

Employee Related Questions

On February 21, 2022, the Supreme Court of Newfoundland and Labrador appointed Grant Thornton Limited (“GTL”) as the Interim Receiver of Canada Fluorspar (NL) Inc. and Canada Fluorspar Inc, (“CFI” or the “Company”).

Financial options are currently under review. Due to financial constraints, however, there was a need for the Company to terminate the employment of the majority of the Company’s employees.

Pursuant to paragraph 11 of the Interim Receivership Order, creditors are prevented from taking action against CFI until the appointment of the Interim Receiver expires.

To provide additional information to employees, below are the answers to some questions which have been raised:

1. Will terminated employees receive their Record of Employment (ROE) and T4 Documents?

Yes, after all final payments have been issued, CFI will process all year-end financial documents including the ROE’s and T4’s. ROE’s will be filed electronically with Service Canada within 14 days of your termination date. If you require assistance accessing your 2021 T4, please send an email to hr@canadafluorspar.com noting in the subject line “2021 T4”.

2. Should I wait to apply for Employment Insurance Benefits?

No. You should apply for EI Benefits immediately after your employment is terminated.

3. Is there a reference number required to apply for Employment Insurance Benefits?

In this case, there is no reference number required to apply for EI Benefits.

4. Will employees who were terminated be paid their 12 weeks’ pay in lieu of notice?

While terminated employees are entitled to 12 weeks’ pay in lieu of notice, at this time there are insufficient funds to pay these amounts owing.

5. Are employees eligible for compensation under the Wage Earners Protection Program (WEPP)?

The WEPP is a federal government program administered by Service Canada to provide compensation to employees whose employer has filed for proceedings under the *Companies’ Creditors Arrangement Act* (CCAA), bankruptcy or has been placed into receivership. Eligible employees are entitled to benefits of a maximum of \$8,117 under the WEPP. Unfortunately,

the WEPP is not available in an interim receivership. If and when the proceedings change, we will communicate to you whether the WEPP becomes available for employees.

6. What happens to employees' claim for the pay in lieu of notice?

The Interim Receiver will be communicating with terminated employees in the near future on the status of their claim against the Company and whether there will be any expected recovery towards these claims. We appreciate your patience at this time and will strive to update you as soon as information becomes available.

7. What will happen to the mine? Is there the possibility that operations will be restarted, and employees will get their jobs back?

It is our hope that a Sales and Investor Solicitation Process ("SISP") can be conducted in order to find a buyer for the business/assets and that a new owner will operate the mine and hire back employees. However, at this time we cannot guarantee if and when a SISP can be completed and whether the Company's attempts to find a buyer will be successful.

8. Are all employees being terminated?

Most employees have been terminated except a portion who are being maintained to support matters relating to security and to assist in maintaining the assets of the Company.

9. How do I retrieve my personal belongings from site?

There is a team onsite tasked with gathering personal belongings of employees. Impacted employees will be contacted when items are available for pickup. If you require items urgently, such as medical supplies, please contact HR at hr@canadafluorspar.com and note in the subject line "Personal Belongings Urgently Required".

**10. Will the employees who were terminated be paid out any unused vacation balances?
(added March 8, 2022)**

In accordance with the Interim Receivership Order of the Supreme Court of Newfoundland and Labrador dated February 21, 2022, CFI is not permitted to pay any creditors including employees for debts incurred prior to the date of the Order (February 21, 2022). This unfortunately includes accrued vacation pay, which there are not sufficient funds to pay.

11. What will happen to employees' claim for unpaid vacation? (added March 8, 2022)

On March 8, 2022, the Interim Receiver, on behalf of CFI, filed an application to convert the interim receivership to proceedings under the *Companies Creditors' Arrangement Act* ("**CCAA**"). The Court is scheduled to hear the matter on March 11, 2022 at 10 am. If the CCAA Initial Order is granted, the Wage Earners Protection Program (WEPP) will commence and employees can apply for compensation with Service Canada. Further information is expected to be provided to employees early next week. The balance of any unpaid vacation pay will be a claim against CFI which will be subject to the CCAA proceedings and dependent on whether a successful outcome of the sale of the business is achieved.

Further information on the interim receivership proceedings will be posted on GTL's website at:

www.GrantThornton.ca/CFI