Sale/Investment Opportunity

March 20, 2022

The St. Lawrence Fluorspar Mine in St. Lawrence, Newfoundland and Labrador, Canada – formally, one of the few active producers of Acid Grade Fluorspar in North America

Key Features

- **Rare Opportunity**
  - ✓ One of the few fluorspar producers in North America.
  - ✓ Capable to export to both domestic and international markets.
- **Life of Mine**
  - ✓ Estimate of ore in AGS Vein is expected to operate for approximately 7 years.
  - ✓ Other fluorspar ore bodies are in the vicinity.
- **Quality**
  - ✓ Fluorspar deposits of St. Lawrence are known for accessibility, high grades and absences of impurities.
- **Easy Access to the Port**
  - ✓ Blue Beach Marine Terminal, 5 KMs from the mine site opened in July 2021.
  - ✓ Pier located in Marystown, NL approximately 40 KMs from the mine's site.
- **Critical Mineral**
  - ✓ Fluorspar is listed as one of North America's critical minerals.
  - ✓ An essential mineral to many industries including but not limited to: toothpaste, lithium ion batteries, solar panels, refrigeration and air conditioning, polymers for aerospace, automotive and electronics application, steel and aluminum production.
- **Development**
  - ✓ CAPEX, as of December 31, 2021, in excess of $200 million.

All enquiries should be directed to

Grant Thornton Limited, in its capacity as Monitor of Canada Fluorspar (NL) Inc., Canada Fluorspar Inc., and Newspar [a general partnership] and not in its personal or corporate capacity

Phil Clarke, Senior Vice President
T +1 902 420 7191
E Phil.Clarke@ca.gt.com

Jason Kanji, Senior Manager
T +1 416 777 6136
E Jason.Kanji@ca.gt.com

Company Overview

Canada Fluorspar Inc., Canada Fluorspar (NL) Inc. and Newspar [a general partnership] (collectively, "**CFI**" or the "**Company**"), is 100% owned by Golden Gate Capital ("**GGC**"), an American private equity firm, since 2014. The Company was developing the St. Lawrence Fluorspar Mine Project in St. Lawrence, Newfoundland and Labrador, to mine high-quality fluorspar ore from the AGS Vein to produce acid-grade fluorspar concentrate and export to domestic and international markets. This is known as the AGS Fluorspar Project, discovered in 2013.

The mine is designed to feed a maximum of 1,124,200 tonnes of ore per year to the Dense Media Separation (DMS) circuit over the remaining 7 years mining life in order to produce an average of 180,193 dry tonnes of CaF2 concentrate. CFI have been active on exploration and evaluation of projects outside of the immediate AGS Fluorspar Project, which could be mined after the AGS ore has been exhausted.

Since 2018, shipments have been loaded from a pier in Marystown, NL. However, in July 2021, CFI loaded its first shipment from its new Blue Beach Marine Terminal, 5 kilometers from the mine site in St. Lawrence, to which CFI has full operating rights. The Blue Beach Marine Terminal is capable of handling vessels of 10,000 to 65,000 deadweight tonnage.

In addition to mine development at the AGS Fluorspar Project and the Marine Terminal at Blue Beach Cove, the Company also operates the following:

- A Mill Facility with a production capacity of up to 200,000 tonnes per year of acidspar concentrate;
- Infrastructure to support the mine and mill, including access roads, conveyors, an administration building, a warehouse and maintenance building, employee facilities, a concentrate storage building, a security building, and an electrical building; and
- A Tailings Management Facility to store 2.8 million tonnes of flotation tailings over the life of the AGS Fluorspar Project.

Furthermore, the Company has approval to utilize their aggregates for road construction in a few jurisdictions.

Industry Highlights

Fluorspar Acid Grade is a fine-grained material composed of 51.1% calcium and 48.9% fluorine. It is generally 97% - 99.9% calcium fluoride depending on the deposits, mining techniques and processing techniques. Fluorspar Acid Grade is a type of fluorspar. The purest grades of fluorite are a source of fluoride for hydrofluoric acid manufacture, which is the intermediate source of most fluorine-containing fine chemicals.

Fluorspar is used directly or indirectly to manufacture products such as aluminum, gasoline, insulating foams, refrigerants, steel, and uranium fuel. In addition, fluorspar is used in the chemical industry to manufacture hydrofluoric acid and is then used to manufacture a variety of products such as fluorocarbon chemicals, foam blowing agents, refrigerants, and a variety of fluoride chemicals.

An article from MarketWatch.com stated that in 2021, the global Fluorspar Acid Grade market size was USD $1.388 billion, and it is expected to reach USD $2.565 billion by the end of 2027, with a CAGR of 8.9% during 2021-2027. [Financialnewsmedia]

All pertinent information regarding the Sale and Investment Solicitation Process is available at www.GrantThornton.ca/CFI.

Disclaimer

This document has been prepared from the Company's available books and records and from information obtained from other sources, none of which have been independently verified by the Monitor.

This document has been prepared solely for informational purposes and is intended to solicit interest in, and opportunities for: (i) one or more sales or partial sales of all, substantially all, or certain portions of the Company; and/or (ii) for an investment in, restructuring, recapitalization, refinancing or other form of reorganization of the Company. Bids considered pursuant to the sale and investment solicitation process may include one or more of an investment, restructuring, recapitalization, refinancing or other form of reorganization of the business and affairs of the Company as a going concern or a sale (or partial sales) of all, substantially all, or certain aspects of the Company, or a combination thereof (the "**Opportunity**"). This document is not intended to form the basis of any decision of the Opportunity. Distribution of this document is limited to specific parties who may have an interest in the Opportunity.

This document has been prepared to assist prospective purchasers in making their own preliminary evaluation of the Opportunity and does not purport to contain all the information which a prospective purchaser may need or desire. In all cases, each potential bidder should conduct and rely on its own inspection, valuation, investigation and analysis of the Opportunity and the data set forth in this document. The Monitor makes no representations or warranties whatsoever as to the accuracy or completeness of the information contained in this Teaser Letter or otherwise made available, and shall have no liability whatsoever for any information, omission, representation or warranty, express or implied, concerning the subject matter of this document or for any errors contained therein or in any other written or oral communications that are transmitted to or received by the recipient from any course whatsoever in connection with its evaluation of the Opportunity.

The sole purpose of this document is to assist recipients in deciding whether they wish to proceed with a further investigation of a possible transaction with the Company. This document does not constitute an offer or invitation for the sale or purchase of securities. The contents of this document shall not be construed as legal, tax, regulatory, accounting or investment advice or recommendation. Any recipient should consult its own counsel, tax, and financial advisors as to legal and related matters concerning any transaction with the Company.