) is the owner of the other 99.999% partnership interest.

86. Newspar is the beneficiary of an environmental indemnity issued by the Province of Newfoundland and Labrador on September 22, 2011 related to any claims of environmental liabilities which existed from the previous mine in St. Lawrence, certain

other licenses and leases, and certain legacy mining assets. The New Successful Bidder intends to acquire these assets.

87. In order to acquire Newspar through an RVO, the New Successful Bidder will have to acquire both partners in the Newspar partnership, hence the requirement to add CFI Newspar to the CCAA proceedings.

88. CFI Newspar's only asset is the 0.001% partnership interest in Newspar, which is an entity subject to these CCAA proceedings.

89. CFI Newspar is the guarantor of the debt owed to Bridging which as of October 17, 2022 totaled $73,128,742.

90. As CFI Newspar is a wholly owned subsidiary of CFI (NL). Pursuant to the ARIO, Section 21 (m), the Monitor was empowered to exercise any rights of CFI. The Monitor is hereby exercising the Company's right to request the approval of this Hounourable Court to proceed with the addition of CFI Newspar as an applicant of these CCAA proceedings.

91. CFI Newspar is an entity to which the CCAA would apply:

   a) CFI Newspar is insolvent and has liabilities of at least $55,000,000 as the guarantor of the debt owed to Bridging.

92. The Monitor is of the view that the addition of CFI Newspar is reasonable in these circumstances and is critical to the success of these CCAA proceedings and the closing of the proposed transaction. Furthermore, the Monitor is of the view that the addition of CFI Newspar as an applicant of these CCAA proceedings will not prejudice any stakeholder and will protect the interests of all stakeholders of the CFI estate. The Monitor supports CFI Newspar being added as an applicant to these CCAA proceedings.

MATERIAL ADVERSE CHANGE

93. The Monitor is not aware of any issue or condition that could be considered a Material Adverse Change pursuant to s.23(1)(d), or the DIP Financing Agreement.

94. The Monitor continues to be of the opinion that s.23(1)(h) does NOT apply and it would be more beneficial to the Company's creditors to continue with the closing of the proposed transaction within the CCAA proceeding.

CASH FLOW UPDATE AND REVISED FORECAST

95. The Monitor has prepared an analysis of budget to actual as of May 7, 2023. This is attached hereto as **Appendix "K"**. Overall, the Monitor is tracking slightly behind forecast with a $103,000 unfavorable variance on a net basis, being behind forecast on the cash inflows by $33,000 and above forecast on expenses by $69,000. The lower than expected cash inflows are the result of not collecting HST refunds when forecast, and the unfavourable expense variance is being driven by higher than forecast professional fees. In addition, the Monitor has attached hereto as **Appendix "L"** a statement of receipts and disbursements to May 7, 2023.

96. The Monitor has prepared a revised cash flow forecast, attached hereto as **Appendix "M"** (the "**Revised Cash Flow Forecast**") as a result of the Monitor's proposed extension to the SISP. The Cash Flow Forecast covers the period from May 7, 2023 to June 24, 2023 (the "**Revised Cash Flow Period**");

97. The Cash Flow Forecast has been prepared by the Monitor using probable and hypothetical assumptions set out therein (the "**Probable and Hypothetical Assumptions**");

98. The requirement of s. 23(1)(b) of the CCAA states that the Monitor is to review the Revised Cash Flow Forecast for reasonableness. As the Directors of the Company have resigned, the Monitor has prepared the Revised Cash Flow Forecast based on the actual expenses incurred since the date of the Interim Receivership and Initial Order. The Monitor is of the opinion that the Revised Cash Flow is reasonable in all material respects:

   (a) The Probable and Hypothetical Assumptions are consistent with the purpose of the Revised Cash Flow Projection;

   (b) As at the date of this Fifth Report, the Probable and Hypothetical Assumptions developed by the Monitor are suitably supported and consistent with the Company's plans and provide a reasonable basis for the Revised Cash Flow Forecast;

   (c) The Revised Cash Flow Forecast reflects the Probable and Hypothetical Assumptions.

99. The Company's cash position, held in trust with the Monitor, as of May 7, 2023 is $570,020. The Company is forecasting a future cash receipt of $200,000 representing a payment to the Monitor from the New Successful Bidder in order to make certain required

payments for mineral and mine licenses and leases, and $522,000 in future disbursements from the date of this report through to June 17, 2023. This disbursement does not include $76,000 withheld to cover the unremitted withholding taxes payable, and an estimated $60,000 WEPP priority claim from Service Canada.

GENERAL COMMENTS ON THE CASHFLOW

100. In addition, the Monitor makes the following general comments on the Revised Cash Flow Forecast:

   (a) Disbursements appear to be consistent with the level of operations since the date of ARIO – Amendment #4;

   (b) The Revised Cash Flow Forecast includes the encumbering of estimated priority claims by the Canada Revenue Agency and Employment and Social Development Canada relating to WEPPA. The Monitor understands a portion of those claims would have priority over the secured creditors in relation to the Company's current assets;

   (c) Disbursements include forecast payments to the Company's legal counsel and financial advisors, and the Monitor and its legal counsel.

101. The Monitor has the funds in place to support the requested extension of the Revised SISP and stay of proceedings.

EXTENSION OF THE STAY OF PROCEEDINGS

102. The Monitor is requesting of this Honourable Court a short extension of the stay of proceedings June 16, 2023 in order to allow for a hearing on the proposed transaction and if approved, successfully close the proposed transaction with the New Successful Bidder.

103. It is the Monitors intention to have signed Definitive Agreements in place by no later than May 24, 2023. The Monitor has also scheduled a subsequent hearing on June 6, 2023 before this Honourable Court to hear a motion to approve the proposed transaction.

RECOMMENDATION

104. For the reasons set out in this Eighth Report, the Monitor respectfully recommends that this Court:

(a) Approve the activities of the Monitor and its legal counsel to the date of this Eighth Report;

(b) Add CFI Newspar as an applicant to these CCAA proceedings; and,

(c) Grant an extension to the stay of proceedings to June 16, 2023.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 12th day of May 2023.

GRANT THORNTON LIMITED,
SOLELY IN ITS CAPACITY AS MONITOR
OF THE COMPANY, AND NOT IN ITS PERSONAL CAPACITY

Per: ______________________________

Phil Clarke, CPA, CA, CIRP, LIT

Senior Vice-President

Appendix “A”

2022 01G 0709

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF an application of Canada Fluorspar (NL) Inc., and Canada Fluorspar Inc., by their Court Appointed Interim Receiver, Grant Thornton Limited.

AND IN THE MATTER OF the *Companies' Creditors Arrangement Act*, R.S.C. 1985, C. c-36, as amended

AMENDED AND RESTATED INITIAL ORDER – AMENDMENT #4

BEFORE THE HONOURABLE JUSTICE MACDONALD

THIS APPLICATION, made by Grant Thornton Limited, in its capacity as Court-Appointed Interim Receiver of Canada Fluorspar (NL) Inc., and Canada Fluorspar Inc., (the "**Interim Receiver**" or the "**Applicant**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order substantially in the form filed with the Application was heard this 11th day of March, 2022.

ON READING the affidavit of Phil Clarke sworn the 8th day of March, 2022 (the "**Clarke Affidavit**") and the Exhibits thereto, the consent of Grant Thornton Limited ("**GTL**") to act as Court-appointed monitor of Canada Fluorspar (NL) Inc. Canada Fluorspar Inc., and Newspar (a General Partnership) (in such capacity, the "**Monitor**"), and the Pre-Filing Report of GTL as Interim Receiver;

ON READING, the report of GTL as Monitor dated the 15th day of March, 2022;

ON READING the affidavits of Phil Clarke sworn the 30th day of May, 2022 (the "**Clarke Affidavit**") and the Exhibits thereto, and of Melissa Spearns sworn on the 26th day of May, 2022 (the "**Spearns Affidavit**") and the Exhibits thereto, and the Monitors First Second and Third Reports;

ON READING the affidavit of Phil Clarke sworn the 24th day of August, 2022 (the "**Clarke Affidavit**") and the Exhibits thereto, and the Monitor's Fourth Report;

Filed Feb 21/23

ON READING the affidavits of Phil Clarke sworn the 6th day of October 2022 and the 11th day of October 2022 (collectively the "**Clarke Affidavit**") and the Exhibits thereto, the Monitor's First Confidential Report and the Monitor's Fifth Report;

ON READING the affidavit of Phil Clarke sworn the 16th day of February, 2023 (the "Clarke Affidavit") and the Exhibits thereto, and the Monitor's Seventh Report and Second Confidential Report;

ON HEARING the submissions of counsel for the Applicant, legal counsel for the Company (as defined herein), and such other counsel that were present, no one else appearing for any party although duly served as outlined in the affidavit of service dated the 10th day of March, 2022, and on reading the consent of GTL to act as Monitor;

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Materials filed, as set out in the affidavit of service is hereby deemed adequate notice so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that Canada Fluorspar (NL) Inc., Canada Fluorspar Inc., and Newspar (a General Partnership) (collectively the "**Company**") is a company to which the CCAA applies.

3. Capital terms not otherwise defined herein shall have the meaning ascribed to them in Schedule "A"

PLAN OF ARRANGEMENT

4. **THIS COURT ORDERS** that the Monitor, on behalf of the Company, shall have the authority to file and may, if deemed appropriate and subject to further order of this Court, file with this Court a plan of compromise and arrangement (hereinafter referred to as the "**Plan**".

POSSESSION OF PROPERTY AND OPERATIONS

5. **THIS COURT ORDERS** that the Company shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof, save and except the Excluded Property (the "**Property**"). Subject to further Order of this Honourable Court, the Monitor on behalf of the Company, shall continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property. The Monitor is authorized and empowered to continue to retain and employ the employees, consultants, independent contractors, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of its Business or for the carrying out of the terms of this Order.

6. **THIS COURT ORDERS** that the Monitor, on behalf of the Company, shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

(a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;

(b) the fees and disbursements of any Assistants retained or employed by the Company in respect of these proceedings, at their standard rates and charges; and

(c) in consultation with the DIP Lender, amounts owing for goods and services supplied to the Company, if in the opinion of the Monitor, the supplier or vendor of such goods or services is necessary for the operation and preservation of the Business or Property.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Monitor, on behalf of the Company, shall be entitled but not required to pay all reasonable expenses incurred by the Company in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

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(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance, maintenance and security services and lease payments for mining equipment used in the operation of the Business; and

(b) payment for goods or services actually supplied to the Company following the date of this Order.

8. **THIS COURT ORDERS** that the Monitor, on behalf of the Company, shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Company in connection with the sale of goods and services by the Company, but only where such Sales Taxes are accrued or collected after the date of this Order, and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Company.

9. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Monitor, on behalf of the Company, shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Company and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order. The Monitor, on behalf of the Company, may pay such Rent twice

monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, the Monitor, on behalf of the Company, is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Company to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. **THIS COURT ORDERS** that the Monitor, on behalf of the Company shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as defined hereinafter), have the right to:

(a) Permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding $500,000 in any one transaction or $2,500,000 in the aggregate;

(b) Terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and

(c) Pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing.

All of the foregoing to permit the Monitor, on behalf of the Company, to proceed with an orderly restructuring of the Business (the "**Restructuring**").

12. **THIS COURT ORDERS** that the Monitor, on behalf of the Company, shall provide each of the relevant landlords with notice of the Company's intention to remove any fixtures from any leased premises 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 Company'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 Monitor, on behalf of the Company, or by further Order of this Court upon application by the Monitor on at least two (2) days notice to such landlord and any such secured creditors. If the Monitor disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Company's claim to the fixtures in dispute.

13. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer [or resiliation], the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Company in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE COMPANY OR THE PROPERTY

14. **THIS COURT ORDERS** that until and including the 31st day of May, 2023 or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Company or the Monitor, or affecting the Business or the Property,(save and except the Excluded Property), except with the written consent of the Monitor and the Company, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Company or affecting the Business or the Property (save and except the Excluded Property) are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Company or the Monitor, or affecting the Business or the Property, (save and except the Excluded Property), are hereby stayed and suspended except with the written consent of the Monitor and the Company, or leave of this Court, provided that nothing in this Order shall (i) empower the Monitor, on behalf of the Company, to carry on any business which the Company is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

16. **THIS COURT ORDERS** that nothing in this Order shall prevent HSBC from exercising any rights or remedies, taking any enforcement steps, actions or commencing any proceedings against the Company with respect to the Excluded Property.

NO INTERFERENCE WITH RIGHTS

17. **THIS COURT ORDERS** that during the Stay Period, 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 Company, except with the written consent of the Monitor and the Company, or leave of this Court.

CONTINUATION OF SERVICES

18. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Company 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 the Business or the Company, 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 Company, and that the Monitor, on behalf of the Company, shall be entitled to the continued use of its current premises, 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 Monitor,

on behalf of the Company, in accordance with normal payment practices of the Company or such other practices as may be agreed upon by the supplier or service provider and each of the Monitor and the Company, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

19. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Company. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

APPOINTMENT OF MONITOR

20. **THIS COURT ORDERS** that Grant Thornton Limited is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Company with the powers and obligations set out in the CCAA, (save and except in relation to the Excluded Property) or set forth herein and that the Company and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Company pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

21. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

    (a) monitor the Company's receipts and disbursements;

    (b) report to this Court at such times and intervals as the Monitor or Court may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

    (c) assist, with consultation with the Company, in its dissemination of reports and other information to the DIP Lender (as defined herein) and their respective counsel,

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pursuant to and in accordance with the Definitive Documents (as defined herein), or as may otherwise be reasonably requested by the DIP Lender;

(d) execute the DIP Financing Agreement (as defined herein) on behalf of the Company;

(e) advise, in consultation with the Company, in its preparation of the Company's cash flow statements and reporting required by the DIP Lender under the Definitive Documents, which information shall be reviewed with the Monitor and delivered to the DIP Lender and their respective counsel in accordance with the Definitive Documents;

(f) execute any and all documentation, on behalf of the Company, as reasonably necessary or required by the DIP Financing Agreement and the SISP;

(g) run the SISP pursuant to the SISP Order;

(h) advise, in consultation with the Company, in its development of the Plan and any amendments to the Plan, if applicable;

(i) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Company, to the extent that is necessary to adequately assess the Company's business and financial affairs or to perform its duties arising under this Order;

(j) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;

(k) engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other Persons (as defined below) from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Monitor's powers and duties, including those conferred by this Order;

(l) enter into any agreements;

(m) exercise any rights of the Company;

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(n) apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and in the name of the Company;

(o) take any and all steps of the Company authorized by any Order made in these proceedings, including making distributions or payments;

(p) purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the Business, or any part or parts thereof; and

(q) perform such other duties as are required by this Order or by this Court from time to time.

22. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property but as Monitor shall take part in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business, or any part thereof.

23. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor 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* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor'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.

24. **THIS COURT ORDERS** that nothing herein contained shall make the Monitor liable for any mine closure or environmental and land rehabilitation-related liabilities or obligations

in respect of or in any way related to the Property (or caused by or resulting from any matter or thing originating on or coming from the Property). For greater certainty:

(a) Notwithstanding anything in any Environmental Legislation, the Monitor is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:

   (i) before the Monitor's appointment; or

   (ii) after the Monitor's appointment unless it is established that the condition arose or the damage occurred as a result of the Monitor's gross negligence or wilful misconduct.

(b) Nothing in sub-paragraph (a) exempts the Monitor from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.

(c) Notwithstanding anything in any Environmental Legislation, but subject to subparagraph (a) hereof, where an order is made which has the effect of requiring the Monitor to remedy any environmental condition or environmental damage affecting the Property, the Monitor is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,

   (i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Monitor, if the order is in effect when the Monitor is appointed, or during the period of the stay referred to in clause (ii) below, the Monitor:

      (A) complies with the order, or

      (B) on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;

   (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Monitor, if the order is in effect when the Monitor is appointed, by,

(A) the court or body having jurisdiction under the law pursuant to which the order was made to enable the Monitor to contest the order; or

(B) the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or

(iii) if the Monitor had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

25. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Company and the DIP Lender with information provided by the Company in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Company is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Company may agree.

26. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

27. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and counsel to the Company shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Company as part of the costs of these proceedings. The Company is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, and counsel for the Company on a weekly basis and, in addition, the Company is hereby authorized to pay to the Monitor, counsel to the Monitor, and

counsel to the Company reasonable retainers to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

28. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose, the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Supreme Court of Newfoundland and Labrador in Bankruptcy and Insolvency.

29. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Company's counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, (save and except the Excluded Property and Excluded Inventory), which charge shall not exceed an aggregate amount of $250,000.00 (which includes the amount provided for in the Interim Receivership Order), as security for their professional fees and disbursements incurred at their respective standard rates and charges of the Monitor and such counsel, both before and after the making of this Order and the Amended and Restated Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 41 and 43 herein.

ENHANCEMENT OF MONITOR'S POWERS

30. **THIS COURT ORDERS** that, without in any way limiting the powers and duties of the Monitor, the Monitor is hereby empowered and authorized, but not obligated, to do any of the following in the name and on behalf of the Company, where the Monitor considers it necessary or desirable:

   (a) take any and all actions and steps to manage, operate and carry on the Business, including, without in any way limiting the generality of the foregoing:

      (i) any actions or steps the Monitor considers necessary or desirable to proceed with an orderly restructuring or liquidation of the Business;

      (i) permanently or temporarily ceasing, downsizing or shutting down any of the Company's operations;

      (ii) terminating the employment of or temporarily laying off employees of the Company;

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(iii) pursuing all avenues of refinancing the Business or Property, except the Excluded Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing;

(iv) preparing a Plan of Compromise and Arrangement on behalf of one or more of the Applicants;

(v) settling, extending or compromising any indebtedness owing to or by the Company;

(vi) initiating, prosecuting and continuing the prosecution of any and all proceedings and defending all proceedings now pending or hereafter instituted with respect to the Company, the Business, the Property or the Monitor and to settle or compromise any such proceeding;

(vii) taking any and all corporate governance actions for the Company; and

(viii) providing instruction and direction to the advisors of the Company;

(b) preserve, protect and exercise control over the Property, (with the exception of the Excluded Property), or any parts thereof, including, without in any way limiting the generality of the foregoing:

(i) receive, collect and exercise control over all monies and accounts held by or owing to the Company; including any proceeds of the sale of any of the Property (save and except the Excluded Property);

(ii) exercise all remedies of the Company in collecting monies owed or hereafter owing to the Company and to enforce any security held by the Company;

(iii) execute, assign, issue and endorse documents of whatever nature in respect of any of the Property (save and except the Excluded Property) for any purpose pursuant to this Order;

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(iv) to market, sell convey, transfer, lease or assign the Property, including running a sales solicitation process, or any part or parts of the Property out of the ordinary course of business;

(A) without the approval of this Court, in respect of any one transaction not exceeding $500,000 or $2,500,000 in the aggregate;

(B) without the approval of this Court in respect of the sale of Fluorspar inventory; and

(C) with the approval of this Court in respect of any other transaction;

(c) to report to, meet with and discuss with such affected persons as the Monitor deems appropriate on all matters relating to the Business and the Property, and to share information, subject to such terms as to confidentiality as the Monitor deems advisable;

(d) oversee and direct the preparation and dissemination of financial and other information of the Company in these proceedings, including cash flow statements;

(e) apply to the court for advice and direction or for any further orders in these proceedings, including, without in any way limiting the generality of the foregoing, sale approval and vesting orders and orders extending or terminating the stay of proceedings;

(f) perform such other duties or take any steps reasonably incidental to the exercise of these powers;

and in each case where the Monitor takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other persons, including the Company and without interference from any other person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE MONITOR

31. **THIS COURT ORDERS** that the Company and all its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other

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persons acting on their instructions or behalf shall fully co-operate with the Monitor in the exercise its powers under this Order or any other Order of the Court, including by:

(a) advising the Monitor of the existence of any Property of which such party has knowledge of;

(b) providing the Monitor with immediate and continued access to any Property in such party's possession or control;

(c) advising the Monitor 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 Company, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information ("**Records**") of which such party has knowledge of; and

(d) providing access to and use of the Records, including any accounting, computer, software and physical facilities relating thereto, and including providing the Monitor with instructions on the use of any computer or other system as requested by the Monitor and providing the Monitor with any and all access codes, account names and account numbers that may be required to gain access to the Records, provided however that nothing in this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Monitor due to the privilege attaching to solicitor client communication or due to statutory provisions prohibiting such disclosure.

LIMITATION ON THE MONITOR'S LIABILITY

32 **THIS COURT ORDERS THAT** the Monitor is not and shall not, for any purposes, be deemed to be a director, officer, employee, receiver, receiver-manager, or liquidator of the Company.

33. **THIS COURT ORDERS THAT** the Monitor is not and shall not for the purposes of the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.) be deemed to be a legal representative or person to whom s. 150(3) of that Act applies.

34. **THIS COURT ORDERS THAT** that the rights, protections, indemnities, charges, priorities and other provisions in favour of the Monitor set out in the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, any other applicable legislation, and any other Order granted in these proceedings, all shall apply and extend to the Monitor in connection with the Monitor carrying out the provisions of this Order, amended as necessary to give effect to the terms of this Order.

DIP FINANCING

35. **THIS COURT ORDERS** that the Monitor, on behalf of the Company, is hereby authorized and empowered to execute, enter into and deliver the DIP Facility Loan Agreement (the "**DIP Financing Agreement**") dated the 7th day of March, 2022 between, the Company, as borrower, and Bridging Finance Inc., Bridging Income Fund LP, Bridging Private Debt Institutional LP, Bridging Mid-Market Debt Fund LP, Bridging Private Debt Lending Master Fund I, LP (Cayman), Bridging SMA 1 LP. Bridging SMA 2 LP, and Her Majesty in Right of Newfoundland and Labrador, as represented by the Minister of Industry, Energy and Technology as lender (collectively the "**DIP Lender**"), and to borrow, in accordance with the terms and conditions of the DIP Financing Agreement, up to Four Million Seven Hundred Thousand ($4,700,000.00) (the "**DIP Facility**") to, among other things, fund the Company's working capital requirements, the SISP and other general corporate purposes of the Company during the Stay Period.

36. **THIS COURT ORDERS** that, in addition to the DIP Financing Agreement, the Company is also hereby authorized and empowered to execute and deliver such other credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively with the DIP Financing Agreement, the "**Definitive Documents**"), as are contemplated by the DIP Financing Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Monitor, on behalf of the Company is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Financing Agreement and the other Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

37. **THIS COURT ORDERS** that, as security for the Company's obligations under the Definitive Documents, the DIP Lender shall be entitled to the benefit of and are hereby granted a charge (the "**DIP Lender's Charge**") on the Property, (save and except the Excluded Property and Excluded Inventory), which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 41 and 43 herein. Notwithstanding the foregoing, the Interim Receiver's Borrowing Charge contained in Paragraph 27 of the Interim Receivership Order, being the 1.8 Million advanced pursuant to the Interim Receivership Order, shall continue to be in full force and effect during the term of this Order. The Interim Receiver's Borrowing Charge shall rank pari passu with the DIP Lender's Charge.

38. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

(a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;

(b) upon the occurrence of an event of default under the DIP Financing Agreement, the other Definitive Documents or the DIP Lender's Charge, upon five (5) days notice to the Monitor and the Company, the DIP Lender may exercise any rights and remedies against the Company or the Property, (save and except the Excluded Property), under or pursuant to the DIP Financing Agreement, the other Definitive Documents and the DIP Lender's Charge, including, without limitation, to cease making advances to the Company and set off and/or consolidate any amounts that may be owing by the DIP Lender against the obligations of the Company to the DIP Lender under the DIP Financing Agreement, the other Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Company and for the appointment of a trustee in bankruptcy of the Company; and

(c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Company or the Property (save and except the Excluded Property).

39. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Company under the CCAA, or any proposal filed by the Company under the BIA, with respect to any advances made under the DIP Financing Agreement and the other Definitive Documents.

40. **THIS COURT ORDERS AND DECLARES** that this Order is subject to provisional execution and that if any of the provisions of this Order in connection with the DIP Financing Agreement, the other Definitive Documents or the DIP Lender's Charge shall subsequently be stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a "**Variation**") whether by subsequent order of this Court on or pending an appeal from this Order, such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP Lender, whether under this Order (as made prior to the Variation), under the DIP Financing Agreement or the other Definitive Documents with respect to any advances made or obligations incurred prior to the DIP Lender being given notice of the Variation, and the DIP Lender shall be entitled to rely on this Order as issued (including, without limitation, the DIP Lender's Charge) for all advances so made and other obligations set out in the DIP Financing Agreement and the other Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

41. **THIS COURT ORDERS** that the priorities of the Administration Charge, the DIP Lender's Charge, and the Interim Receiver's Borrowing Charge on the Property (save and except the Excluded Property and Excluded Inventory), (collectively, the "**Charges**"), as among them, shall be as follows:

First – the Administration Charge (to the maximum amount of $250,000.00);

Second– the DIP Lender's Charge and the Interim Receiver's Borrowing Charge, on a pari passu basis.

42. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

43. **THIS COURT ORDERS** that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property, (save and except the Excluded Property and Excluded Inventory), and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, except for any secured creditor of the Company who did not receive notice of the application for this Order. The Company shall be entitled, on a subsequent motion on notice to those Persons likely to be affected thereby, to seek priority of the Charges ahead of any Encumbrances over which the Charges have not obtained priority pursuant to this Order.

44. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Company shall not grant any Encumbrances over any Property that rank in priority to, or pari passu with, any of the Charges, unless the Company also obtains the prior written consent of the Monitor and of the applicable chargee(s) entitled to the benefit of the Charges (collectively, the "**Chargees**"), or further Order of this Court.

45. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Company, and notwithstanding any provision to the contrary in any Agreement:

(a) Neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Financing Agreement or the other Definitive Documents shall create or be deemed to constitute a breach by the Company of any Agreement to which it is a party;

(b) None of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Company entering into the DIP Financing Agreement, the creation of the Charges, or the execution, delivery or performance of the other Definitive Documents; and

(c) The payments made by the Company pursuant to this Order, the DIP Financing Agreement or the other Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

46. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Company's interest in such real property leases.

SERVICE AND NOTICE

47. **THIS COURT ORDERS** that the Monitor shall (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner by electronic means, a notice to every known creditor who has a claim against the Company of more than $1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

GENERAL

48. **THIS COURT ORDERS** that the Monitor, on behalf of the Company, may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

49. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from subsequently acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Company, the Business or the Property.

50. **THIS COURT ORDERS** that each of the Company and the Monitor 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 Monitor 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.

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ISSUED AT St John's in the Province of Newfoundland and Labrador, this 21 day of February A.D., 2023

Court Officer

COURT OFFICER

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Schedule "A"

Defined Terms

"**Excluded Inventory**" means inventory representing a value in the amount of USD2,500,000

"**Excluded Property**" means: (i) any and all Receivables and/or Financed Receivables, as such terms are defined pursuant to the RFA, together with all rights and remedies arising thereunder, insurance policies and proceeds resulting therefrom, and proceeds generally, and (ii) all Export Development Canada insurance policies or support in favor of HSBC,

"**HSBC**" means HSBC Bank Canada; and

"**RFA**" means the Trade Invoice Recourse Financing Facility Agreement between HSBC and Canada Fluorspar (NL) Inc., dated May 25, 2018, as amended.

Appendix “B”

2022 01G 0709

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF an application of Grant Thornton Limited, as Court- Appointed Monitor of Canada Fluorspar (NL) Inc., Canada Fluorspar Inc., and Newspar (collectively, "**CFI**" or the "**Company**"); and

AND IN THE MATTER OF the *Companies Creditors Arrangement Act* R.S.C., 1985 c. C-36 as Amended (the "**CCAA**")

ORDER

Before the Honourable Justice MacDonald;

THIS APPLICATION, made by Grant Thornton Limited ("**GTL**" or the "**Monitor**"), in its capacity as Court-Appointed Monitor of the Company, pursuant to the CCAA for an Order substantially in the form filed with the Application heard on this 21st day of February 2023.

ON READING the affidavit of Phil Clarke sworn on the 16th day of February 2023 (the "**Clarke Affidavit**") and the Exhibits thereto, the Monitor's Second Confidential Report and the Monitor's Seventh Report;

UPON HEARING Counsel for the Monitor and other counsel as they may appear;

IT IS HEREBY ORDERED;

1. **THAT** the time for service of the within Notice of Motion and materials filed, as set out in the affidavit of service is hereby deemed adequate notice so that this Application is properly returnable today and this Court hereby dispenses with further service thereof.

2. **THAT** all terms not otherwise defined herein shall have the meaning ascribed to them in the Amended and Restated Initial Order of this Court dated March 18th, 2022 (the "**ARIO**"), Amendment #1 of ARIO dated June 10th, 2022 (the "**Amended ARIO**"),

Filed Feb 21/23

Amendment #2 to the ARIO dated August 30th, 2022 (" **2nd Amended ARIO** ") and the Amendment #3 to the ARIO dated October 12th 2022 (" **3rd Amended ARIO**"), the Clarke Affidavit, the Monitor's Second Confidential Report and the Seventh Report of the Monitor filed on February 16th 2023;

EXTENSION OF THE STAY PERIOD

3. **THIS COURT ORDERS** that the current Stay Period under the CCAA be and is hereby extended to and including the 31st day of May 2023.

AMENDMENTS TO THE 3rd AMENDED ARIO

4. **THIS COURT ORDERS** that the amendments to the 3rd Amended ARIO as proposed by the Monitor, attached hereto as **Exhibit "A"**, are hereby approved.

5. **THIS COURT ORDERS** that in carrying out the terms of this Order, the Monitor whether in its personal capacity or in its capacity as the Monitor:

    (a) shall have all the protections provided to it as an officer of the Court, including the protections granted pursuant to the CCAA and other orders granted in these CCAA proceedings, including the stay of proceedings; and

    (b) shall incur no liability or obligation as a result of carrying out any duties or work in connection with this Order, save and except for any gross negligence or willful misconduct on its part.

SEALING ORDER

6. **THIS COURT ORDERS** that the Monitor's Second Confidential Report shall be sealed with the court until the earlier of the following: (a) the closing of a transaction for the sale of all of the assets or shares of the Company; (b) the conclusion of the CCAA proceedings in the within matter; or (c) further order of this Honourable Court.

7. **THIS COURT ORDERS THAT** any interested party may apply, on notice to the Monitor,

to vary the terms of the within Sealing Order or to unseal the Monitor's Second Confidential Report.

APPROVAL OF THE MONITOR'S SEVENTH REPORT

8. **THIS COURT ORDERS** that the Monitor's Seventh Report and the activities of the Monitor and its counsel referred to therein be and are hereby approved; provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

DATED at St. John's, in the Province of Newfoundland and Labrador, this 21 day of February 2023.

COURT OFFICER

EXHIBIT "A"

2022 01G 0709

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF an application of Canada Fluorspar (NL) Inc., and Canada Fluorspar Inc., by their Court Appointed Interim Receiver, Grant Thornton Limited.

AND IN THE MATTER OF the *Companies' Creditors Arrangement Act*, R.S.C. 1985, C. c-36, as amended

AMENDED AND RESTATED INITIAL ORDER – AMENDMENT #4

BEFORE THE HONOURABLE JUSTICE MACDONALD

THIS APPLICATION, made by Grant Thornton Limited, in its capacity as Court-Appointed Interim Receiver of Canada Fluorspar (NL) Inc., and Canada Fluorspar Inc., (the "**Interim Receiver**" or the "**Applicant**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order substantially in the form filed with the Application was heard this 11th day of March, 2022.

ON READING the affidavit of Phil Clarke sworn the 8th day of March, 2022 (the "**Clarke Affidavit**") and the Exhibits thereto, the consent of Grant Thornton Limited ("**GTL**") to act as Court-appointed monitor of Canada Fluorspar (NL) Inc. Canada Fluorspar Inc., and Newspar (a General Partnership) (in such capacity, the "**Monitor**"), and the Pre-Filing Report of GTL as Interim Receiver;

ON READING, the report of GTL as Monitor dated the 15th day of March, 2022;

ON READING the affidavits of Phil Clarke sworn the 30th day of May, 2022 (the "**Clarke Affidavit**") and the Exhibits thereto, and of Melissa Spearns sworn on the 26th day of May, 2022 (the "**Spearns Affidavit**") and the Exhibits thereto, and the Monitors First Second and Third Reports;

ON READING the affidavit of Phil Clarke sworn the 24th day of August, 2022 (the "**Clarke Affidavit**") and the Exhibits thereto, and the Monitor's Fourth Report;

ON READING the affidavits of Phil Clarke sworn the 6th day of October 2022 and the 11th day of October 2022 (collectively the "**Clarke Affidavit**") and the Exhibits thereto, the Monitor's First Confidential Report and the Monitor's Fifth Report;

ON READING the affidavit of Phil Clarke sworn the 16th day of February, 2023 (the "Clarke Affidavit") and the Exhibits thereto, and the Monitor's Seventh Report and Second Confidential Report;

ON HEARING the submissions of counsel for the Applicant, legal counsel for the Company (as defined herein), and such other counsel that were present, no one else appearing for any party although duly served as outlined in the affidavit of service dated the 10th day of March, 2022, and on reading the consent of GTL to act as Monitor;

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Materials filed, as set out in the affidavit of service is hereby deemed adequate notice so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that Canada Fluorspar (NL) Inc., Canada Fluorspar Inc., and Newspar (a General Partnership) (collectively the "**Company**") is a company to which the CCAA applies.

3. Capital terms not otherwise defined herein shall have the meaning ascribed to them in Schedule "A"

PLAN OF ARRANGEMENT

4. **THIS COURT ORDERS** that the Monitor, on behalf of the Company, shall have the authority to file and may, if deemed appropriate and subject to further order of this Court, file with this Court a plan of compromise and arrangement (hereinafter referred to as the "**Plan**".

POSSESSION OF PROPERTY AND OPERATIONS

5. **THIS COURT ORDERS** that the Company shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof, save and except the Excluded Property (the "**Property**"). Subject to further Order of this Honourable Court, the Monitor on behalf of the Company, shall continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property. The Monitor is authorized and empowered to continue to retain and employ the employees, consultants, independent contractors, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of its Business or for the carrying out of the terms of this Order.

6. **THIS COURT ORDERS** that the Monitor, on behalf of the Company, shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

(a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;

(b) the fees and disbursements of any Assistants retained or employed by the Company in respect of these proceedings, at their standard rates and charges; and

(c) in consultation with the DIP Lender, amounts owing for goods and services supplied to the Company, if in the opinion of the Monitor, the supplier or vendor of such goods or services is necessary for the operation and preservation of the Business or Property.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Monitor, on behalf of the Company, shall be entitled but not required to pay all reasonable expenses incurred by the Company in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance, maintenance and security services and lease payments for mining equipment used in the operation of the Business; and

(b) payment for goods or services actually supplied to the Company following the date of this Order.

8. **THIS COURT ORDERS** that the Monitor, on behalf of the Company, shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Company in connection with the sale of goods and services by the Company, but only where such Sales Taxes are accrued or collected after the date of this Order, and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Company.

9. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Monitor, on behalf of the Company, shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Company and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order. The Monitor, on behalf of the Company, may pay such Rent twice

monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, the Monitor, on behalf of the Company, is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Company to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. **THIS COURT ORDERS** that the Monitor, on behalf of the Company shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as defined hereinafter), have the right to:

(a) Permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding $500,000 in any one transaction or $2,500,000 in the aggregate;

(b) Terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and

(c) Pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing.

All of the foregoing to permit the Monitor, on behalf of the Company, to proceed with an orderly restructuring of the Business (the "**Restructuring**").

12. **THIS COURT ORDERS** that the Monitor, on behalf of the Company, shall provide each of the relevant landlords with notice of the Company's intention to remove any fixtures from any leased premises 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 Company'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 Monitor, on behalf of the Company, or by further Order of this Court upon application by the Monitor on at least two (2) days notice to such landlord and any such secured creditors. If the Monitor disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Company's claim to the fixtures in dispute.

13. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer [or resiliation], the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Company in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE COMPANY OR THE PROPERTY

14. **THIS COURT ORDERS** that until and including the 31st day of May, 2023 or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Company or the Monitor, or affecting the Business or the Property,(save and except the Excluded Property), except with the written consent of the Monitor and the Company, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Company or affecting the Business or the Property (save and except the Excluded Property) are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Company or the Monitor, or affecting the Business or the Property, (save and except the Excluded Property), are hereby stayed and suspended except with the written consent of the Monitor and the Company, or leave of this Court, provided that nothing in this Order shall (i) empower the Monitor, on behalf of the Company, to carry on any business which the Company is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

16. **THIS COURT ORDERS** that nothing in this Order shall prevent HSBC from exercising any rights or remedies, taking any enforcement steps, actions or commencing any proceedings against the Company with respect to the Excluded Property.

NO INTERFERENCE WITH RIGHTS

17. **THIS COURT ORDERS** that during the Stay Period, 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 Company, except with the written consent of the Monitor and the Company, or leave of this Court.

CONTINUATION OF SERVICES

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18. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Company 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 the Business or the Company, 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 Company, and that the Monitor, on behalf of the Company, shall be entitled to the continued use of its current premises, 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 Monitor,

on behalf of the Company, in accordance with normal payment practices of the Company or such other practices as may be agreed upon by the supplier or service provider and each of the Monitor and the Company, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

19. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Company. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

APPOINTMENT OF MONITOR

20. **THIS COURT ORDERS** that Grant Thornton Limited is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Company with the powers and obligations set out in the CCAA, (save and except in relation to the Excluded Property) or set forth herein and that the Company and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Company pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

21. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Company's receipts and disbursements;

(b) report to this Court at such times and intervals as the Monitor or Court may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(c) assist, with consultation with the Company, in its dissemination of reports and other information to the DIP Lender (as defined herein) and their respective counsel, pursuant to and in accordance with the Definitive Documents (as defined herein), or as may otherwise be reasonably requested by the DIP Lender;

(d) execute the DIP Financing Agreement (as defined herein) on behalf of the Company;

(e) advise, in consultation with the Company, in its preparation of the Company's cash flow statements and reporting required by the DIP Lender under the Definitive Documents, which information shall be reviewed with the Monitor and delivered to the DIP Lender and their respective counsel in accordance with the Definitive Documents;

(f) execute any and all documentation, on behalf of the Company, as reasonably necessary or required by the DIP Financing Agreement and the SISP;

(g) run the SISP pursuant to the SISP Order;

(h) advise, in consultation with the Company, in its development of the Plan and any amendments to the Plan, if applicable;

(i) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Company, to the extent that is necessary to adequately assess the Company's business and financial affairs or to perform its duties arising under this Order;

(j) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;

(k) engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other Persons (as defined below) from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Monitor's powers and duties, including those conferred by this Order;

(l) enter into any agreements;

(m) exercise any rights of the Company;

(n) apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and in the name of the Company;

(o) take any and all steps of the Company authorized by any Order made in these proceedings, including making distributions or payments;

(p) purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the Business, or any part or parts thereof; and

(q) perform such other duties as are required by this Order or by this Court from time to time.

22. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property but as Monitor shall take part in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business, or any part thereof.

23. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor 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* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor'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.

24. **THIS COURT ORDERS** that nothing herein contained shall make the Monitor liable for any mine closure or environmental and land rehabilitation-related liabilities or obligations

in respect of or in any way related to the Property (or caused by or resulting from any matter or thing originating on or coming from the Property). For greater certainty:

(a) Notwithstanding anything in any Environmental Legislation, the Monitor is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:

(i) before the Monitor's appointment; or

(ii) after the Monitor's appointment unless it is established that the condition arose or the damage occurred as a result of the Monitor's gross negligence or wilful misconduct.

(b) Nothing in sub-paragraph (a) exempts the Monitor from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.

(c) Notwithstanding anything in any Environmental Legislation, but subject to subparagraph (a) hereof, where an order is made which has the effect of requiring the Monitor to remedy any environmental condition or environmental damage affecting the Property, the Monitor is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,

(i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Monitor, if the order is in effect when the Monitor is appointed, or during the period of the stay referred to in clause (ii) below, the Monitor:

(A) complies with the order, or

(B) on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;

(ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Monitor, if the order is in effect when the Monitor is appointed, by,

(A) the court or body having jurisdiction under the law pursuant to which the order was made to enable the Monitor to contest the order; or

(B) the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or

(iii) if the Monitor had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

25. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Company and the DIP Lender with information provided by the Company in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Company is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Company may agree.

26. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

27. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and counsel to the Company shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Company as part of the costs of these proceedings. The Company is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, and counsel for the Company on a weekly basis and, in addition, the Company is hereby authorized to pay to the Monitor, counsel to the Monitor, and

counsel to the Company reasonable retainers to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

28. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose, the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Supreme Court of Newfoundland and Labrador in Bankruptcy and Insolvency.

29. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Company's counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, (save and except the Excluded Property and Excluded Inventory), which charge shall not exceed an aggregate amount of $250,000.00 (which includes the amount provided for in the Interim Receivership Order), as security for their professional fees and disbursements incurred at their respective standard rates and charges of the Monitor and such counsel, both before and after the making of this Order and the Amended and Restated Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 41 and 43 herein.

ENHANCEMENT OF MONITOR'S POWERS

30. **THIS COURT ORDERS** that, without in any way limiting the powers and duties of the Monitor, the Monitor is hereby empowered and authorized, but not obligated, to do any of the following in the name and on behalf of the Company, where the Monitor considers it necessary or desirable:

(a) take any and all actions and steps to manage, operate and carry on the Business, including, without in any way limiting the generality of the foregoing:

(i) any actions or steps the Monitor considers necessary or desirable to proceed with an orderly restructuring or liquidation of the Business;

(i) permanently or temporarily ceasing, downsizing or shutting down any of the Company's operations;

(ii) terminating the employment of or temporarily laying off employees of the Company;

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(iii) pursuing all avenues of refinancing the Business or Property, except the Excluded Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing;

(iv) preparing a Plan of Compromise and Arrangement on behalf of one or more of the Applicants;

(v) settling, extending or compromising any indebtedness owing to or by the Company;

(vi) initiating, prosecuting and continuing the prosecution of any and all proceedings and defending all proceedings now pending or hereafter instituted with respect to the Company, the Business, the Property or the Monitor and to settle or compromise any such proceeding;

(vii) taking any and all corporate governance actions for the Company; and

(viii) providing instruction and direction to the advisors of the Company;

(b) preserve, protect and exercise control over the Property, (with the exception of the Excluded Property), or any parts thereof, including, without in any way limiting the generality of the foregoing:

(i) receive, collect and exercise control over all monies and accounts held by or owing to the Company; including any proceeds of the sale of any of the Property (save and except the Excluded Property);

(ii) exercise all remedies of the Company in collecting monies owed or hereafter owing to the Company and to enforce any security held by the Company;

(iii) execute, assign, issue and endorse documents of whatever nature in respect of any of the Property (save and except the Excluded Property) for any purpose pursuant to this Order;

(iv) to market, sell convey, transfer, lease or assign the Property, including running a sales solicitation process, or any part or parts of the Property out of the ordinary course of business;

(A) without the approval of this Court, in respect of any one transaction not exceeding $500,000 or $2,500,000 in the aggregate;

(B) without the approval of this Court in respect of the sale of Fluorspar inventory; and

(C) with the approval of this Court in respect of any other transaction;

(c) to report to, meet with and discuss with such affected persons as the Monitor deems appropriate on all matters relating to the Business and the Property, and to share information, subject to such terms as to confidentiality as the Monitor deems advisable;

(d) oversee and direct the preparation and dissemination of financial and other information of the Company in these proceedings, including cash flow statements;

(e) apply to the court for advice and direction or for any further orders in these proceedings, including, without in any way limiting the generality of the foregoing, sale approval and vesting orders and orders extending or terminating the stay of proceedings;

(f) perform such other duties or take any steps reasonably incidental to the exercise of these powers;

and in each case where the Monitor takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other persons, including the Company and without interference from any other person. 2

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE MONITOR

31. **THIS COURT ORDERS** that the Company and all its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other

persons acting on their instructions or behalf shall fully co-operate with the Monitor in the exercise its powers under this Order or any other Order of the Court, including by:

(a) advising the Monitor of the existence of any Property of which such party has knowledge of;

(b) providing the Monitor with immediate and continued access to any Property in such party's possession or control;

(c) advising the Monitor 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 Company, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information ("**Records**") of which such party has knowledge of; and

(d) providing access to and use of the Records, including any accounting, computer, software and physical facilities relating thereto, and including providing the Monitor with instructions on the use of any computer or other system as requested by the Monitor and providing the Monitor with any and all access codes, account names and account numbers that may be required to gain access to the Records, provided however that nothing in this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Monitor due to the privilege attaching to solicitor client communication or due to statutory provisions prohibiting such disclosure.

LIMITATION ON THE MONITOR'S LIABILITY

32. **THIS COURT ORDERS THAT** the Monitor is not and shall not, for any purposes, be deemed to be a director, officer, employee, receiver, receiver-manager, or liquidator of the Company.

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33. **THIS COURT ORDERS THAT** the Monitor is not and shall not for the purposes of the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.) be deemed to be a legal representative or person to whom s. 150(3) of that Act applies.

34. **THIS COURT ORDERS THAT** that the rights, protections, indemnities, charges, priorities and other provisions in favour of the Monitor set out in the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, any other applicable legislation, and any other Order granted in these proceedings, all shall apply and extend to the Monitor in connection with the Monitor carrying out the provisions of this Order, amended as necessary to give effect to the terms of this Order.

DIP FINANCING

35. **THIS COURT ORDERS** that the Monitor, on behalf of the Company, is hereby authorized and empowered to execute, enter into and deliver the DIP Facility Loan Agreement (the "**DIP Financing Agreement**") dated the 7th day of March, 2022 between, the Company, as borrower, and Bridging Finance Inc., Bridging Income Fund LP, Bridging Private Debt Institutional LP, Bridging Mid-Market Debt Fund LP, Bridging Private Debt Lending Master Fund I, LP (Cayman), Bridging SMA 1 LP. Bridging SMA 2 LP, and Her Majesty in Right of Newfoundland and Labrador, as represented by the Minister of Industry, Energy and Technology as lender (collectively the "**DIP Lender**"), and to borrow, in accordance with the terms and conditions of the DIP Financing Agreement, up to Four Million Seven Hundred Thousand ($4,700,000.00) (the "**DIP Facility**") to, among other things, fund the Company's working capital requirements, the SISP and other general corporate purposes of the Company during the Stay Period.

36. **THIS COURT ORDERS** that, in addition to the DIP Financing Agreement, the Company is also hereby authorized and empowered to execute and deliver such other credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively with the DIP Financing Agreement, the "**Definitive Documents**"), as are contemplated by the DIP Financing Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Monitor, on behalf of the Company is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Financing Agreement and the other Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

37. **THIS COURT ORDERS** that, as security for the Company's obligations under the Definitive Documents, the DIP Lender shall be entitled to the benefit of and are hereby granted a charge (the "**DIP Lender's Charge**") on the Property, (save and except the Excluded Property and Excluded Inventory), which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 41 and 43 herein. Notwithstanding the foregoing, the Interim Receiver's Borrowing Charge contained in Paragraph 27 of the Interim Receivership Order, being the 1.8 Million advanced pursuant to the Interim Receivership Order, shall continue to be in full force and effect during the term of this Order. The Interim Receiver's Borrowing Charge shall rank pari passu with the DIP Lender's Charge.

38. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

(a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;

(b) upon the occurrence of an event of default under the DIP Financing Agreement, the other Definitive Documents or the DIP Lender's Charge, upon five (5) days notice to the Monitor and the Company, the DIP Lender may exercise any rights and remedies against the Company or the Property, (save and except the Excluded Property), under or pursuant to the DIP Financing Agreement, the other Definitive Documents and the DIP Lender's Charge, including, without limitation, to cease making advances to the Company and set off and/or consolidate any amounts that may be owing by the DIP Lender against the obligations of the Company to the DIP Lender under the DIP Financing Agreement, the other Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Company and for the appointment of a trustee in bankruptcy of the Company; and

(c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Company or the Property (save and except the Excluded Property).

39. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Company under the CCAA, or any proposal filed by the Company under the BIA, with respect to any advances made under the DIP Financing Agreement and the other Definitive Documents.

40. **THIS COURT ORDERS AND DECLARES** that this Order is subject to provisional execution and that if any of the provisions of this Order in connection with the DIP Financing Agreement, the other Definitive Documents or the DIP Lender's Charge shall subsequently be stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a "**Variation**") whether by subsequent order of this Court on or pending an appeal from this Order, such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP Lender, whether under this Order (as made prior to the Variation), under the DIP Financing Agreement or the other Definitive Documents with respect to any advances made or obligations incurred prior to the DIP Lender being given notice of the Variation, and the DIP Lender shall be entitled to rely on this Order as issued (including, without limitation, the DIP Lender's Charge) for all advances so made and other obligations set out in the DIP Financing Agreement and the other Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

41. **THIS COURT ORDERS** that the priorities of the Administration Charge, the DIP Lender's Charge, and the Interim Receiver's Borrowing Charge on the Property (save and except the Excluded Property and Excluded Inventory), (collectively, the "**Charges**"), as among them, shall be as follows:

First – the Administration Charge (to the maximum amount of $250,000.00);

Second– the DIP Lender's Charge and the Interim Receiver's Borrowing Charge, on a pari passu basis.

42. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

43. **THIS COURT ORDERS** that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property, (save and except the Excluded Property and Excluded Inventory), and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, except for any secured creditor of the Company who did not receive notice of the application for this Order. The Company shall be entitled, on a subsequent motion on notice to those Persons likely to be affected thereby, to seek priority of the Charges ahead of any Encumbrances over which the Charges have not obtained priority pursuant to this Order.

44. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Company shall not grant any Encumbrances over any Property that rank in priority to, or pari passu with, any of the Charges, unless the Company also obtains the prior written consent of the Monitor and of the applicable chargee(s) entitled to the benefit of the Charges (collectively, the "**Chargees**"), or further Order of this Court.

45. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Company, and notwithstanding any provision to the contrary in any Agreement:

(a) Neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Financing Agreement or the other Definitive Documents shall create or be deemed to constitute a breach by the Company of any Agreement to which it is a party;

(b) None of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Company entering into the DIP Financing Agreement, the creation of the Charges, or the execution, delivery or performance of the other Definitive Documents; and

(c) The payments made by the Company pursuant to this Order, the DIP Financing Agreement or the other Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

46. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Company's interest in such real property leases.

SERVICE AND NOTICE

47. **THIS COURT ORDERS** that the Monitor shall (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner by electronic means, a notice to every known creditor who has a claim against the Company of more than $1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

GENERAL

48. **THIS COURT ORDERS** that the Monitor, on behalf of the Company, may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

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49. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from subsequently acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Company, the Business or the Property.

50. **THIS COURT ORDERS** that each of the Company and the Monitor 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 Monitor 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.

Schedule "A"

Defined Terms

"**Excluded Inventory**" means inventory representing a value in the amount of USD2,500,000

"**Excluded Property**" means: (i) any and all Receivables and/or Financed Receivables, as such terms are defined pursuant to the RFA, together with all rights and remedies arising thereunder, insurance policies and proceeds resulting therefrom, and proceeds generally, and (ii) all Export Development Canada insurance policies or support in favor of HSBC,

"**HSBC**" means HSBC Bank Canada; and

"**RFA**" means the Trade Invoice Recourse Financing Facility Agreement between HSBC and Canada Fluorspar (NL) Inc., dated May 25, 2018, as amended.

Appendix “C”

Canada Fluorspar (NL) Inc.
Outstanding Accounts Payable at February 20, 2022

Vendor AP and ITC's Not Paid (ie: remaining in AP):

Row Labels	Sum of Payable	Sum of HST (ITC)	Refund Status
#N/A	**7,980,140.46**	**1,074,030.63**	**Refunded**
Jan-22	4,272,175.84	528,252.74	Not Refunded
Feb-22	87,373.76	12,745.75	Not Refunded
Grand Total	**12,339,690.06**	**1,615,029.12**	

January & February HST Returns:

Month	ITC's Claimed	ITC's Not Paid	ITC's Paid
Jan-22	653,946.58	528,252.74	125,693.84
Feb-22	14,382.96	12,745.75	1,637.21
Total			**127,331.05**

Government of Canada | Gouvernement du Canada

Canada Revenue Agency

Submit documents - confirmation

Confirmation

Case/reference number: GB223190836313

Confirmation number: 29D8X89

March 21, 2023

3:27 PM, Eastern Time

Please keep your confirmation number and reference number.

You may use this reference number for any future submissions regarding this request.

You may want to print or save this page for your records.

File(s) submitted:

File name	File size
CFI NL - ITC's in Unpaid AP	499.66 KB

Description

Attached is the Excel file that calculates $1,615,029.12 as the amount of ITC's in the outstanding payables at Feb 20, 2022. This aligns with the amount claimed in the attached Notice of Objection that was filed last fall

Keep all your receipts and supporting documents in case we ask to see them.

Make another submission

Screen ID: B-GEN-SD-03

Date modified: 2022-10-17

Appendix “D”

Grant Thornton

April 26, 2023

Grant Thornton Ltd
Nova Centre, North Tower
Suite 1000, 1675 Grafton Street
Halifax, NS
B3J 0E9

T +1 902 421 1734
F +1 902 420 1068

Canada Revenue Agency
10-9700 Jasper Avenue
Edmonton, AB T5J 4C8

Attention: Hazel Lindo

Re: In the Matter of the Companies' Creditors Arrangement Act Proceedings of Canada Fluorspar (NL) Inc., Canada Fluorspar Inc. and Newspar (a General Partnership) – Notice of Objection (Reference Number 22217000152370001)

Ms. Lindo:

Further to our phone call on April 5, 2023, we understand that the Canada Revenue Agency ("**CRA**") has follow-up questions to the Notice of Objection against a GST/HST Notice of Assessment, reference number 22217000152370001. A copy of the Notice of Objection is attached hereto as **Appendix "A"**.

The Notice of Objection, dated November 15, 2022, was filed by Grant Thornton Limited in its capacity as Monitor in the *Companies' Creditors Arrangement Act Proceedings* ("**CCAA Proceedings**") of Canada Fluorspar Inc., Canada Fluorspar (NL) Inc. and Newspar (a General Partnership) (collectively, the "**Company**" or "**CFI**"). A copy of the Amended and Restated Order ("**ARIO**") is attached hereto as **Appendix "B"**.

On March 21, 2023, at the request of CRA, the Monitor's excel spreadsheet was provided to CRA which detailed the Monitor's calculation of the ITC's as claimed by the Company which remain unpaid. A copy of the online confirmation of this excel spreadsheet being submitted is attached hereto as **Appendix "C"**.

Question #1: Reasoning of Notice of Objection

As detailed in the Notice of Objection, CRA has incorrectly assessed against the Company $4,020,621.71 for unpaid input tax credits ("**ITCs**"). This calculation was based on the creditors listing as included in the CCAA Proceedings, which assumed that all creditors listed had charged the Company GST/HST of 15%.

The Monitor has provided to CRA a proper accounting of the true unpaid ITCs which were claims on the Company's GST/HST returns, which can be found on the Notice of Objection on paragraphs 13-16, which totalled the proper amount of the unpaid ITCs to be $1,615,029.12. The support for this accounting was provided on the excel spreadsheet as submitted on March 21, 2023.

The excel spreadsheet provides a detailed listing of all transactions adding to the creditors listing, being the unpaid accounts payable balance as noted in the CCAA Proceedings, as well as a listing of the ITCs as claimed on the Company's GST/HST Returns. The Monitor is of the opinion that this provided

Grant Thornton

information is sufficient for CRA to make a determination as to the amount of ITCs to be reassessed to the Company.

Furthermore, as disclosed by the Monitor on its Seventh Report, unsecured creditors are not expected to receive a distribution on amounts owing by the Company, should the Court approve a transaction as accepted by the Monitor. The amounts as disclosed on the creditors listing will remain unpaid.

Question #2: Is the Monitor objecting to the reporting period assigned by CRA, being March 1, 2022 to March 11, 2022?

As mentioned in the Notice of Objection, the Monitor is of the opinion that the period of March 2022 should not be bifurcated into two reporting periods. The Company was neither bankrupt nor placed in receivership during March 2022.

The Monitor is hereby requesting of CRA to make a determination on the Notice of Objection.

Yours very truly,

GRANT THORNTON LIMITED
In its capacity as Monitor in the Companies' Creditors Arrangement Act Proceedings of Canada Fluorspar (NL) Inc., Canada Fluorspar Inc. and Newspar (a General Partnership) and not its personal or corporate capacity

Per:____________________________
Phil Clarke, CPA, CA, CIRP, LIT
Senior Vice President

Appendix “A”

Canada Fluorspar (NL) Inc.

Notice of Objection against GST/HST Notice of Assessment Reference Number 22217000152370001

Statement of Facts and Reasons

Background

1. Canada Fluorspar (NL) Inc. operates a fluorspar mine in the province of Newfoundland and Labrador; it is registered for GST/HST under account number 89811 4087 RT0001 as a monthly filer.

2. Canada Fluorspar (NL) Inc. is wholly owned by Canada Fluorspar Inc.[1]

3. Both Canada Fluorspar (NL) Inc. and Canada Fluorspar Inc. became insolvent. Grant Thornton Limited ("**GTL**") was appointed Interim Receiver of both companies pursuant to an order dated February 21, 2022 granted by the Supreme Court of Newfoundland and Labrador – General Division (the "**Court**").

4. New GST/HST reporting periods commencing February 22. 2022 were created for these entities because they entered Interim Receivership on February 21, 2022. All GST/HST returns for reporting periods ended on or before the date GTL was appointed interim receiver have been filed.

5. On March 11, 2022, the Court granted an initial order pursuant to the *Companies Creditors Arrangement Act* ("CCAA") over Canada Fluorspar (NL) Inc., Canada Fluorspar Inc., and Newspar[2], a General Partnership (known collectively as "**CFI**") with GTL being appointed as Monitor.

6. GTL issued a notice to creditors on March 15, 2022. The notice contained a list of creditors as well as amounts owing to them from the books and records of CFI.

7. On March 18, 2022, the Court granted an Amended and Restated Initial Order ("**ARIO**"), as well as granted an order authorizing the Monitor, among other things, to conduct a Sales and Investment Solicitation Process ("**SISP**") for the sale of CFI's business, property, assets and undertakings.

8. Ms. Carla Navarro of the Canada Revenue Agency ("**CRA**") issued a letter dated June 1, 2022 in which $4,020,621.71 tax payable was proposed to be assessed under paragraph 296(1)(b) of the *Excise Tax Act* ("ETA"), on the basis that Canada Fluorspar (NL) Inc. claimed input tax credits ("ITCs") for tax that was never paid to suppliers. The proposed amount was calculated based on the notice to creditors issued on March 15, 2022. Furthermore, the CRA had bifurcated the month of March 2022 into two separate reporting periods for Canada Fluorspar (NL) Inc.: with one reporting period ending on March 11, 2022, and the other commencing March 12, 2022.

9. On June 29, 2022, Ms. Navarro granted GTL an extension to respond to the above noted letter from the original deadline of July 4, 2022 to July 18, 2022.

10. GTL issued a letter to the CRA on July 18, 2022 in response, stating the proposed audit assessment in Ms. Navarro's letter is incorrect because the amount owing to the creditors of Canada Fluorspar (NL) Inc. were on hold per the ARIO. A claims process for the creditors of CFI to participate in a distribution, if any, would be decided by the Court on completion of the SISP.

[1] Canada Fluorspar Inc. is registered for GST/HST as a quarterly filer under account number 83297 1568 RT0001.
[2] Newspar is registered for GST/HST as a monthly filer under account number 85178 5105 RT0001.

11. Ms. Navarro issued the CRA's final letter dated August 8, 2022, stating Canada Fluorspar (NL) Inc. will be assessed $4,020,621.71 tax owing for the reporting period from March 1 to March 11, 2022 as initially proposed. The CRA issued its assessment on August 10, 2022.

12. On July 15, 2022, Mr. Darrin Kitchen, the controller for CFI, filed Canada Fluorspar (NL) Inc.'s GST/HST return for the following periods:

    i. December 1, 2021 to December 31, 2021 (**"December 2021"**);

    ii. January 1, 2022 to January 31, 2022 (**"January 2022"**); and

    iii. February 1, 2022 to February 21, 2022 (**"Partial February 2022"**).

13. On the December 2021 return, a total of $1,268,611.63 ITCs were claimed. Of this amount, $1,074,030.63 of GST/HST remains unpaid to suppliers.

14. Both of the January 2022 and Partial February 2022 returns were subsequently amended on September 15, 2022 by Mr. Darrin Kitchen. The CRA has not processed these returns as of the filing date of this objection.

15. On the January 2022 return, a total of $653,946.58 ITCs were claimed. Of this amount, $528,252.74 of GST/HST remains unpaid to suppliers.

16. On the Partial February 2022 return, a total of $14,382.96 ITCs were claimed. Of this amount, $12,745.75 of GST/HST remains unpaid to suppliers.

17. Mr. Darrin Kitchen has also filed all outstanding GST/HST returns for both Canada Fluorspar Inc. and Newspar. All returns were filed as NIL due to no activity in the applicable reporting periods.

18. GTL, in its capacity as Monitor has filed CFI's GST/HST returns for all reporting periods commencing on or after February 22. 2022. All amounts claimed as ITCs on these returns have been paid to suppliers.

Analysis and Request

Paragraph 296(1)(b) of the ETA allows the Minister to assess tax payable to a purchaser in unusual circumstances such as, where the person has claimed ITCs with respect to a purchase, did not pay the tax to the supplier, becomes insolvent or bankrupt, and the supplier writes amounts off on account of bad debt. Although Canada Fluorspar (NL) Inc. is insolvent, it has filed under the CCAA seeking protection from its creditors and to devise a plan of restructuring and/or compromise for the purpose of avoiding bankruptcy or receivership. In fact, some of the GST/HST claimed as ITCs has been paid by the Monitor during the CCAA process. As well, pending the outcome of the SISP, the Court may issue a distribution order to the creditors of CFI, resulting in a payment on the amounts which are currently unpaid.

From the list of creditors sent by notice from GTL on March 15, 2022, the amount of GST/HST claimed as ITCs by Canada Fluorspar (NL) Inc. but not paid to suppliers is $1,615,029.12, which is calculated as follows:

Reporting Period	**ITCs Not Paid**
December 2021	$1,074,030.63
January 2022	528,252.74
Partial February 2022	12,745.75
TOTAL	**$1,615,029.12**

Based on the foregoing, we respectfully request that the amount of tax payable assessed against Canada Fluorspar (NL) Inc. be reduced by $2,405,592.59 to $1,615,029.12 because this is the correct amount of ITCs claimed but not paid as of the date of this objection that should be assessed under paragraph 296(1)(b) of the ETA. As part of this request, we also ask that the returns amended on September 15, 2022 for the periods of January 2022 and Partial February 2022 be accepted and assessed as filed as Mr. Darrin Kitchen has already included the unpaid ITCs on these returns, which were included in the amount assessed for the reporting period beginning March 1, 2022.

Moreover, the month of March 2022 should never have been bifurcated into two reporting periods because Canada Fluorspar (NL) Inc. was neither bankrupt nor placed in receivership during that month. As such, the reporting periods of March 1-11, 2022 and March 12-31, 2022 should be combined into its original single monthly reporting period from March 1, 2022 to March 31, 2022.

Yours sincerely,
Grant Thornton Limited

Phil Clarke
Senior Vice President

Appendix “B”

2022 01G 0709

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF an application of Canada Fluorspar (NL) Inc., and Canada Fluorspar Inc., by their Court Appointed Interim Receiver, Grant Thornton Limited.

AND IN THE MATTER OF the *Companies' Creditors Arrangement Act*, R.S.C. 1985, C. c-36, as amended

AMENDED AND RESTATED INITIAL ORDER

BEFORE THE HONOURABLE JUSTICE MACDONALD

THIS APPLICATION, made by Grant Thornton Limited, in its capacity as Court-Appointed Interim Receiver of Canada Fluorspar (NL) Inc., and Canada Fluorspar Inc., (the "**Interim Receiver**" or the "**Applicant**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order substantially in the form filed with the Application was heard this 11th day of March, 2022.

ON READING the affidavit of Phil Clarke sworn the 8th day of March, 2022 (the "**Clarke Affidavit**") and the Exhibits thereto, the consent of Grant Thornton Limited ("**GTL**") to act as Court-appointed monitor of Canada Fluorspar (NL) Inc. Canada Fluorspar Inc., and Newspar (a General Partnership) (in such capacity, the "**Monitor**"), and the Pre-Filing Report of GTL as Interim Receiver;

ON READING, the report of GTL as Monitor dated the 15th day of March, 2022;

ON HEARING the submissions of counsel for the Applicant, legal counsel for the Company (as defined herein), and such other counsel that were present, no one else appearing for any party although duly served as outlined in the affidavit of service dated the 10th day of March, 2022, and on reading the consent of GTL to act as Monitor;

SERVICE

Filed Mcrch 21/22

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Materials filed, as set out in the affidavit of service is hereby deemed adequate notice so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that Canada Fluorspar (NL) Inc., Canada Fluorspar Inc., and Newspar (a General Partnership) (collectively the "**Company**") is a company to which the CCAA applies.

3. Capital terms not otherwise defined herein shall have the meaning ascribed to them in Schedule "A"

PLAN OF ARRANGEMENT

4. **THIS COURT ORDERS** that the Monitor, on behalf of the Company, shall have the authority to file and may, if deemed appropriate and subject to further order of this Court, file with this Court a plan of compromise and arrangement (hereinafter referred to as the "**Plan**".

POSSESSION OF PROPERTY AND OPERATIONS

5. **THIS COURT ORDERS** that the Company shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof, save and except the Excluded Property (the "**Property**"). Subject to further Order of this Honourable Court, the Monitor on behalf of the Company, shall continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property. The Monitor is authorized and empowered to continue to retain and employ the employees, consultants, independent contractors, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of its Business or for the carrying out of the terms of this Order.

6. **THIS COURT ORDERS** that the Monitor, on behalf of the Company, shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

(a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;

(b) the fees and disbursements of any Assistants retained or employed by the Company in respect of these proceedings, at their standard rates and charges; and

(c) in consultation with the DIP Lender, amounts owing for goods and services supplied to the Company, if in the opinion of the Monitor, the supplier or vendor of such goods or services is necessary for the operation and preservation of the Business or Property.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Monitor, on behalf of the Company, shall be entitled but not required to pay all reasonable expenses incurred by the Company in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance, maintenance and security services and lease payments for mining equipment used in the operation of the Business; and

(b) payment for goods or services actually supplied to the Company following the date of this Order.

8. **THIS COURT ORDERS** that the Monitor, on behalf of the Company, shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Company in connection with the sale of goods and services by the Company, but only where such Sales Taxes are accrued or collected after the date of this Order, and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Company.

9. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Monitor, on behalf of the Company, shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Company and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order. The Monitor, on behalf of the Company, may pay such Rent twice monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, the Monitor, on behalf of the Company, is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Company to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. **THIS COURT ORDERS** that the Monitor, on behalf of the Company shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as defined hereinafter), have the right to:

(a) Permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding $500,000 in any one transaction or $2,500,000 in the aggregate;

(b) Terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and

(c) Pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing.

All of the foregoing to permit the Monitor, on behalf of the Company, to proceed with an orderly restructuring of the Business (the "**Restructuring**").

12. **THIS COURT ORDERS** that the Monitor, on behalf of the Company, shall provide each of the relevant landlords with notice of the Company's intention to remove any fixtures from any leased premises 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 Company'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 Monitor, on behalf of the Company, or by further Order of this Court upon application by the Monitor on at least two (2) days notice to such landlord and any such secured creditors. If the Monitor disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Company's claim to the fixtures in dispute.

13. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer [or resiliation], the landlord may show the affected leased premises to prospective tenants

a

during normal business hours, on giving the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Company in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE COMPANY OR THE PROPERTY

14. **THIS COURT ORDERS** that until and including the 10th day of July, 2022 or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Company or the Monitor, or affecting the Business or the Property,(save and except the Excluded Property), except with the written consent of the Monitor and the Company, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Company or affecting the Business or the Property (save and except the Excluded Property) are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Company or the Monitor, or affecting the Business or the Property, (save and except the Excluded Property), are hereby stayed and suspended except with the written consent of the Monitor and the Company, or leave of this Court, provided that nothing in this Order shall (i) empower the Monitor, on behalf of the Company, to carry on any business which the Company is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

16. **THIS COURT ORDERS** that nothing in this Order shall prevent HSBC from exercising any rights or remedies, taking any enforcement steps, actions or commencing any proceedings against the Company with respect to the Excluded Property.

NO INTERFERENCE WITH RIGHTS

17. **THIS COURT ORDERS** that during the Stay Period, 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 Company, except with the written consent of the Monitor and the Company, or leave of this Court.

CONTINUATION OF SERVICES

18. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Company 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 the Business or the Company, 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 Company, and that the Monitor, on behalf of the Company, shall be entitled to the continued use of its current premises, 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 Monitor, on behalf of the Company, in accordance with normal payment practices of the Company or such other practices as may be agreed upon by the supplier or service provider and each of the Monitor and the Company, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

19. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to

advance or re-advance any monies or otherwise extend any credit to the Company. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

APPOINTMENT OF MONITOR

20. **THIS COURT ORDERS** that Grant Thornton Limited is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Company with the powers and obligations set out in the CCAA, (save and except in relation to the Excluded Property) or set forth herein and that the Company and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Company pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

21. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Company's receipts and disbursements;

(b) report to this Court at such times and intervals as the Monitor or Court may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(c) assist, with consultation with the Company, in its dissemination of reports and other information to the DIP Lender (as defined herein) and their respective counsel, pursuant to and in accordance with the Definitive Documents (as defined herein), or as may otherwise be reasonably requested by the DIP Lender;

(d) execute the DIP Financing Agreement (as defined herein) on behalf of the Company;

(e) advise, in consultation with the Company, in its preparation of the Company's cash flow statements and reporting required by the DIP Lender under the Definitive Documents, which information shall be reviewed with the Monitor and delivered to the DIP Lender and their respective counsel in accordance with the Definitive Documents;

(f) execute any and all documentation, on behalf of the Company, as reasonably necessary or required by the DIP Financing Agreement and the SISP;

(g) run the SISP pursuant to the SISP Order;

(h) advise, in consultation with the Company, in its development of the Plan and any amendments to the Plan, if applicable;

(i) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Company, to the extent that is necessary to adequately assess the Company's business and financial affairs or to perform its duties arising under this Order;

(j) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;

(k) engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other Persons (as defined below) from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Monitor's powers and duties, including those conferred by this Order;

(l) enter into any agreements;

(m) exercise any rights of the Company;

(n) apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and in the name of the Company;

(o) take any and all steps of the Company authorized by any Order made in these proceedings, including making distributions or payments;

(p) purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the Business, or any part or parts thereof; and

(q) perform such other duties as are required by this Order or by this Court from time to time.

22. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property but as Monitor shall take part in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business, or any part thereof.

23. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor 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* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor'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.

24. **THIS COURT ORDERS** that nothing herein contained shall make the Monitor liable for any mine closure or environmental and land rehabilitation-related liabilities or obligations in respect of or in any way related to the Property (or caused by or resulting from any matter or thing originating on or coming from the Property). For greater certainty:

(a) Notwithstanding anything in any Environmental Legislation, the Monitor is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:

(i) before the Monitor's appointment; or

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(ii) after the Monitor's appointment unless it is established that the condition arose or the damage occurred as a result of the Monitor's gross negligence or wilful misconduct.

(b) Nothing in sub-paragraph (a) exempts the Monitor from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.

(c) Notwithstanding anything in any Environmental Legislation, but subject to subparagraph (a) hereof, where an order is made which has the effect of requiring the Monitor to remedy any environmental condition or environmental damage affecting the Property, the Monitor is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,

(i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Monitor, if the order is in effect when the Monitor is appointed, or during the period of the stay referred to in clause (ii) below, the Monitor:

(A) complies with the order, or

(B) on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;

(ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Monitor, if the order is in effect when the Monitor is appointed, by,

(A) the court or body having jurisdiction under the law pursuant to which the order was made to enable the Monitor to contest the order; or

(B) the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or

OR

(iii) if the Monitor had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

25. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Company and the DIP Lender with information provided by the Company in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Company is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Company may agree.

26. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

27. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and counsel to the Company shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Company as part of the costs of these proceedings. The Company is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, and counsel for the Company on a weekly basis and, in addition, the Company is hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Company reasonable retainers to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

28. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose, the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Supreme Court of Newfoundland and Labrador in Bankruptcy and Insolvency.

29. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Company's counsel shall be entitled to the benefit of and are hereby granted a charge (the

"**Administration Charge**") on the Property, (save and except the Excluded Property and Excluded Inventory), which charge shall not exceed an aggregate amount of $250,000.00 (which includes the amount provided for in the Interim Receivership Order), as security for their professional fees and disbursements incurred at their respective standard rates and charges of the Monitor and such counsel, both before and after the making of this Order and the Amended and Restated Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 41 and 43 herein.

ENHANCEMENT OF MONITOR'S POWERS

30. **THIS COURT ORDERS** that, without in any way limiting the powers and duties of the Monitor, the Monitor is hereby empowered and authorized, but not obligated, to do any of the following in the name and on behalf of the Company, where the Monitor considers it necessary or desirable:

(a) take any and all actions and steps to manage, operate and carry on the Business, including, without in any way limiting the generality of the foregoing:

(i) any actions or steps the Monitor considers necessary or desirable to proceed with an orderly restructuring or liquidation of the Business;

(i) permanently or temporarily ceasing, downsizing or shutting down any of the Company's operations;

(ii) terminating the employment of or temporarily laying off employees of the Company;

(iii) pursuing all avenues of refinancing the Business or Property, except the Excluded Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing;

(iv) preparing a Plan of Compromise and Arrangement on behalf of one or more of the Applicants;

(v) settling, extending or compromising any indebtedness owing to or by the Company;

(vi) initiating, prosecuting and continuing the prosecution of any and all proceedings and defending all proceedings now pending or hereafter instituted with respect to the Company, the Business, the Property or the Monitor and to settle or compromise any such proceeding;

(vii) taking any and all corporate governance actions for the Company; and

(viii) providing instruction and direction to the advisors of the Company;

(b) preserve, protect and exercise control over the Property, (with the exception of the Excluded Property), or any parts thereof, including, without in any way limiting the generality of the foregoing:

(i) receive, collect and exercise control over all monies and accounts held by or owing to the Company; including any proceeds of the sale of any of the Property (save and except the Excluded Property);

(ii) exercise all remedies of the Company in collecting monies owed or hereafter owing to the Company and to enforce any security held by the Company;

(iii) execute, assign, issue and endorse documents of whatever nature in respect of any of the Property (save and except the Excluded Property) for any purpose pursuant to this Order;

(iv) to market, sell convey, transfer, lease or assign the Property, including running a sales solicitation process, or any part or parts of the Property out of the ordinary course of business;

(A) without the approval of this Court, in respect of any one transaction not exceeding $500,000 or $2,500,000 in the aggregate;

(B) without the approval of this Court in respect of the sale of Fluorspar Inventory; and

(C) with the approval of this Court in respect of any other transaction;

2

(c) to report to, meet with and discuss with such affected persons as the Monitor deems appropriate on all matters relating to the Business and the Property, and to share information, subject to such terms as to confidentiality as the Monitor deems advisable;

(d) oversee and direct the preparation and dissemination of financial and other information of the Company in these proceedings, including cash flow statements;

(e) apply to the court for advice and direction or for any further orders in these proceedings, including, without in any way limiting the generality of the foregoing, sale approval and vesting orders and orders extending or terminating the stay of proceedings;

(f) perform such other duties or take any steps reasonably incidental to the exercise of these powers;

and in each case where the Monitor takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other persons, including the Company and without interference from any other person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE MONITOR

31. **THIS COURT ORDERS** that the Company and all its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf shall fully co-operate with the Monitor in the exercise its powers under this Order or any other Order of the Court, including by:

(a) advising the Monitor of the existence of any Property of which such party has knowledge of;

(b) providing the Monitor with immediate and continued access to any Property in such party's possession or control;

(c) advising the Monitor 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 Company, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information ("**Records**") of which such party has knowledge of; and

(d) providing access to and use of the Records, including any accounting, computer, software and physical facilities relating thereto, and including providing the Monitor with instructions on the use of any computer or other system as requested by the Monitor and providing the Monitor with any and all access codes, account names and account numbers that may be required to gain access to the Records, provided however that nothing in this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Monitor due to the privilege attaching to solicitor client communication or due to statutory provisions prohibiting such disclosure.

LIMITATION ON THE MONITOR'S LIABILITY

32. **THIS COURT ORDERS THAT** the Monitor is not and shall not, for any purposes, be deemed to be a director, officer, employee, receiver, receiver-manager, or liquidator of the Company.

33. **THIS COURT ORDERS THAT** the Monitor is not and shall not for the purposes of the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.) be deemed to be a legal representative or person to whom s. 150(3) of that Act applies.

34. **THIS COURT ORDERS THAT** that the rights, protections, indemnities, charges, priorities and other provisions in favour of the Monitor set out in the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, any other applicable legislation, and any other Order granted in these proceedings, all shall apply and extend to the Monitor in connection with the Monitor carrying out the provisions of this Order, amended as necessary to give effect to the terms of this Order.

DIP FINANCING

35. **THIS COURT ORDERS** that the Monitor, on behalf of the Company, is hereby authorized and empowered to execute, enter into and deliver the DIP Facility Loan Agreement (the "**DIP Financing Agreement**") dated the 7th day of March, 2022 between, the Company, as borrower, and Bridging Finance Inc., Bridging Income Fund LP, Bridging Private Debt

Institutional LP, Bridging Mid-Market Debt Fund LP, Bridging Private Debt Lending Master Fund I, LP (Cayman), Bridging SMA 1 LP, Bridging SMA 2 LP, and Her Majesty in Right of Newfoundland and Labrador, as represented by the Minister of Industry, Energy and Technology as lender (collectively the "**DIP Lender**"), and to borrow, in accordance with the terms and conditions of the DIP Financing Agreement, up to Four Million Seven Hundred Thousand ($4,700,000.00) (the "**DIP Facility**") to, among other things, fund the Company's working capital requirements, the SISP and other general corporate purposes of the Company during the Stay Period.

36. **THIS COURT ORDERS** that, in addition to the DIP Financing Agreement, the Company is also hereby authorized and empowered to execute and deliver such other credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively with the DIP Financing Agreement, the "**Definitive Documents**"), as are contemplated by the DIP Financing Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Monitor, on behalf of the Company is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Financing Agreement and the other Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

37. **THIS COURT ORDERS** that, as security for the Company's obligations under the Definitive Documents, the DIP Lender shall be entitled to the benefit of and are hereby granted a charge (the "**DIP Lender's Charge**") on the Property, (save and except the Excluded Property and Excluded Inventory), which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 41 and 43 herein. Notwithstanding the foregoing, the Interim Receiver's Borrowing Charge contained in Paragraph 27 of the Interim Receivership Order, being the 1.8 Million advanced pursuant to the Interim Receivership Order, shall continue to be in full force and effect during the term of this Order. The Interim Receiver's Borrowing Charge shall rank pari passu with the DIP Lender's Charge.

38. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

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(a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;

(b) upon the occurrence of an event of default under the DIP Financing Agreement, the other Definitive Documents or the DIP Lender's Charge, upon five (5) days notice to the Monitor and the Company, the DIP Lender may exercise any rights and remedies against the Company or the Property, (save and except the Excluded Property), under or pursuant to the DIP Financing Agreement, the other Definitive Documents and the DIP Lender's Charge, including, without limitation, to cease making advances to the Company and set off and/or consolidate any amounts that may be owing by the DIP Lender against the obligations of the Company to the DIP Lender under the DIP Financing Agreement, the other Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Company and for the appointment of a trustee in bankruptcy of the Company; and

(c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Company or the Property (save and except the Excluded Property).

39. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Company under the CCAA, or any proposal filed by the Company under the BIA, with respect to any advances made under the DIP Financing Agreement and the other Definitive Documents.

40. **THIS COURT ORDERS AND DECLARES** that this Order is subject to provisional execution and that if any of the provisions of this Order in connection with the DIP Financing Agreement, the other Definitive Documents or the DIP Lender's Charge shall subsequently be stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a "**Variation**") whether by subsequent order of this Court on or pending an appeal from this Order, such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP Lender, whether under this Order (as

made prior to the Variation), under the DIP Financing Agreement or the other Definitive Documents with respect to any advances made or obligations incurred prior to the DIP Lender being given notice of the Variation, and the DIP Lender shall be entitled to rely on this Order as issued (including, without limitation, the DIP Lender's Charge) for all advances so made and other obligations set out in the DIP Financing Agreement and the other Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

41. **THIS COURT ORDERS** that the priorities of the Administration Charge, the DIP Lender's Charge, and the Interim Receiver's Borrowing Charge on the Property (save and except the Excluded Property and Excluded Inventory), (collectively, the "**Charges**"), as among them, shall be as follows:

First – the Administration Charge (to the maximum amount of $250,000.00);

Second– the DIP Lender's Charge and the Interim Receiver's Borrowing Charge, on a pari passu basis.

42. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

43. **THIS COURT ORDERS** that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property, (save and except the Excluded Property and Excluded Inventory), and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, except for any secured creditor of the Company who did not receive notice of the application for this Order. The Company shall be entitled, on a subsequent motion on notice to those Persons likely to be affected thereby, to seek priority of the Charges ahead of any Encumbrances over which the Charges have not obtained priority pursuant to this Order.

44. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Company shall not grant any Encumbrances over any Property that rank in priority to, or pari passu with, any of the Charges, unless the Company also obtains the prior written consent of the Monitor and of the applicable chargee(s) entitled to the benefit of the Charges (collectively, the "**Chargees**"), or further Order of this Court.

45. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Company, and notwithstanding any provision to the contrary in any Agreement:

(a) Neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Financing Agreement or the other Definitive Documents shall create or be deemed to constitute a breach by the Company of any Agreement to which it is a party;

(b) None of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Company entering into the DIP Financing Agreement, the creation of the Charges, or the execution, delivery or performance of the other Definitive Documents; and

(c) The payments made by the Company pursuant to this Order, the DIP Financing Agreement or the other Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

46. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Company's interest in such real property leases.

SERVICE AND NOTICE

47. **THIS COURT ORDERS** that the Monitor shall (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner by electronic means, a notice to every known creditor who has a claim against the Company of more than $1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

GENERAL

48. **THIS COURT ORDERS** that the Monitor, on behalf of the Company, may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

49. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from subsequently acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Company, the Business or the Property.

50. **THIS COURT ORDERS** that each of the Company and the Monitor 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 Monitor 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.

COURT OFFICER

Schedule "A"

Defined Terms

"**Excluded Inventory**" means inventory representing a value in the amount of USD2,500,000

"**Excluded Property**" means: (i) any and all Receivables and/or Financed Receivables, as such terms are defined pursuant to the RFA, together with all rights and remedies arising thereunder, insurance policies and proceeds resulting therefrom, and proceeds generally, and (ii) all Export Development Canada insurance policies or support in favor of HSBC,

"HSBC" means HSBC Bank Canada; and

"RFA" means the Trade Invoice Recourse Financing Facility Agreement between HSBC and Canada Fluorspar (NL) Inc., dated May 25, 2018, as amended.

Appendix "C"

Government of Canada Gouvernement du Canada

Canada Revenue Agency

Submit documents - confirmation

Confirmation

Case/reference number: GB223190836313

Confirmation number: 29D8X89

March 21, 2023

3:27 PM, Eastern Time

Please keep your confirmation number and reference number.

You may use this reference number for any future submissions regarding this request.

You may want to print or save this page for your records.

File(s) submitted:

File name	File size
CFI NL - ITC's in Unpaid AP	499.66 KB

Description

Attached is the Excel file that calculates $1,615,029.12 as the amount of ITC's in the outstanding payables at Feb 20, 2022. This aligns with the amount claimed in the attached Notice of Objection that was filed last fall

Keep all your receipts and supporting documents in case we ask to see them.

Make another submission

Screen ID: B-GEN-SD-03

Date modified: 2022-10-17

Government of Canada | Gouvernement du Canada

Canada Revenue Agency

Submit documents - confirmation

Confirmation

Case/reference number: GB223190836313

Confirmation number: 29K2N9C

April 27, 2023

11:04 AM, Eastern Time

Please keep your confirmation number and reference number.

You may use this reference number for any future submissions regarding this request.

You may want to print or save this page for your records.

File(s) submitted:

File name	File size
Response to CRA Follow Up Questions April 26 2023 Signed	1.91 MB

Description

Answer to CRA questions regarding notice of objection.

Keep all your receipts and supporting documents in case we ask to see them.

Make another submission

Screen ID: B-GEN-SD-03

Date modified: 2022-10-17

Appendix "E"

Canada Revenue Agency | Agence du revenu du Canada

February 20, 2023

Query #1

Canada Fluorspar (NL) Inc.
P.O. Box 337
Clarke's Pond Road
St. Lawrence, NL A0E 2V0

Subject: Request for Additional Information
Account Number 89811 4087

With respect to our audit of non-resident withholding tax of Canada Fluorspar (NL) Inc. for the period 2016-01-01 to 2022-03-11, we are requesting the following information related to contracts, agreements and invoices submitted for the audit period:

1. With respect to the invoices provided from AnG Africa Procurement (Pty) Ltd, please provide an explanation of where the "Draughtsman Office" referred to in some of the invoices was located.

2. With respect to the invoices provided from Immersive Technologies Inc, please provide an explanation of what the managed services and embedded training referred to in some of the invoices are, and where the services/training were performed.

3. With respect to the invoices provided from Immersive Technologies Inc, please provide an explanation of what the "CSP" referred to in some of the invoices are.

4. With respect to the equipment/services proposal provided from Immersive Technologies Inc., there is mention of "scheduled on-site service". Please provide any breakdowns of the costs associated with this service that may be included in any of the invoices provided.

5. With respect to the invoices provided for Lindsay Gorrill and LBP Management Services, LLC, please provide an explanation of whether these entities are the same, as invoices for both were provided in response to a request for all invoices, Purchase Orders and agreements with Lindsay Gorrill.

6. The invoices provided for Lindsay Gorrill appear to be expense claims for travel time, some within Canada. However, there does not appear to be any T4s or T4A-NRs on file for Lindsay Gorrill. Please provide an explanation of who paid Lindsay Gorrill for their work completed for Canada Fluorspar (NL) Inc.

Please provide the requested information to us by March 6, 2023. If you would like to submit your response electronically, your case number is **79117741**. If you have questions, please call me at 709-730-8143. You can also reach my team leader, Alex Crawley, at 709-631-8649.

Sincerely,

Taylor White, CPA
Income Tax Auditor
Non-Resident Audit Section
Audit Division
Newfoundland and Labrador Tax Services Office

Telephone:	709-730-8143
Facsimile:	709-772-5263
Mailing Address:	P.O. Box 12075 Stn A St. John's NL A1B 4R5
Courier Address:	290 Empire Avenue St. John's NL A1C 3J1

Appendix “F”

Grant Thornton

February 28, 2023

Grant Thornton Ltd
Nova Centre, North Tower
Suite 1000, 1675 Grafton Street
Halifax, NS
B3J 0E9

T +1 902 421 1734
F +1 902 420 1068

Canada Revenue Agency
P.O. Box 12075 Stn A
St. John's, NL A1B 4R5

Attention: Taylor White

Re: Canada Fluorspar (NL) Inc. Request for Additional Information Account # 898 11 4887
Query #1 dated February 20, 2023

We acknowledge the receipt of your letter. Unfortunately, there are no remaining employees at Canada Fluorspar (NL) Inc. who can respond to these questions. The questions pre-date the involvement of the Interim Receiver and Monitor, therefore we are also unable to answer them.

If you would like to discuss the situation, please do not hesitate to call 902-420-7191.

Regards,

Phil Clarke, CPA, CA, CIRP, LIT
Senior Vice President
Grant Thornton Limited

PROTECTED B

Canada Revenue Agency / Agence du revenu du Canada

February 20, 2023

Query #1

Canada Fluorspar (NL) Inc.
P.O. Box 337
Clarke's Pond Road
St. Lawrence, NL A0E 2V0

Subject: Request for Additional Information
Account Number 89811 4087

With respect to our audit of non-resident withholding tax of Canada Fluorspar (NL) Inc. for the period 2016-01-01 to 2022-03-11, we are requesting the following information related to contracts, agreements and invoices submitted for the audit period:

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3. With respect to the invoices provided from Immersive Technologies Inc, please provide an explanation of what the "CSP" referred to in some of the invoices are.

4. With respect to the equipment/services proposal provided from Immersive Technologies Inc., there is mention of "scheduled on-site service". Please provide any breakdowns of the costs associated with this service that may be included in any of the invoices provided.

5. With respect to the invoices provided for Lindsay Gorrill and LBP Management Services, LLC, please provide an explanation of whether these entities are the same, as invoices for both were provided in response to a request for all invoices, Purchase Orders and agreements with Lindsay Gorrill.

6. The invoices provided for Lindsay Gorrill appear to be expense claims for travel time, some within Canada. However, there does not appear to be any T4s or T4A-NRs on file for Lindsay Gorrill. Please provide an explanation of who paid Lindsay Gorrill for their work completed for Canada Fluorspar (NL) Inc.

Canada

Please provide the requested information to us by March 6, 2023. If you would like to submit your response electronically, your case number is **79117741**. If you have questions, please call me at 709-730-8143. You can also reach my team leader, Alex Crawley, at 709-631-8649.

Sincerely,

Taylor White

Taylor White, CPA
Income Tax Auditor
Non-Resident Audit Section
Audit Division
Newfoundland and Labrador Tax Services Office

Telephone:	709-730-8143
Facsimile:	709-772-5263
Mailing Address:	P.O. Box 12075 Stn A St. John's NL A1B 4R5
Courier Address:	290 Empire Avenue St. John's NL A1C 3J1

Appendix “G”

Canada Revenue Agency | Agence du revenu du Canada

April 14, 2023

Canada Fluorspar (NL) Inc.
P.O. Box 337
Clarke's Pond Road
St. Lawrence, NL A0E 2V0

Subject: Request for Additional Information
Account Number 89811 4087

To whom it may concern:

After reviewing the non-resident transactions in the data provided, we will undertake a review of supporting documentation of a sample of those transactions. Please provide all invoices, contracts, any payment details, and any other supporting documents pertaining to the items listed in the attached documents. Please provide this documentation by May 5, 2023. Please note that for any credit amounts in the sample, support for the actual expense can be provided in those situations.

As well, in reviewing transactions in the general ledgers provided, the following names of individuals were noted and we were unable to determine whether they are Canadian resident or non-resident: Terry Fleming, Ian Holl, and Jason Flood. Please confirm (with supporting documentation) whether these individuals are Canadian resident or non-resident, and if they are non-resident please provide all payments made by Canada Fluorspar (NL) Inc. for their work, with supporting documentation. Please also provide all payments made by Canada Fluorspar (NL) Inc. to non-resident subcontractor Chris Wentzel, with supporting documentation.

If you want to submit your documents electronically, your case number is **79117741**. For more information on how to register, or to submit documents, go to **https://www.canada.ca/en/revenue-agency/services/e-services/submit-documents-online.html**.

If you would like to discuss or clarify our request for information, please contact me at 709-730-8143. You can also reach my team leader, Alex Crawley, at 709-631-8649.

Sincerely,

Taylor White

Taylor White
Income Tax Auditor
Non-Resident Audit Section
Audit Division
Newfoundland and Labrador Tax Services Office

Telephone:	709-730-8143
Facsimile:	709-772-5263
Mailing Address:	P.O. Box 12075 Stn A St. John's NL A1B 4R5
Courier Address:	290 Empire Avenue St. John's NL A1C 3J1

PROTECTED B

Canada Revenue Agency / Agence du revenu du Canada

Working Paper #0860-4A		Taxation year(s) 2018
Name of Taxpayer: Canada Fluorspar (NL) Inc.	Account No.: 89811 4087	Case: 79117741
Auditor: Taylor White	Date: 2023-04-13	WP No.: 0860-4A
2018 Sample		

Account Number	Account Name	Amount	Date	Batch No.	Batch Description	J/E No.	Description	Reference
70030-150-400	Repairs & Maintenance - Building And Grounds G & A Maintenan	$ 232,251.84	2018-08-31	11567	August 2018 Journals	4	JE 08-002A Misc Accrual August period	JE 08-002A Misc Accrual August period

Canada Revenue Agency / Agence du revenu du Canada

Working Paper #0860-4B

Name of Taxpayer: Canada Fluorspar (NL) Inc.	Account No.: 89811 4087	Taxation year(s) 2019
		Case: 79117741
Auditor: Taylor White	Date: 2023-04-13	WP No.: 0860-4B
2019 Sample		

Account Number	Account Name	Amount	Date	Batch No.	Batch Description	J/E No.	Description	Reference
70030-150-400	Repairs & Maintenance - Building And Grounds G & A Maintenan	$ 84,474.50	2019-06-27	14410	May 2019 Journals	17	JE 05-006A To Accrue Misc Expenses for May	JE 05-006A To Accrue Misc Expenses for May
65005-150-670	Rentals R&M G&A Site Services	$ 150,162.00	2019-11-30	16028	Novemeber 2019 Journals	2	JE 11-006A Accrue Misc. Expenses for November	JE 11-006A Accrue Misc. Expenses for November
65005-150-670	Rentals R&M G&A Site Services	$ 147,792.00	2019-12-31	16378	December 31, 2019 Journals	8	JE 12-006A To accrue Misc Expenses for December	JE 12-006A To accrue Misc Expenses for Decmber

Canada Revenue Agency / Agence du revenu du Canada

Working Paper #0860-4C

Name of Taxpayer: Canada Fluorspar (NL) Inc.	Account No.: 89811 4087	Taxation year(s): 2021
		Case: 79117741
Auditor: Taylor White	Date: 2023-04-13	WP No.: 0860-4C

2021 Sample

Account Number	Account Name	Amount	Date	Batch Entry	Posting Sequence	Description
10550-002-000	PrepaidAGS Project	$ 264,908.56	2021-05-18	20351-113	6961	ANCMAR-AnchorMarine&IndustrialSupply,Inc.
10550-002-000	PrepaidAGS Project	$ 260,315.51	2021-06-17	20509-107	7006	ANCMAR-AnchorMarine&IndustrialSupply,Inc.
18342-520-040	CLOSED BB Wharf Project- Bldg./Const.- Marine Facility Misc	$ 86,368.78	2021-06-17	20501-80	7004	PO00018664-transport ANCMAR-RCP0040158
50001-002-000	Freight on CaF2 Sales	$ 573,970.03	2021-12-09	21256-270	7226	AURSHI-MV EverComfort EC-21-0013DR
50001-002-000	Freight on CaF2 Sales	$ 448,694.52	2021-12-09	21162-37	7176	AURORA-MVEver Comfort EC-21-0013
60025-150-600	Consultants - G&A	$ 151,250.00	2021-08-31	20862-1	7098	JE08-008RecurringAccrualforG&A -August JE08-008G&A ConsultantsBox L.MiningFees(PG)
60025-150-600	Consultants - G&A	$ 120,000.00	2021-12-31	21295-1	7214	JE12-008RecurringG&A Non-Revere Accrual&Entry JE12-008Box LMining FeesFX 1.25
70223-151-655	CaF2OffsiteConcentrateHandling&Logistics	$ 311,699.15	2021-09-21	20883-215	7113	HORMAR-Horizon Maritime OffshoreAS 1000096
70223-151-655	CaF2OffsiteConcentrateHandling&Logistics	$ 264,632.02	2021-09-09	20769-180	7091	HORMAR-TugTo MoveBarge 1000086
70223-151-655	CaF2OffsiteConcentrateHandling&Logistics	$ 75,000.00	2021-09-13	20857-2	7110	HORMAR-Horizon Maritime Offshore-BargeTow -SafeArrival 1000089
50001-002-000	Freight on CaF2 Sales	$ 459,625.20	2021-01-08	19529-21	6708	MSBFCAL-MS BF Caloosa CAL001-21
50001-002-000	Freight on CaF2 Sales	$ 370,171.76	2021-04-28	20214-204	6921	NEWCHA-New Tide- MVFrisiana 210161
50001-002-000	Freight on CaF2 Sales	$ 690,140.52	2021-04-12	20193-35	6906	OSLO-OsloBulk-MVSea Carrier OsloBulk 85% IN01OC0121010
70160-151-655	ConcentratetoDock Logistics/Trucking & Vessel Loading	$ 11,557.61	2021-02-28	20026-82	6857	PO00017476-MV OSLO BULK8LOADINGSERVICES MARYSTOWNDOCK AHARVE-RCP0037843
50001-002-000	Freight on CaF2 Sales	$ 550,838.74	2021-08-02	20641-50	7054	SCHBRU-Schulte& BurnsFWN Paula 003729FINV
70223-151-655	CaF2OffsiteConcentrateHandling&Logistics	$ 267,684.39	2021-04-20	20258-171	6942	WATCOM-LoadingFluorspar At Watco GreensportTerminal 200072320

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Canada Revenue Agency / Agence du revenu du Canada

Working Paper #0860-4D

Name of Taxpayer: Canada Fluorspar (NL) Inc.	Account No.: 89811 4087	Taxation year(s) 2022 Case: 79117741
Auditor: Taylor White	Date: 2023-04-13	WP No.: 0860-4D
2022 Sample		

Account Number	Account Name	Amount	Date	Batch Entry	Posting Sequence	Description
10550-002-000	PrepaidAGS Project	$ 95,085.00	2022-01-21	21335-159	7259	BOXMIN-BoxL Miningand RanchingLLC

Appendix “H”

Grant Thornton

Canada Revenue Agency
Non-Resident Audit Section – NL Tax Services Office
165 Duckworth Street
St. John's, NL A1B 4R5

Grant Thornton Ltd
Nova Centre, North Tower
Suite 1000, 1675 Grafton Street
Halifax, NS
B3J 0E9

T +1 902 421 1734
F +1 902 420 1068

May 5, 2023

Attention: Taylor White

Re: In the Matter of the Companies' Creditors Arrangement Act proceedings of Canada Fluorspar (NL) Inc., Canada Fluorspar Inc. and Newspar (a General Partnership) ("CFI") – CRA Regulation 105 and 102 Tax Audit

Mr. White:

In response to the letters from the Canada Revenue Agency ("**CRA**") dated January 13, 2023 and April 14, 2023, the Company has found some of the requested audit samples. The samples found will be uploaded to CRA online.

Documentation on certain samples could not be found. If the Company or the Monitor is able to find support for these samples, this will be passed onto the CRA.

Regards,

GRANT THORNTON LIMITED
In its Capacity as Monitor of
Canada Fluorspar (NL) Inc., Canada Fluorspar Inc. and Newspar (a General Partnership)

Per:
Phil Clarke, CPA, CA, CIRP, LIT
Senior Vice President

PROTECTED B

Canada Revenue Agency / Agence du revenu du Canada

January 13, 2023

Canada Fluorspar (NL) Inc.
P.O. Box 337
Clarke's Pond Road
St. Lawrence, NL A0E 2V0

Subject: Request for Additional Information
Account Number 89811 4087

To whom it may concern:

After reviewing the non-resident transactions in the data available to us, we will undertake a review of supporting documentation of a sample of those transactions. Please provide all invoices, contracts, any payment details, and any other supporting documents pertaining to the items listed in the attached documents. Please provide this documentation by January 27, 2023. Please note that for the credit amounts in the sample, support for the actual expense can be provided in those situations.

If you want to submit your documents electronically, your case number is **79117741**. For more information on how to register, or to submit documents, go to **https://www.canada.ca/en/revenue-agency/services/e-services/submit-documents-online.html**.

If you would like to discuss or clarify our request for information, please contact me at 709-730-8143. You can also reach my team leader, Alex Crawley, at 709-631-8649.

Sincerely,

Taylor White

Taylor White
Income Tax Auditor
Non-Resident Audit Section
Audit Division
Newfoundland and Labrador Tax Services Office

Telephone:	709-730-8143
Facsimile:	709-772-5263
Mailing Address:	P.O. Box 12075 Stn A St. John's NL A1B 4R5
Courier Address:	290 Empire Avenue St. John's NL A1C 3J1

Canada

PROTECTED B

Canada Revenue Agency / Agence du revenu du Canada

Working Paper #0860-2A

Name of Taxpayer:	Account No.:	Taxation year(s) / Case:
Canada Fluorspar (NL) Inc.	89811 4087	2016 / 79117741
Auditor:	**Date:**	**WP No.:**
Taylor White	2023-01-11	0860-2A

2016 Sample

Vendor Name	Currency	Document No.	Document Date	Amount
ADP Marine and Modular (PTY) Ltd.	ZAR	300822	2016-04-06	$ 3,109,725.20
ADP Marine and Modular (PTY) Ltd.	ZAR	300972	2016-09-28	$ 4,664,587.80
A.M. King Industries, Inc.	USD	PP00000055	2016-02-19	-$ 150,000.00
Bill Dobbs	USD	BDOBBSCONSULTFEB2016	2016-02-29	$ 6,162.34
FLSmidth Inc. - Salt Lake City Operations	CAD	923604494	2016-10-05	$ 155,973.95
FLSmidth Inc. - Salt Lake City Operations	CAD	923604495	2016-10-05	$ 207,965.26
FluorOne Management	USD	F0119	2016-10-04	$ 29,308.54
Inspectorate America Corporation	USD	IMAR160105624	2016-01-28	$ 15,536.90
LBP Management Services, LLC	USD	0001-2016	2016-01-31	$ 30,862.00
Pack Leader Services LLC	USD	2016-01	2016-01-05	$ 15,000.00
Yantai Fulin Mining Machinery Co., Ltd.	USD	FL20161111	2016-11-18	$ 377,050.20

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Canada Revenue Agency / Agence du revenu du Canada

Working Paper #0860-2B		Taxation year(s) 2017
Name of Taxpayer: Canada Fluorspar (NL) Inc.	Account No.: 89811 4087	Case: 79117741
Auditor: Taylor White	Date: 2023-01-11	WP No.: 0860-2B

Full Account No.	Account Name	Transaction Amount	Journal Entry Date	Journal Entry No.	Reference	Vendor
20030-002-000	Accounts Payable - Received but not invoiced	$ 39,857.35	2017-03-09	7	301096	ADP Marine and Modular (PTY) Ltd.
17550-050-001	Vendor Reps	$ 28,862.95	2017-01-26	28	ADPMAR-RCP0002749	ADP Marine and Modular (PTY) Ltd.
20005-002-000	Accounts Payable - Accrued Trade	$ 5,667.48	2016-12-31	10	REVERSING ENTRY	ADP Marine and Modular (PTY) Ltd.
17550-050-001	Vendor Reps	$ 5,540.80	2017-01-26	28	ADPMAR-RCP0002749	ADP Marine and Modular (PTY) Ltd.
70010-150-000	Marketing	$ 20,372.47	2017-08-01	1	BDOBBSEXPJUNE2017	Bill Dobbs
70010-150-000	Marketing	$ 13,599.02	2017-06-22	1	BDOBBSEUROPETRIP	Bill Dobbs
20030-002-000	Accounts Payable - Received but not invoiced	$ 11,385.91	2017-05-09	1	DOBBIL-RCP0004061	Bill Dobbs
70010-150-000	Marketing	$ 7,339.47	2017-12-07	1	BDOBBSOCTEXPENSES	Bill Dobbs
18500-050-050	Filter	$ 207,965.26	2017-01-24	32	FLSLTDCAD-RCP0002693	FLSmidth Inc. - Salt Lake City Operations
18500-050-050	Filter	$ 155,973.95	2017-01-24	33	FLSLTDCAD-RCP0002694	FLSmidth Inc. - Salt Lake City Operations
20030-002-000	Accounts Payable - Received but not invoiced	$ 142,633.95	2017-04-04	3	923605554	FLSmidth Inc. - Salt Lake City Operations
18500-050-050	Filter	$ 77,986.97	2017-04-19	33	FLSLTDCAD-RCP0003780	FLSmidth Inc. - Salt Lake City Operations
18500-050-050	Filter	$ 51,991.32	2017-04-19	33	FLSLTDCAD-RCP0003780	FLSmidth Inc. - Salt Lake City Operations
18500-050-050	Filter	$ 25,995.66	2017-04-19	33	FLSLTDCAD-RCP0003780	FLSmidth Inc. - Salt Lake City Operations
20030-002-000	Accounts Payable - Received but not invoiced	$ 45,677.48	2017-06-14	3	F0130	FluorOne Management
20030-002-000	Accounts Payable - Received but not invoiced	$ 34,320.84	2017-05-18	1	F0129	FluorOne Management
16150-050-001	Consultants	$ 31,344.00	2017-07-06	16	FLUMAN-RCP0005500	FluorOne Management
16150-050-001	Consultants	$ 20,364.98	2017-06-09	7	FLUMAN-RCP0004841	FluorOne Management
20030-002-000	Accounts Payable - Received but not invoiced	$ 62,879.75	2017-03-31	4	1800000474	Gardner Denver NASH LLC
18475-050-050	Blowers	$ 52,810.51	2017-03-16	49	GARDEN-RCP0003209	Gardner Denver NASH LLC
18475-050-050	Blowers	$ 51,937.58	2017-02-13	53	GARDEN-RCP0002917	Gardner Denver NASH LLC
60010-150-000	Salaries - salaried employees	$ 47,263.62	2017-01-12	1	0013-2016	LBP Management Services, LLC
70270-150-000	Professional Services - Outside Consultants	$ 21,600.00	2017-06-05	3	PACLEA-RCP0004710	Pack Leader Services LLC
70270-150-000	Professional Services - Outside Consultants	$ 7,938.86	2017-04-04	1	PACLEA-RCP0003507	Pack Leader Services LLC
20030-002-000	Accounts Payable - Received but not invoiced	$ 15,472.13	2017-11-20	1	CFI008	RMG, LLC
70270-150-000	Professional Services - Outside Consultants	$ 10,314.93	2017-11-20	4	RMG-RCP0008892	RMG, LLC

Canada Revenue Agency / Agence du revenu du Canada

Working Paper #0860-2C

Name of Taxpayer:	Account No.:	Taxation year(s) / Case:
Canada Fluorspar (NL) Inc.	89811 4087	2018 / 79117741
Auditor:	**Date:**	**WP No.:**
Taylor White	2023-01-11	0860-2C

Full Account No.	Account Name	Transaction Amount		Journal Entry Date	Journal Entry No.	Reference	Vendor
20030-002-000	Accounts Payable - Received but not invoiced	$	15,382.00	2018-06-30	1	301353	ADP Marine and Modular (PTY) Ltd.
18825-050-050	DMS	$	13,375.65	2018-07-06	4	ADPMARCAD-RCP0012195	ADP Marine and Modular (PTY) Ltd.
60180-150-610	Travel & accomodations G & A Corporate	$	12,038.44	2018-10-22	38	BDOBBSEXPSEPT2018	Bill Dobbs
20005-002-000	Accounts Payable - Accrued Trade	-$	9,068.01	2018-11-14	42	DOBBIL-A/P Batch November 2018	Bill Dobbs
20005-002-000	Accounts Payable - Accrued Trade	-$	13,090.93	2018-10-22	38	DOBBIL-Bill Dobbs Sept Expenses	Bill Dobbs
20030-002-000	Accounts Payable - Received but not invoiced	$	84,712.80	2018-10-31	45	1802028 RE-AZ51552	Dorfner Analysenzentrum und Anlagenplanungsgesellschaft mbH
65006-130-200	Consumables, R&M, Direct Costs Mine Geology	$	58,818.32	2018-10-31	7	DORANZEUR-RCP0014374	Dorfner Analysenzentrum und Anlagenplanungsgesellschaft mbH
60025-150-600	Salaries - Consultants G & A General	$	12,800.00	2018-10-28	4	DORANZ-RCP0014261	Dorfner Analysenzentrum und Anlagenplanungsgesellschaft mbH
20030-002-000	Accounts Payable - Received but not Invoiced	$	47,289.68	2018-05-31	2	923608215	FLSmidth Inc. - Salt Lake City Operations
17550-050-001	Vendor Reps	$	46,699.40	2018-05-18	17	FLSLTD-RCP0011357	FLSmidth Inc. - Salt Lake City Operations
70270-150-000	Professional Services - Outside Consultants	$	25,151.13	2018-04-30	13	FLSLTD-RCP0011143	FLSmidth Inc. - Salt Lake City Operations
70270-150-000	Professional Services - Outside Consultants	$	20,952.76	2018-04-10	33	NOVEMBER2017	FluorOne Management
19900-040-040	Wharf/Barge Capital Project	$	29,853.54	2018-12-31	22	10849	LKL Oceantrade B.V
70160-150-650	Concentrate to Dock (Marine & Logistics) G & A Procurement	$	422,843.85	2018-12-31	38	MIDGRO-RCP0016157	Mid-Ship Group LLC
20030-002-000	Accounts Payable - Received but not invoiced	$	15,004.28	2018-02-27	40	CFI0011	RMG, LLC
70270-150-000	Professional Services - Outside Consultants	$	10,000.00	2018-03-31	5	JE 03-002A Project Accrual	RMG, LLC
70010-150-610	Marketing G & A Corporate	$	6,671.00	2018-11-07	42	RMG-RCP0014858	RMG, LLC
70160-150-650	Concentrate to Dock (Marine & Logistics) G & A Procurement	$	23,180.25	2018-12-31	7	ROBROT-RCP0016050	RoBulog, Rotterdam Bulk Logistics
10550-002-000	Prepaid AGS Project	$	70,230.85	2018-11-02	2	YANFUL-Yantai Fulin Mining Machinery Co., Ltd.	Yantai Fulin Mining Machinery Co., Ltd.

Canada Revenue Agency / Agence du revenu du Canada

Working Paper #0860-2D		Taxation year(s) 2019
Name of Taxpayer: Canada Fluorspar (NL) Inc.	Account No.: 69611 4087	Case: 79117741
Auditor: Taylor White	Date: 2023-01-11	WP No.: 0860-2D

[illegible]

Full Account No.	Account Name	Transaction Amount	Journal Entry Date	Journal Entry No.	Reference	Vendor
60025-140-600	Salaries - Consultants Mill General	$ 36,039.00	2019-09-30	60	ADPMARCAD-RCP0024205	ADP Marine and Modular (PTY) Ltd.
20005-002-000	Accounts Payable - Accrued Trade	$ 32,594.25	2019-09-30	83	301635	ADP Marine and Modular (PTY) Ltd.
10550-002-000	Prepaid AGS Project	$ 435,805.94	2019-09-09	15	AYDENI-Ay Denizcilik A.S - The Marshall Islands	Ay Denizcilik A.S - The Marshall Islands
70160-150-650	Concentrate to Dock (Marine & Logistics) G & A Procurement	$ 301,300.24	2019-02-13	23	015437FINV	BBC Chartering Carriers GmbH & Co. KG
10550-002-000	Prepaid AGS Project	$ 85,435.57	2019-09-18	1	DOBBIL-Bill Dobbs	Bill Dobbs
60180-150-600	Travel & accomodations G & Ageneral	$ 52,203.35	2019-09-30	1	BDOBBSEXPOCT18/JULY19	Bill Dobbs
10550-002-000	Prepaid AGS Project	$ 38,168.34	2019-11-08	57	DOBBIL-Bill Dobbs	Bill Dobbs
60180-150-610	Travel & accomodations G & A Corporate	$ 36,600.91	2019-10-31	1	BDOBBSOCT2019	Bill Dobbs
60220-150-610	Meals G & A Corporate	$ 9,154.94	2019-09-30	1	BDOBBSEXPOCT18/JULY19	Bill Dobbs
20005-002-000	Accounts Payable - Accrued Trade	$ 249,489.72	2019-10-28	8	1909211	Celtic Marine Corporation
10550-002-000	Prepaid AGS Project	$ 424,491.68	2019-12-20	10	CSMEOSUSD-CSMT EOS Ltd.	CSMT EOS Ltd.
10550-002-000	Prepaid AGS Project	$ 108,935.43	2019-10-17	38	DAMSHI-Damen Shiprepair Harbour & Voyage	Damen Shiprepair Harbour & Voyage
19900-040-040	Wharf/Barge Capital Project	$ 44,367.97	2019-10-18	49	DAMSHI-RCP0024531	Damen Shiprepair Harbour & Voyage
16342-500-061	Blue Beach-Wharf Project Permitting, Regulatory Fees,Inspect	$ 36,521.67	2019-12-31	28	DAMSHI-RCP0026758	Damen Shiprepair Harbour & Voyage
19900-040-040	Wharf/Barge Capital Project	$ 11,290.52	2019-10-18	49	DAMSHI-RCP0024531	Damen Shiprepair Harbour & Voyage
19900-040-040	Wharf/Barge Capital Project	$ 8,301.85	2019-10-18	49	DAMSHI-RCP0024531	Damen Shiprepair Harbour & Voyage
19900-040-040	Wharf/Barge Capital Project	$ 5,469.11	2019-10-18	49	DAMSHI-RCP0024531	Damen Shiprepair Harbour & Voyage
60025-140-500	Salaries - Consultants Mill General	$ 25,600.00	2019-09-30	8	DORANZ-RCP0024292	Dorfner Analysenzentrum und Anlagenplanungsgesellschaft mbH
65006-130-200	Consumables, R&M, Direct Costs Mine Geology	$ 12,411.72	2019-02-28	7	RE-AZ52792	Dorfner Analysenzentrum und Anlagenplanungsgesellschaft mbH
65006-140-535	Mill Consumables, R&M, Direct Costs - Laboratory	$ 11,088.38	2019-09-30	7	DORANZEUR-RCP0024290	Dorfner Analysenzentrum und Anlagenplanungsgesellschaft mbH
20005-002-000	Accounts Payable - Accrued Trade	$ 16,437.63	2019-08-15	5	923676767	FLSmidth Inc. - Salt Lake City Operations
20030-002-000	Accounts Payable - Received but not Invoiced	$ 13,478.24	2019-12-01	34	FLSLTD-RCP0011058	FLSmidth Inc. - Salt Lake City Operations
65006-140-530	Mill Consumables, R&M, Direct Costs - Drum Filter	$ 10,747.20	2019-07-30	57	923674172DR	FLSmidth Inc. - Salt Lake City Operations
65006-140-500	Mill Consumables, R&M, Direct Costs - Mill Operations	$ 10,619.48	2019-03-11	74	FLSLTD-RCP0017931	FLSmidth Inc. - Salt Lake City Operations
20005-002-000	Accounts Payable - Accrued Trade	$ 80,618.21	2019-07-12	8	900847227	Gardner Denver NASH LLC
65006-140-400	Mill Consumables, R&M, Direct Costs - Mill Maintenance	$ 75,479.27	2019-07-08	96	GARDEN-RCP0021494	Gardner Denver NASH LLC
10405-005-000	Stock Inventory	$ 44,594.46	2019-07-04	44	GARDEN-RCP0021351	Gardner Denver NASH LLC
10550-002-000	Prepaid AGS Project	$ 191,907.57	2019-09-30	26	INTSCH-Interscan Schiffahrtsgesellschaft mbH	Interscan Schiffahrtsgesellschaft mbH
65006-140-535	Mill Consumables, R&M, Direct Costs - Laboratory	$ 8,939.03	2019-11-30	37	INSAME-RCP0026162	Inspectorate America Corporation
19900-040-040	Wharf/Barge Capital Project	$ 31,797.93	2019-04-26	4	11033	LKL Oceantrade B.V
19900-040-040	Wharf/Barge Capital Project	$ 30,308.15	2019-06-30	175	11188	LKL Oceantrade B.V
19900-040-040	Wharf/Barge Capital Project	$ 24,774.43	2019-09-18	21	11319	LKL Oceantrade B.V
19900-040-040	Wharf/Barge Capital Project	$ 14,110.11	2019-07-10	34	11216	LKL Oceantrade B.V
10550-002-000	Prepaid AGS Project	$ 517,965.43	2019-10-15	1	MIDGRO-Mid-Ship Group LLC	Mid-Ship Group LLC
70160-150-650	Concentrate to Dock (Marine & Logistics) G & A Procurement	$ 329,716.00	2019-09-20	19	MIDGRO-RCP0023577	Mid-Ship Group LLC
10550-002-000	Prepaid AGS Project	$ 44,979.64	2019-11-08	55	MIDGRO-Mid-Ship Group LLC	Mid-Ship Group LLC
70160-150-650	Concentrate to Dock (Marine & Logistics) G & A Procurement	$ 453,535.47	2019-08-31	24	MINTRA-RCP0023077	Minerals & Transport
70160-150-650	Concentrate to Dock (Marine & Logistics) G & A Procurement	$ 426,578.64	2019-08-31	23	NOVSHO-RCP0023076	Novaalgoma Short-Sea Carriers SA
70160-150-650	Concentrate to Dock (Marine & Logistics) G & A Procurement	$ 398,670.86	2019-05-31	39	NOVSHO-RCP0020215	Novaalgoma Short-Sea Carriers SA
70010-150-610	Marketing G & A Corporate	$ 6,821.00	2019-01-30	334	RMG-RCP0016610	RMG, LLC
70160-150-650	Concentrate to Dock (Marine & Logistics) G & A Procurement	$ 123,722.35	2019-08-31	17	ROBROT-RCP0023214	RoBulog, Rotterdam Bulk Logistics
10550-002-000	Prepaid AGS Project	$ 81,521.75	2019-12-12	17	ROBROT-RoBulog, Rotterdam Bulk Logistics	RoBulog, Rotterdam Bulk Logistics
19900-040-040	Wharf/Barge Capital Project	$ 44,013.00	2019-11-30	16	ROBROT-RCP0026237	RoBulog, Rotterdam Bulk Logistics
70160-150-650	Concentrate to Dock (Marine & Logistics) G & A Procurement	$ 25,855.40	2019-09-23	9	ROBROT-RCP0023632	RoBulog, Rotterdam Bulk Logistics
70160-150-650	Concentrate to Dock (Marine & Logistics) G & A Procurement	$ 357,797.50	2019-11-29	1	SPLTRA-RCP0025768	Spliethoff Transport BV
20005-002-000	Accounts Payable - Accrued Trade	$ 38,904.65	2019-12-19	4	161901858	Spliethoff Transport BV
50001-002-000	Freight on Sales	$ 19,080.98	2019-12-19	5	SPLTRA-RCP0026362	Spliethoff Transport BV

PROTECTED B

Canada Revenue Agency | Agence du revenu du Canada

Working Paper #0860-2E

Name of Taxpayer:	Account No.:	Case:
Canada Fluorspar (NL) Inc.	89811 4087	79117741
Auditor: Taylor White	Date: 2023-01-11	WP No.: 0860-2E

Taxation year(s): 2020

2020 Sample

Vendor Name	Currency	Document No.	Document Date	Amount
A.C. Oerssleff Chartering A/S	USD	MK/171FRT	2020-01-22	$ 622,125.00
A.C. Oerssleff Chartering A/S	USD	MK/2120	2020-01-02	$ 197,505.00
Asia Break Bulk (Singapore) Pte. Ltd.	USD	2020-08-003	2020-08-17	$ 248,763.85
BBC Chartering Carriers GmbH & Co. KG	USD	019310FINV	2020-05-07	$ 132,216.32
Bill Dobbs	USD	BDOBBSAUG2020	2020-08-31	$ 30,104.17
Damen Shiprepair Harbour & Voyage	EUR	CD100001148	2020-03-09	$ 54,298.62
Derpina Denizcilik VE Ticaret Ltd. Sti.	EUR	NA.20.030	2020-12-07	$ 213,621.22
Eggerding B.V.	EUR	20203158	2020-10-01	$ 29,938.22
Emona Ltd.	USD	N-71-01/10.09.2020	2020-09-10	$ 629,584.38
FLSmidth Inc. - Salt Lake City Operations	CAD	923805190	2020-06-17	$ 144,948.01
FluorOne Trading, LLC	USD	F0143	2020-02-07	$ 150,000.00
Gardner Denver NASH LLC	USD	0	2020-02-14	$ 30,160.00
Inspectorate America Corporation	USD	IUSMAR20024116	2020-07-01	$ 17,400.00
Mid-Ship Group LLC	USD	SI-00133183	2020-07-15	$ 26,378.47
MLB Manfred Lauterjung Befrachtung GmbH & Co. KG	USD	015-01/2020	2020-02-17	$ 557,329.79
Novaalgoma Short-Sea Carriers SA "APP.POOL"	USD	SIDERVENTURESETTLEMENT	2020-09-23	$ 75,336.15
Ocean7 Chartering ApS	USD	003434FINV	2020-06-30	$ 259,264.50
Onego Shipping and Chatering bv	USD	11084	2020-10-30	$ 192,837.29
RoBulog, Rotterdam Bulk Logistics	EUR	2001206	2020-08-27	$ 66,384.34
Seacontractors/Dian Kingdom B.V	EUR	DIAN20200002	2020-03-17	$ 281,582.50
Spliethoff Transport BV	USD	162001301	2020-08-24	$ 144,188.44
Wagenborg Shipping B.V.	USD	WAALBORG04/24/20	2020-04-24	$ 202,009.14

PROTECTED B

Canada Revenue Agency | Agence du revenu du Canada

April 14, 2023

Canada Fluorspar (NL) Inc.
P.O. Box 337
Clarke's Pond Road
St. Lawrence, NL A0E 2V0

Subject: Request for Additional Information
Account Number 89811 4087

To whom it may concern:

After reviewing the non-resident transactions in the data provided, we will undertake a review of supporting documentation of a sample of those transactions. Please provide all invoices, contracts, any payment details, and any other supporting documents pertaining to the items listed in the attached documents. Please provide this documentation by May 5, 2023. Please note that for any credit amounts in the sample, support for the actual expense can be provided in those situations.

As well, in reviewing transactions in the general ledgers provided, the following names of individuals were noted and we were unable to determine whether they are Canadian resident or non-resident: Terry Fleming, Ian Holl, and Jason Flood. Please confirm (with supporting documentation) whether these individuals are Canadian resident or non-resident, and if they are non-resident please provide all payments made by Canada Fluorspar (NL) Inc. for their work, with supporting documentation. Please also provide all payments made by Canada Fluorspar (NL) Inc. to non-resident subcontractor Chris Wentzel, with supporting documentation.

If you want to submit your documents electronically, your case number is **79117741**. For more information on how to register, or to submit documents, go to **https://www.canada.ca/en/revenue-agency/services/e-services/submit-documents-online.html**.

If you would like to discuss or clarify our request for information, please contact me at 709-730-8143. You can also reach my team leader, Alex Crawley, at 709-631-8649.

Canada

Sincerely,

Taylor White

Taylor White
Income Tax Auditor
Non-Resident Audit Section
Audit Division
Newfoundland and Labrador Tax Services Office

Telephone:	709-730-8143
Facsimile:	709-772-5263
Mailing Address:	P.O. Box 12075 Stn A St. John's NL A1B 4R5
Courier Address:	290 Empire Avenue St. John's NL A1C 3J1

Canada Revenue Agency / Agence du revenu du Canada

Working Paper #0860-4A

Name of Taxpayer:	Account No.:	Taxation year(s)
Canada Fluorspar (NL) Inc.	89811 4087	2018
		Case: 79117741
Auditor: Taylor White	Date: 2023-04-13	WP No.: 0860-4A

2018 Sample

Account Number	Account Name	Amount	Date	Batch No.	Batch Description	J/E No.	Description	Reference
70030-150-400	Repairs & Maintenance - Building And Grounds G & A Maintenan	$ 232,251.84	2018-08-31	11567	August 2018 Journals	4	JE 08-002A Misc Accrual August period	JE 08-002A Misc Accrual August period

Canada Revenue Agency / Agence du revenu du Canada

Working Paper #0860-4B

Name of Taxpayer:	Account No.:	Taxation year(s) / Case: / WP No.:
Canada Fluorspar (NL) Inc.	69811 4087	Taxation year(s): 2019
		Case: 79117741
Auditor: Taylor White	Date: 2023-04-13	WP No.: 0860-4B

Account Number	Account Name	Amount	Date	Batch No.	Batch Description	J/E No.	Description	Reference
70030-150-400	Repairs & Maintenance – Building And Grounds G & A Maintenan	$ 84,474.50	2019-06-27	14410	May 2019 Journals	17	JE 05-008A To Accrue Misc Expenses for May	JE 05-008A To Accrue Misc Expenses for May
65005-150-670	Rentals R&M G&A Site Services	$ 150,162.00	2019-11-30	16028	Novemeber 2019 Journals	2	JE 11-006A Accrue Misc. Expenses for November	JE 11-006A Accrue Misc. Expenses for November
65005-150-670	Rentals R&M G&A Site Services	$ 147,792.00	2019-12-31	16378	December 31, 2019 Journals	8	JE 12-006A To accrue Misc Expenses for December	JE 12-006A To accrue Misc Expenses for December

Canada Revenue Agency / Agence du revenu du Canada

Working Paper #0860-4C

Name of Taxpayer:	Account No.:	Taxation year(s)
Canada Fluorspar (NL) Inc.	89811 4087	2021
Auditor: Taylor White	Date: 2023-04-13	Case: 79117741
		WP No.: 0860-4C

2021 Samples

Account Number	Account Name	Amount	Date	Batch Entry	Posting Sequence	Description
10550-002-000	PrepaidAGS Project	$ 264,908.56	2021-05-18	20351-113	6961	ANCMAR-AnchorMarine&IndustrialSupply,Inc.
10550-002-000	PrepaidAGS Project	$ 260,315.51	2021-06-17	20509-107	7006	ANCMAR-AnchorMarine&IndustrialSupply,Inc.
18342-520-040	CLOSED BB Wharf Project- Bldg./Const.- Marine Facility Misc	$ 86,358.78	2021-06-17	20501-80	7004	PO00018664-transport ANCMAR-RCP0040158
50001-002-000	Freight on CaF2 Sales	$ 573,970.03	2021-12-09	21256-270	7226	AURSHI-MV EverComfort EC-21-0013DR
50001-002-000	Freight on CaF2 Sales	$ 448,694.52	2021-12-09	21162-37	7176	AURORA-MVEver Comfort EC-21-0013
60025-150-600	Consultants - G&A	$ 151,250.00	2021-08-31	20862-1	7098	JE08-008RecurringAccrualforG&A -August JE08-008G&A ConsultantsBox L.MiningFees(PG)
60025-150-600	Consultants - G&A	$ 120,000.00	2021-12-31	21295-1	7214	JE12-008RecurringG&A Non-Revere Accrual&Entry JE12-008Box LMining FeesFX 1.25
70223-151-855	CaF2OffsiteConcentrateHandling&Logistics	$ 311,699.15	2021-09-21	20883-215	7113	HORMAR-Horizon Maritime OffshoreAS 1000096
70223-151-855	CaF2OffsiteConcentrateHandling&Logistics	$ 264,632.02	2021-09-09	20769-180	7091	HORMAR-TugTo MoveBarge 1000086
70223-151-655	CaF2OffsiteConcentrateHandling&Logistics	$ 75,000.00	2021-09-13	20857-2	7110	HORMAR-Horizon Maritime Offshore-BargeTow -SafeArrival 1000089
50001-002-000	Freight on CaF2 Sales	$ 459,625.20	2021-01-08	19529-21	6708	MSBFCAL-MS BF Caloosa CAL001-21
50001-002-000	Freight on CaF2 Sales	$ 370,171.76	2021-04-28	20214-204	6921	NEWCHA-New Tide- MVFrisiana 210161
50001-002-000	Freight on CaF2 Sales	$ 690,140.52	2021-04-12	20193-35	6906	OSLO-OsloBulk-MVSea Carrier OsloBulk 95% IN01OC0121010
70160-151-655	ConcentratetoDock Logistics/Trucking & Vessel Loading	$ 11,557.61	2021-02-28	20026-82	6857	PO00017476-MV OSLO BULKBLOADINGSERVICES MARYSTOWNDOCK AHARVE-RCP0037843
50001-002-000	Freight on CaF2 Sales	$ 550,838.74	2021-08-02	20641-50	7054	SCHBRU-Schulte& BurnsFWN Paula 003729FINV
70223-151-855	CaF2OffsiteConcentrateHandling&Logistics	$ 267,684.39	2021-04-20	20258-171	6942	WATCOM-LoadingFluorspar At Watco GreensportTerminal 200072320

PROTECTED B

Canada Revenue Agency / Agence du revenu du Canada

Working Paper #0860-4D

Name of Taxpayer:	Account No.:	Taxation year(s) / Case:
Canada Fluorspar (NL) Inc.	89811 4087	2022 / 79117741
Auditor: Taylor White	Date: 2023-04-13	WP No.: 0860-4D

2022 Sample

Account Number	Account Name	Amount	Date	Batch Entry	Posting Sequence	Description
10550-002-000	PrepaidAGS Project	$ 95,085.00	2022-01-21	21335-159	7259	BOXMIN-BoxL Miningand RanchingLLC

Government of Canada / Gouvernement du Canada

Canada Revenue Agency

Submit documents - confirmation

Business number:

898114087 RP0002

Business name:

CANADA FLUORSPAR (NL) INC.

Case or reference number:

79117741

Confirmation number:

29M2M65

Date submitted:

May 05, 2023

Your documents have been successfully submitted.

Keep all your receipts and supporting documents in case we ask to see them.

Please use the reference number for any future submissions regarding this request. The reference number will be kept for 24 months.

List of files to submit

Description	Start date	End date	File name
Grant Thornton Signed Letter in response to Audit sample requests. As well as collected samples	2016-01-01	2021-12-31	CFI - Signed - Letter to Submit Audit Samples.pdf

Description	Start date	End date	File name
Audit Samples	2016-01-01	2021-12-31	CRA Withholdings Audit Samples.zip

Make Another Submission

Screen ID: B-AUBN-SD-04

Date modified: 2021-06-29

Appendix “I”

Federal Court | Cour fédérale

Date: 20230420

Docket: T-279-22

Citation: 2023 FC 574

Ottawa, Ontario, April 20, 2023

PRESENT: The Honourable Mr. Justice Zinn

ADMIRALTY ACTION *IN REM* AND *IN PERSONAM*

BETWEEN:

INAMINKA MARINE SERVICES LIMITED,
a body corporate

Plaintiff

and

CANADA FLUORSPAR (NL) INC,
a body corporate

Defendants
(*In personam*)

and

THE OWNERS AND ALL OTHERS
INTERESTED IN THE SHIP, "BARGE H-404"

Defendants
(*In Rem*)

ORDER AND REASONS

[1] This is an action by Inaminka Marine Services Limited [IMS] *in personam* against Canada Fluorspar (NL) Inc. [CFI] and *in rem* against the Ship "Barge H-404" [the Barge]. IMS claims amounts owing for services alleged to have been provided to these Defendants.

[2] CFI moved, pursuant to 50(1) of the *Federal Courts Act*, RSC 1985, c F-7 [Act], for an Order staying IMS's action and, under Rule 488 of the *Federal Courts Rules*, SOR/98-106 [Rules], releasing the Barge from arrest. That motion was in the context of proceedings under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 [CCAA] in the Supreme Court of Newfoundland and Labrador in Bankruptcy and Insolvency [the Bankruptcy Court] arising out of the insolvency of CFI, in which the Bankruptcy Court has issued a stay of proceedings against CFI.

[3] Justice Southcott, by Order dated October 5, 2022, granted the requested relief: *Inaminka Marine Services Limited v Canada Fluorspar (NL) Inc.*, 2022 FC 1375. His Order [the Stay Order] reads in relevant part, as follows:

> 1. The Plaintiff's action is stayed, effective until October 17, 2022, or any later date to which the stay issued by the Supreme Court of Newfoundland and Labrador in Bankruptcy and Insolvency may be extended.
>
> 2. The Plaintiff shall have leave to apply to have the stay of its action lifted at an earlier time in the event of any material change in circumstances.
>
> 3. The Defendant Ship is released from arrest.

[4] Before the Court is a motion by IMS to have the stay of its action lifted and reinstating the Order arresting the Barge.

[5] The material facts are not in dispute and those prior to September 28, 2022, are recited fully in the reasons of Justice Southcott. The following is a brief summary of the facts prior to the Stay Order and those since the Stay Order that are relied on by IMS.

[6] CFI operates a fluorspar mine in St. Lawrence, Newfoundland and Labrador. CFI is the owner of the Barge and obtained it to facilitate the loading of fluorspar from the mine to cargo ships at its loading pier at the Blue Beach Terminal.

[7] In this action, IMS claims for consultation and design services that allowed the safe and effective utilization of the Barge by CFI in inclement weather. The cost of these services remain owing by CFI.

[8] IMS commenced its action against CFI on February 16, 2022. IMS obtained a Warrant for the arrest of the Barge, which was effected on February 18, 2022 [the Arrest].

[9] Pursuant to an order dated February 22, 2022 [the Interim Receivership Order], Grant Thornton Limited [GTL] was appointed interim receiver [Monitor] of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, save and except for the Excluded Property (as defined therein) of Canada Fluorspar Inc. and CFI.

[10] The Interim Receivership Order stated that no proceeding against or in respect of CFI was to be commenced or continued except with the written consent of the Monitor or leave from

the SCNL and that any and all proceedings underway against or in respect of CFI, were stayed pending further order of the SCNL.

[11] Pursuant to an initial order dated March 11, 2022, which was subsequently amended and restated on March 18, 2022 [the CCAA Order], the Supreme Court of Newfoundland and Labrador in Bankruptcy and Insolvency [Bankruptcy Court] appointed GTL as the Monitor for Canada Fluorspar Inc., CFI and Newspar (a General Partnership) pursuant to the CCAA.

[12] The CCAA Order stayed all proceedings against CFI or its property until July 10, 2022. The Bankruptcy Court stated that CFI and the Monitor were at liberty and authorized and empowered to apply to any court, tribunal, regulatory or administrative body for the recognition of the CCAA Order and for assistance in carrying out the CCAA Order.

[13] Pursuant to an order dated March 18, 2022, the Bankruptcy Court approved a Sale and Investment Solicitation Process [SSIP] of CFI assets.

[14] The Monitor received multiple bids on CFI's assets. The Monitor made a recommendation on the bids received. The Debtor-in-Possession [DIP] lenders agreed with the Monitor's recommendation and the successful bidder [the Initial Successful Bidder] was notified on August 18, 2022.

[15] The Stay Order of Justice Southcott stayed IMS's action until October 17, 2022 or any later date to which the stay issued by the Bankruptcy Court was extended, subject to the right to seek leave to lift the stay in the event of any material change in circumstances.

[16] The Initial Successful Bidder failed to top up the agreed upon deposit as required by the SSIP and therefore failed to meet the deadline requirement of the SSIP. As a result, the agreement was terminated.

[17] As of January 26, 2023, CFI claims that the DIP lenders have approved a new successful bidder [New Successful Bidder] and the Monitor entered into a binding letter of intent with the New Successful Bidder on February 13, 2023.

[18] Pursuant to an order dated February 21, 2023, the Bankruptcy Court extended the stay of proceedings against CFI to May 31, 2023.

[19] In addressing the motion before the Court to lift the stay, the Court must first determine whether there has been a material change in circumstances since the Stay Order issued. If there has been a material change in the circumstances, then the Court must determine if it should exercise its discretion to lift the stay.

[20] It is agreed that when determining whether there has been a material change in the circumstances, the Court is to be guided by the Supreme Court of Canada judgment in *LMP v LS*, 2011 SCC 64 [*LMP*]. There it was held that if there is a change, which if known at the time,

would likely have resulted in different terms to the order, then that is a material change in circumstances. The onus is on the party seeking a variation to establish such a change: see *LMP* at paras 31-33.

[21] IMS submits that individually or collectively, the following constitutes a material change in circumstances: (1) the sale to the Initial Successful Bidder which was before the Court when the Stay Order issued, subsequently failed, (2) distributing the assets through a Reverse Vesting Order [RVO] rather than the direct sale of the assets as initially contemplated when the Stay Order issued, and (3) the lack of maintenance to the Barge, diminishing its value since the issuance of the Stay Order.

Failure of Sale to Initial Bidder

[22] IMS submits that the failure of the sale of CFI assets to the Initial Successful Bidder is a material change. It submits that this failure may result in the CCAA proceeding reverting to proceedings under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 [BIA]. Under the BIA proceeding, it submits that it risks losing its priority claim and therefore, not being paid.

[23] CFI submits that given the New Successful Bidder, the recovery potential for creditors has not changed because of the default of the Initial Successful Bidder. It submits that even if the Initial Successful Bidder had completed that transaction, the unsecured creditors would not have recovered anything and other creditors with possible priority claims, such as the maritime lien claimed by IMS, would be addressed through the application for distribution process.

[24] I agree with CFI. The failure of the sale to the Initial Successful Bidder is not a material change in the circumstances. I understand the concern of IMS that the proceeding may revert to a BIA proceeding and that under the BIA there may not be sufficient funds to pay IMS. However, IMS has not provided sufficient evidence to demonstrate that the CCAA proceeding will revert to the BIA proceeding. It is at best a hypothetical. Given the New Successful Bidder, CFI's submission that this is the best offer, and there being no indication that this new sale is likely to fail, IMS is in a similar position to that when Justice Southcott rendered the Stay Order. The change in sale from the Initial Successful Bidder to the New Successful Bidder is not a material change in the circumstances.

Reverse Vesting Order

[25] IMS submits that selling the CFI assets through a RVO structure is a material change in the circumstances. The Respondent explains that the RVO structure of the "proposed transaction involves the vesting out of certain of the CFI liabilities and excluded assets to ResidualCo."

[26] IMF submits that "the Monitor made it clear that none of the creditors of the Companies would receive payment pursuant to the RVO" and that "IMS will have no opportunity under a RVO to present to the SCNL that it has a maritime lien and priority position against the Barge and the sale proceeds thereof."

[27] I am unable to accept this submission. First, the Monitor did not make it clear that the creditors would not receive payment pursuant to the RVO, the Monitor stated that unsecured creditors would receive nothing and that the secured creditors would suffer a substantial loss.

This does not translate to none of the creditors receiving payment pursuant to the RVO. It does not appear to the Court to be any different a situation vis-à-vis IMS than had the Initial Successful Bidder agreement been completed.

[28] Second, the Monitor considered the possibility of other creditors with possible priority claims. He stated that creditors with priority claims "will have an opportunity to advance a priority claim through the application for distribution process." This contemplates IMS's position that they have a priority claim against the Barge and the sale proceeds thereof, and allows it to make an application to the Bankruptcy Court to assert its claim in the CCAA proceeding.

[29] IMS also says that the Monitor has not fully explained how the RVO structure will not result in any material prejudice to the creditors nor how it will not impair any of the creditors' rights they had under the original asset sale. Therefore, it says, IMS will be prejudiced by this new arrangement as the Barge will be sold to a different entity. IMS submits that if the new third-party purchaser sold the Barge to another third-party buyer or removed the Barge from the jurisdiction, then IMS would have a very difficult time establishing its position to the Bankruptcy Court of being a secured creditor of CFI and holding a maritime lien.

[30] I find this latter point to be mere speculation. Speculation of what the purchaser may or may not do with the Barge is insufficient to constitute a material change warranting the lifting of the Stay Order.

[31] I am also not convinced by its first point, that because the Monitor has "not fully explained" that the RVO structure will not result in any material prejudice to the creditors nor impact their rights, IMS will therefore be materially prejudiced. Simply stating that the Monitor has not fully explained the RVO structure amounts to material prejudice is not sufficient. The onus is on IMS to demonstrate how the lack of a full explanation amounts to a material prejudice to them. It has not done so.

[32] In any event, I am not convinced that IMS will be worse off under the RVO structure than what was contemplated prior to the issuance of the Stay Order.

[33] For this Court to determine that IMS will be worse off under the RVO structure compared to other viable alternatives requires the Court to assess whether the RVO is appropriate under the present circumstances. Without a careful consideration of the RVO and viable alternatives, the Court is not in a position to make that decision. Since this consideration of the RVO and viable alternatives is to be determined by the Bankruptcy Court, I cannot conclude that selling the CFI assets by the RVO structure is a material change.

Diminution of the Value of the Barge

[34] IMS purports to have demonstrated that the Barge is losing value and that the Monitor is not taking care of it. IMS has not provided evidence that shows the Barge is losing value, a picture of a list attached to the affidavit in support of this motion is not sufficient.

[35] During the cross-examination of the Monitor, he stated that he was aware of the list identified in the affidavit since May 2022 and found it not to be of concern. The Monitor asserts that there has been a weekly check of the Barge since the list was first discovered in May 2022.

[36] IMS asserting that the Barge has not been "moved, used, maintained nor its engines started" since at least January 2022 and therefore, the Barge is deteriorating and losing market value is insufficient to demonstrate that the Barge is actually losing value. Mere assertions without evidence are insufficient to find a material change in circumstances.

[37] Moreover, the onus is on IMS to demonstrate that the diminishing value is a material change from the Stay Order. The only evidence that IMS has provided are pictures of a list, a list that CFI claims to have been aware of since May 2022, months prior to the Stay Order. I cannot make a determination on the diminishing value of the Barge being a material change because, based on the evidence, I am unable to determine whether the list that IMS has noted developed prior to or after the Stay Order. And even if I could determine that the list developed after the Stay Order, there is insufficient evidence to determine that the list has resulted in a loss of value that amounts to a material change.

Conclusion

[38] For these reasons, this motion must be dismissed. The parties agreed that the successful party would be awarded costs of $5,000.00.

[39] At the hearing, Mr. Spellacy expressed some frustration with the Court process and the delay in recovery his unpaid claim. I understand that he thinks that he would be in a better position had the Federal Court action proceeded and his maritime lien been established. The reality however, is that the owner of the Barge, the sale of which he wishes to realize his debt, is in bankruptcy. That has affected his ability to pursue his claims in this Court. Regrettably, the fact of bankruptcy affects all creditors, secured or not.

ORDER in T-279-22

THIS COURT ORDERS that the motion is dismissed, and the Plaintiff shall pay the Defendant, Canada Fluorspar (NL) Inc., costs of this motion in the all-inclusive amount of $5,000.00.

"Russel W. Zinn"

Judge

FEDERAL COURT

SOLICITORS OF RECORD

DOCKET:	T-279-22
STYLE OF CAUSE:	INAMINKA MARINE SERVICES LIMITED, a body corporate v CANADA FLUORSPAR (NL) INC, a body corporate AND THE OWNERS AND ALL OTHERS INTERESTED IN THE SHIP, "BARGE H-404"
PLACE OF HEARING:	HELD BY VIDEOCONFERENCE
DATE OF HEARING:	MARCH 21, 2023
ORDER AND REASONS:	ZINN J.
DATED:	APRIL 20, 2023

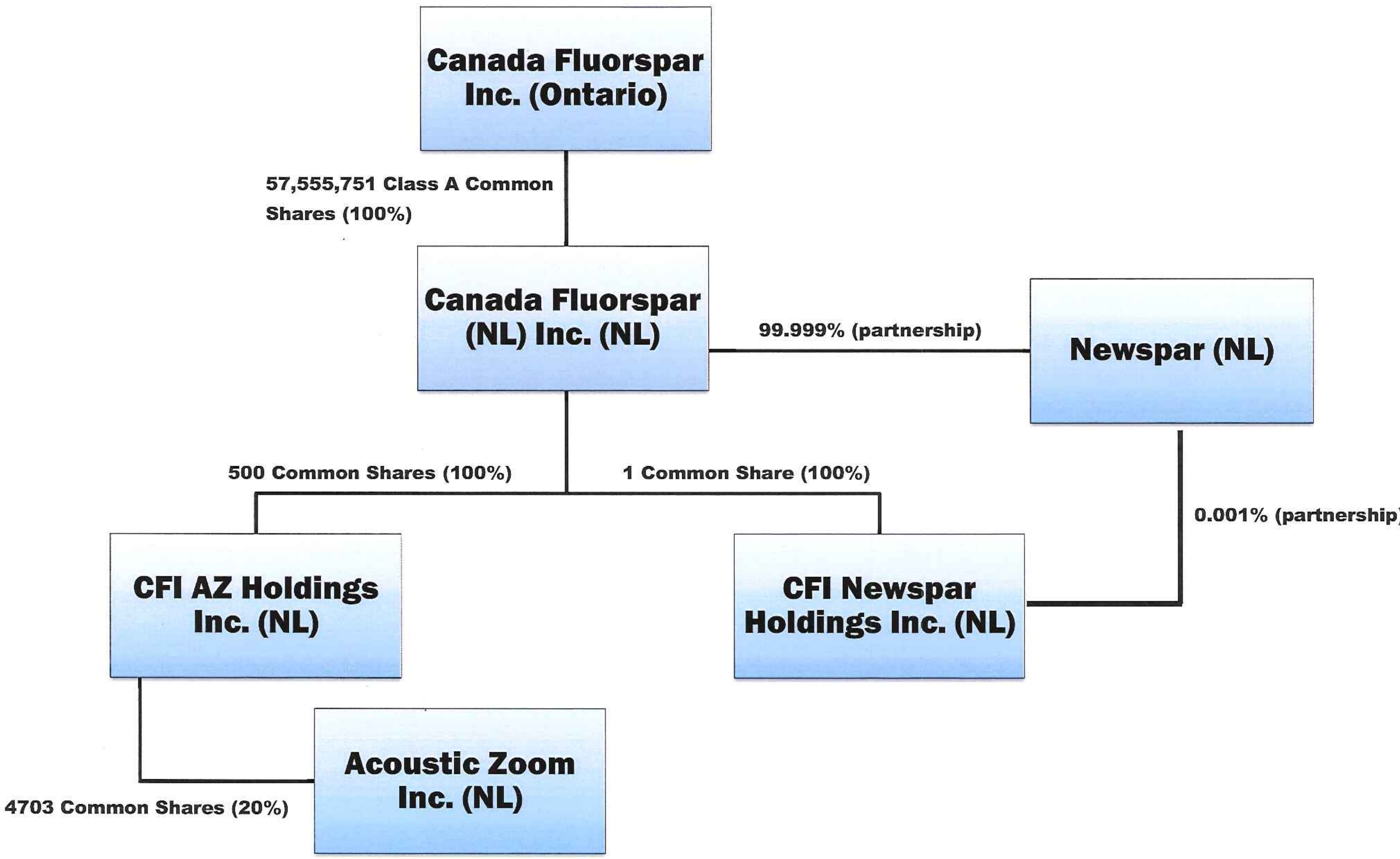
APPEARANCES:

Deborah L.J. Hutchings, K.C.	FOR THE PLAINTIFF
William T. Cahill	FOR THE DEFENDANTS, CANADA FLUORSPAR (NL) INC, a body corporate

SOLICITORS OF RECORD:

MacNab, Fagan & Murphy Barristers and Solicitors St. John's, Newfoundland and Labrador	FOR THE PLAINTIFF
Cox & Palmer Barristers and Solicitors St. John's, Newfoundland and Labrador	FOR THE DEFENDANTS, CANADA FLUORSPAR (NL) INC, a body corporate

Appendix “J”



Canada Fluorspar Inc. (Ontario)
57,555,751 Class A Common Shares (100%)
Canada Fluorspar (NL) Inc. (NL)
99.999% (partnership)
Newspar (NL)
500 Common Shares (100%)
1 Common Share (100%)
0.001% (partnership)
CFI AZ Holdings Inc. (NL)
CFI Newspar Holdings Inc. (NL)
4703 Common Shares (20%)
Acoustic Zoom Inc. (NL)

Appendix “K”

Canada Fluorspar Inc. (CFI)
Cash Flow Report (CCAA - Care and Maintenance - Sale and Investor Solicitation Process)
For the Period of March 11, 2022 to May 7, 2023 (Weeks 3 to 63)
(in 000s CAD)

		Budget to		CCAA																
Week No.	Notes	07-May-23	Actual	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	Actual	Variance
Week Start			07-Mar-22	23-Jan-23	30-Jan-23	06-Feb-23	13-Feb-23	20-Feb-23	27-Feb-23	06-Mar-23	13-Mar-23	20-Mar-23	27-Mar-23	03-Apr-23	10-Apr-23	17-Apr-23	24-Apr-23	01-May-23		
Week Ending			22-Jan-23	29-Jan-23	05-Feb-23	12-Feb-23	19-Feb-23	26-Feb-23	05-Mar-23	12-Mar-23	19-Mar-23	26-Mar-23	02-Apr-23	09-Apr-23	16-Apr-23	23-Apr-23	30-Apr-23	07-May-23		
Cash Inflows																				
Collection of Receivables		-	-																-	-
Other - Sale of Inventory		5,760	5,760	-	-	-	-	-	-	-	-	-	-	-	-	(1)	-	-	5,760	(1)
Other - Sale of Equipment		175	175	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	175	-
Non-refundable deposit from Purchaser		1,750	1,250	-	-	-	500	-	-	-	-	-	-	-	-	-	-	-	1,750	-
Offer from Corporate Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		770	719	-	4	-	-	-	-	4	-	-	-	5	-	-	-	4	737	(33)
Total Cash Inflows		8,456	7,904	-	4	-	500	-	-	4	-	-	-	5	-	(1)	-	4	8,422	(34)
Cash Outflows																				
Payroll		3,331	3,016	(1)	34	4	31	9	31	4	32	6	33	4	42	1	39	3	3,288	(43)
Snow clearing		11	5	-	-	-	5	-	3	-	0	-	-	-	-	-	-	-	14	3
Maintenance Costs		256	175	-	1	2	-	-	-	2	-	-	-	2	9	4	-	-	196	(59)
Fuel		285	225	-	-	-	-	-	-	-	-	-	8	-	-	-	-	-	233	(52)
Freight		5	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	-
Utilities		480	435	(0)	1	11	-	-	-	15	-	-	-	1	14	-	-	-	476	(3)
Insurance		1,352	1,150	-	-	-	0	-	-	-	-	-	235	-	-	-	-	-	1,384	33
Materials/Supplies		85	70	12	0	-	17	0	1	-	-	(0)	0	0	-	-	0	-	101	16
Professional Fees - Restructuring		2,463	2,253	-	7	-	102	-	15	16	-	-	118	16	-	20	32	68	2,646	183
Other/Miscellaneous		25	22	-	-	-	-	0	-	-	-	-	-	0	-	-	-	-	22	(3)
Inventory Sale Costs		517	517	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	517	-
HSBC Inventory Sale Agreement		2,732	2,732	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,732	-
Telephone/Communications		119	104	7	3	-	-	4	1	-	-	2	1	4	0	-	3	3	133	14
Environmental		176	164	15	-	0	-	-	-	-	0	0	0	0	0	0	0	-	181	6
Logistics/Warehousing		6	6	-	-	-	0	-	-	-	-	0	0	-	0	-	0	-	7	0
Contingency		16	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	(15)
Equipment Lease Payments/Buyouts		220	212	-	1	-	1	-	-	-	-	2	-	1	-	1	-	1	218	(2)
Barge		61	45	-	4	-	-	-	-	3	-	-	-	4	-	-	3	-	58	(2)
Mining Leases / Licenses		294	150	-	37	-	-	10	25	(12)	(1)	-	57	-	-	-	-	21	287	(7)
SLR/AGP - NI 43-101 Mining Report		372	372	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	372	-
Total Cash Outflows		12,804	11,657	34	88	17	156	24	76	28	32	10	453	33	66	25	77	96	12,872	69
Net Cash Flow		(4,348)	(3,753)	(34)	(84)	(17)	344	(24)	(76)	(24)	(32)	(10)	(453)	(28)	(66)	(26)	(77)	(92)	(4,451)	(103)
Cash Balance																				
Opening Cash Balance		321	321	1,268	1,234	1,151	1,134	1,477	1,453	1,378	1,354	1,321	1,311	859	831	765	739	662	321	-
DIP Financing - Bridging Finance (Receiver)		1,450	1,450	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,450	-
DIP Financing - Prov. of Newfoundland		3,250	3,250	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,250	-
Priority Charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow		(4,348)	(3,753)	(34)	(84)	(17)	344	(24)	(76)	(24)	(32)	(10)	(453)	(28)	(66)	(26)	(77)	(92)	(4,451)	(103)
Closing Cash Balance		673	1,268	1,234	1,151	1,134	1,477	1,453	1,378	1,354	1,321	1,311	859	831	765	739	662	570	570	(103)

Notes:

Appendix “L”

GRANT THORNTON LIMITED
PLAN OF COMPROMISE AND ARRANGEMENT OF CANADA FLUORSPAR INC.
INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS
FROM MARCH 11, 2022 TO MAY 7, 2022

RECEIPTS:			
Cash on Hand	$	51.60	
Deposit - Successful Bidder		500,000.00	
Deposit - Forfeited by Unsuccessful Bidder		1,250,000.00	
DIP Financing		4,700,000.00	
HST Collected		5,273.60	
HST Refunds		487,091.37	
Insurance Refund		5,024.71	
Interest		55,266.33	
Misc. Refunds		88,017.36	
Sale of Assets		177,411.65	
Sale of Inventory		2,952,809.15	1
Scrap Metals		12,585.25	
Transfer from Interim Receivership		210,124.80	
TOTAL RECEIPTS	**$**	**10,443,655.82**	
DISBURSEMENTS:			
Advertising	$	15,571.58	
Appraisal Fees		3,882.50	
Change of Locks		562.46	
Commission		15,750.00	
Computer Services		43,378.14	
Environmental		4,415.73	
Equipment Leases / Buyouts		245,741.91	
Filing Fees		72.97	
Freight & Shipping		3,068.80	
Fuel		202,620.70	
HST Paid (ITC)		600,588.95	
Insurance		1,383,196.55	
Interest		3,266.62	
Inventory Trucking to Ship		338,483.00	2
Legal Fees		626,259.23	
Mining Licenses & Leases		339,610.52	
Misc. Fees		7,758.90	
Monitor's Fees & Expenses		1,656,589.02	
Motor Vehicle Registrations		632.62	
Non-resident Withholding Tax Remitted		41,803.65	
Payroll Services		14,603.84	
Prepaid Expenses & Deposits		23.91	
Professional Services		507,637.54	3
Rent Expense		59,603.23	
Repairs & Maintenance		220,250.23	
Storage		2,456.00	
Supplies		25,592.56	
Travel		54,720.70	
Utilities		471,619.77	
Wages & Benefits		2,953,382.78	
Workers' Compensation (Workplace NL)		30,490.98	
	$	**9,873,635.39**	
PAYMENTS TO SECURED CREDITORS	$	-	
TOTAL DISBURSEMENTS	$	-	
FUNDS ON HAND	$	**570,020.43**	

Note:

1. Sale of inventory is recorded net of certain disbursements related to brokerage, surveying and shipping, as well as a payment to secured creditor HSBC in the amount of $2,118,000 USD.

2. Net of amount recovered from settlement with supplier (Farrell's).

3. Various services related to environmental monitoring, 43-101 mine survey and report, and mining consultants.

Appendix "M"

Canada Fluorspar Inc. (CFI)
Cash Flow Projection (CCAA - Care and Maintenance - Sale and Investor Solicitation Process)
For the Period of Mar 7, 2022 to June 24, 2023
(in 000s CAD)

Week No.	Notes	Actual	64	65	66	67	68	69	70		Total
Week Start		07-Mar-22	07-May-23	14-May-23	21-May-23	28-May-23	04-Jun-23	11-Jun-23	18-Jun-23		
Week Ending		07-May-23	13-May-23	20-May-23	27-May-23	03-Jun-23	10-Jun-23	17-Jun-23	24-Jun-23		
Cash Inflows											
Collection of Receivables		-	-	-	-	-	-	-	-		-
Other - Sale of Inventory		5,760	-	-	-	-	-	-	-		5,760
Other - Sale of Equipment		175	-	-	-	-	-	-	-		175
Non-refundable deposit from SISP		1,750	-	-	-	-	-	-	-		1,750
Offer from Corporate Assets		-	-	-	-	-	-	-	-		-
Other		737	-	-	-	200	-	-	-		937
Total Cash Inflows		8,422	-	-	-	200	-	-	-		8,622
Cash Outflows											
Payroll		3,288	45	-	45	-	45	-	45		3,468
Snow clearing		14	-	-	-	-	-	-	-		14
Maintenance Costs		196	10	-	-	-	10	-	-		216
Fuel		233	-	10	-	-	-	-	-		243
Freight		5	-	-	-	-	-	-	-		5
Utilities		476	3	3	3	3	3	3	3		497
Insurance		1,384	-	-	-	-	-	-	-		1,384
Materials/Supplies		101	1	1	1	1	1	1	1		108
Professional Fees - Restructuring		2,646	20	-	90	-	50	-	50		2,856
Other/Miscellaneous		22	5	-	-	-	5	-	-		32
Inventory Sale Costs		517	-	-	-	-	-	-	-		517
HSBC Inventory Sale Agreement		2,732	-	-	-	-	-	-	-		2,732
Telephone/Communications		133	5	-	-	-	5	-	-		143
Environmental		181	-	-	11	-	-	-	3		195
Logistics/Warehousing		7	-	-	-	-	-	-	-		7
Contingency		1	5	-	-	-	5	-	-		11
Equipment Lease Payments/Buyouts		218	-	-	1	-	-	1	-		220
Barge		58	-	-	-	4	-	-	-		62
Mining Leases / Licenses	1	287	-	66	35	-	-	25	-		413
SLR/AGP - NI 43-101 Mining Report		372	-	-	-	-	-	-	-		372
Total Cash Outflows		12,872	94	80	186	8	124	30	102	-	13,496
Net Cash Flow		(4,451)	(94)	(80)	(186)	192	(124)	(30)	(102)	-	(4,875)
Cash Balance											
Opening Cash Balance		321	570	476	396	134	266	142	112	-	321
DIP Financing - Bridging Finance (Receiver)		1,450									1,450
DIP Financing - Prov. of Newfoundland		3,250									3,250
Priority Charges		-	-	-	(76)	(60)	-	-	-	-	(136)
Net Cash Flow		(4,451)	(94)	(80)	(186)	192	(124)	(30)	(102)	-	(4,875)
Closing Cash Balance		570	476	396	134	266	142	112	10	-	10