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., Newspar and CFI Newspar Holdings Inc. (collectively, "**CFI**" or the "**Company**");

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

APPROVAL AND REVERSE VESTING ORDER

THIS APPLICATION, made by Grant Thornton Limited ("**GTL**" or the "**Monitor**"), in its capacity as Court-Appointed Monitor of Canada Fluorspar (NL) Inc., Canada Fluorspar Inc. ("**CFI**"), Newspar and CFI Newspar Holdings Inc.,(collectively referred to herein as the "**Acquired Entities**", and individually as an "**Acquired Entity**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order, *inter alia*: (a) approving the share purchase agreement entered into between the Acquired Entities, as vendors, and the new successful bidder, as purchaser (the "**Purchaser**"), made as of the 26th day of May, 2023 (the "**Share Purchase Agreement**"), a copy of which is attached as Exhibit "A" to the Monitor's Third Confidential Report (as defined below), as well as the Transactions contemplated therein; (b) adding a company to be incorporated by the Monitor ("**ResidualCo**") as an applicant to these proceedings (the "**CCAA Proceedings**"); (c) vesting out of the Acquired Entities and into ResidualCo all Excluded Assets, Excluded Contracts and Excluded Liabilities and discharging all Claims, Liabilities and Encumbrances against the Acquired Entities (other than Permitted Encumbrances), including, without limitation, any and all Agreements Affecting the Shares/Partnership Interests; (d) vesting into and to the Purchaser the Purchased Shares free and clear from all Encumbrances (other than Permitted Encumbrances), including all encumbrances and registrations outlined in Schedule "B"; (e) confirming that the transfer of the Existing Interests and the issuance of the Subscription Shares to the Purchaser shall be effective notwithstanding the provisions of any Agreement Affecting the Shares/Partnership Interests, and any and all Agreements Affecting the Shares/Partnership Interests shall be cancelled and of no further force and effect; (e) confirming that any and all shares, securities, warrants, options, equity interests and partnership interests in the Acquired Entities, if any, other than the Purchased

Shares, the CFNL Equity Interests, the CFI Newspar Equity Interests, and the Newspar Partnership Interests, shall be cancelled and of no further force and effect, for no consideration such that the Purchased Shares, the CFNL Equity Interests, the CFI Newspar Equity Interests, and the Newspar Partnership Interests shall represent 100% of the outstanding equity or partnership interests, as applicable, in the Acquired Entities as of the Closing Time; and (g) amending the 5th Amended ARIO to extend the stay of proceedings until October 31 2023;

ON READING the application of the Monitor, including the affidavit of Phil Clarke sworn the 29th day of May, 2023 (the "**Clarke Affidavit**") and the Exhibits thereto, the Monitor's Third Confidential Report dated the 29th day of May, 2023 (the "**Confidential Report**"), the Ninth Report of the Monitor dated the 29th day of May, 2023 (the "**Ninth Report**"), and on being advised that the DIP Lenders and the senior secured creditors who are likely to be affected by this Order herein, as well as the existing shareholders of CFI, were each given notice of this Application;

UPON HEARING the submissions of counsel for the Monitor, counsel to the Purchaser, and such other counsel as they may appear;

SERVICE

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

DEFINITIONS

2. **THIS COURT ORDERS** that, unless otherwise indicated or defined herein, capitalized terms used in this Order shall have the meanings given to them in the Share Purchase Agreement, the Initial Order and the ARIO (as amended).

STAY PERIOD

3. **THIS COURT ORDERS** that the Stay Period, as defined in the Initial Order granted by this Court on 11th day of March 2022 (the "**Initial Order**") as amended and restated on the 18th day of March 2022 (the "**ARIO**"), the Amended ARIO-Amendment #1 dated the 10th day of June, 2022 (the "**Amended ARIO**"), the Amended ARIO-Amendment #2 dated the 30th day of August 2022 ("**2nd Amended ARIO**"), the Amended ARIO-Amendment #3 dated the 12th day of October, 2022 ("**3rd Amended ARIO**") and the Amended ARIO-Amendment #4 dated February 21, 2023 ("**4th**

Amended ARIO") and the Amended ARIO-Amendment #5 dated May 18, 2023 ("**5th Amended ARIO** ") is hereby extended until October 31, 2023.

APPROVAL AND VESTING

4. **THIS COURT ORDERS AND DECLARES** that the Share Purchase Agreement and the Transactions contemplated therein are hereby approved and the execution of the Share Purchase Agreement by the Monitor, on behalf of the Acquired Entities, is hereby authorized and approved, with such minor amendments as the Monitor, on behalf of the Acquired Entities, and the Purchaser may deem necessary or otherwise agree to. The Monitor, on behalf of the Acquired Entities, is hereby authorized and directed to perform the Acquired Entities' obligations under the Share Purchase Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions.

5. **THIS COURT ORDERS AND DECLARES** that notwithstanding any provision hereof, the closing of the Transactions shall be deemed to occur in the manner, order and sequence set out in the Share Purchase Agreement, with such alterations, changes or amendments as may be agreed to by the Monitor, on behalf of the Acquired Entities, and the Purchaser, provided that such alterations, changes or amendments do not materially alter or impact the Transactions or the consideration which the Acquired Entities and/or their applicable stakeholders will benefit from as part of the Transactions.

6. **THIS COURT ORDERS AND DECLARES** that this Order shall constitute the only authorization required by the Monitor, and the Monitor on behalf of the Acquired Entities, to proceed with the Transactions and that no shareholder or other approval shall be required in connection therewith.

7. **THIS COURT ORDERS AND DECLARES** that, at the time of the delivery of the Monitor's certificate (the "**Monitor's Certificate**") to the Acquired Entities and the Purchaser (the "**Effective Time**"), substantially in the form attached as <u>Schedule "A"</u> hereto, the following shall occur and shall be deemed to have occurred at the Effective Time, all in accordance with the Share Purchase Agreement and the steps contemplated thereunder:

(a) the Monitor, on behalf of the Acquired Entities, shall be deemed to have transferred to ResidualCo the Cash Consideration , Excluded Assets, Excluded Contracts, and Excluded Liabilities, which, for greater certainty, shall include any and all liability relating to any change of control provision that may arise in connection with the change of control contemplated by the Transactions hereunder and to which the Acquired Entities may be bound as at Closing, and any and all liabilities for Employees whose employment with CFI or its Affiliates is terminated on or before Closing, including the Terminated Employees;

(b) the Acquired Entities shall be released from all Excluded Liabilities, Claims and Encumbrances (except for Permitted Encumbrances), including for greater certainty, and without limitation, all amounts and obligations owing by the Acquired Entities under: (i) the Bridging Loans, including the principal amount of indebtedness outstanding thereunder and interest accrued thereon as of the Closing Date, plus any other fees owing by the Borrower under the Bridging Loans or any other ancillary agreement or document related thereto; (ii) the PNL Loan, including the principal amount of indebtedness outstanding thereunder and interest accrued thereon as of the Closing Date, plus any other fees owing by the Acquired Entities under the PNL Loan or any other ancillary agreement or document thereto, and (iii) the DIP Financing Agreement including the principal amount of indebtedness outstanding thereunder and interest accrued thereon as of the Closing Date, plus any other fees owing by the Acquired Entities under the DIP Financing Agreement;

(c) all of the right, title and interest in and to the Existing Interests shall be transferred to and vest absolutely in the Purchaser, and the Retained Assets will be retained by the Acquired Entities, in each case, as applicable, free and clear of and from any and all right or entitlement under any outstanding or authorized purchase agreements, partnership interests, options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to any shares or partnership interests in the Acquired Entities or obligating the Acquired Entities to issue or sell any shares or interests of, or any other interest in, the Acquired Entities, any voting trusts or agreements, pooling agreements, unanimous shareholder agreements, other shareholder agreements, partnership agreements, proxies or other agreements or understandings in effect with respect to the voting or transfer of any shares or interests of the Acquired Entities, or any other like agreements that relate to the shares or interests of the Acquired Entities or that are exchangeable or convertible into shares or interests of the Acquired

Entities (collectively referred to herein as "**Agreements Affecting the Shares/Partnership Interests**"), or any other security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens (maritime or otherwise), executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order or any other Order of the Court in these CCAA Proceedings; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Newfoundland and Labrador), or any other personal property registry system, or pursuant to the *Registration of Deeds Act,* 2009 (Newfoundland and Labrador) the *Mechanics' Lien Act* (Newfoundland and Labrador) or the *Mineral Act* (Newfoundland and Labrador) or any other real property or real property related registry or recording system (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances listed on Schedule "C" hereto ("**Permitted Encumbrances**"), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Acquired Entities, the Existing Interests and the Retained Assets, *including, for greater certainty*, any outstanding Agreements Affecting the Shares/Partnership Interests, are hereby cancelled, expunged and discharged as against the Acquired Entities, the Existing Interests and the Retained Assets and shall be of no further force and effect;

(d) in consideration for the Subscription Amount, CFI shall issue the Subscription Shares to the Purchaser and all of the right, title and interest in and to the Subscription Shares shall vest absolutely in the Purchaser, free and clear of and from any and all Claims and Encumbrances of any kind and in favour of any party and, for greater certainty, this Court orders that all of the Claims and Encumbrances of any kind affecting or relating to the Acquired Entities, the Subscription Shares and the Retained Assets, *including, for greater certainty*, any outstanding Agreements Affecting the Shares/Partnership Interests, are hereby cancelled, expunged and discharged as against the Acquired Entities, the Subscription Shares and the Retained Assets;

(e) any and all shares, securities, equity interests and partnership interests in the Acquired Entities (for greater certainty, not including the Purchased Shares, the CFNL Equity Interests, the CFI Newspar Equity Interests, and the Newspar Partnership Interests) that remain issued and outstanding immediately after Steps (a)-(d) above (if any) shall be cancelled and of no further force and effect, for no consideration, such that the Purchased Shares, the CFNL Equity Interests, the CFI Newspar Equity Interests, and the Newspar Partnership Interests shall represent 100% of the outstanding equity or partnership interests, as applicable, in the Acquired Entities as of the Closing Time;

(f) any and all warrants and options in the Acquired Entities (for greater certainty, not including the Purchased Shares, the CFNL Equity Interests, the CFI Newspar Equity Interests, and the Newspar Partnership Interests) that remain issued and outstanding immediately after Step (a)-(d) above (if any), and any and all Agreements Affecting the Shares/Partnership Interests, shall be deemed cancelled and extinguished without any Liability, payment or other compensation in respect thereof, and any and all Claims, Liabilities and Encumbrances with respect to the equity and partnership interests of the Acquired Entities, or any and all Agreements Affecting the Shares/Partnership Interests, shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without any Liability, payment or other compensation in respect thereof; and

(g) the Acquired Entities shall be deemed to cease being Applicants in these CCAA proceedings, and the Acquired Entities shall be deemed to be released from the purview of the Initial Order and all other Orders of this Court granted in respect of these CCAA proceedings, save and except for this Order, the provisions of which (as they relate to the Acquired Entities) shall continue to apply in all respects.

8. **THIS COURT ORDERS AND DIRECTS** for greater certainty, and without limiting the generality of the foregoing that nothing contained herein shall be deemed to be a release of any obligation of the Acquired Entities in relation to:

(i) the Licenses and Leases and obligations arising (i) under any applicable legislation, including without limitation, the *Mineral Act* (Newfoundland and Labrador) or the *Mining Act* (Newfoundland and Labrador); or (ii) pursuant to the terms and conditions contained therein, in each case arising after the Closing Date;

(ii) the Acquired Entities rights to the $8,084,965, financial assurance currently held by the Government of Newfoundland and Labrador in relation to any rehabilitation and closure plan as contemplated by the *Mining Act* (Newfoundland and Labrador) of CFI in respect of the St. Lawrence Fluorspar Project located in St. Lawrence, Newfoundland and Labrador, Canada; or

(iii) any environmental liabilities arising after the Closing Date.

9. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof in connection with the Transactions.

10. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Acquired Entities and the Purchaser regarding the satisfaction of the Cash Consideration and satisfaction or waiver of conditions to Closing under the Share Purchase Agreement and shall have no liability with respect to delivery of the Monitor's Certificate.

11. **THIS COURT ORDERS** that upon delivery of the Monitor's Certificate, and upon filing of a copy of this Order, together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to the Acquired Entities, the Purchased Shares, the Retained Assets, or the Excluded Assets and Excluded Contracts (collectively, the "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Monitor's Certificate and a copy of this Order as though they were originals and to register, as applicable, such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to give effect to the terms of this Order and the Share Purchase Agreement. Presentment of this Order and the Monitor's Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register, as applicable, transfers of title or interest and cancel and discharge registrations against any of the Acquired Entities, the Purchased Shares or Retained Assets of any Claims or Encumbrances, and the Monitor and the Purchaser are hereby specifically authorized to discharge the registrations against any of the Acquired Entities, the Purchased Shares or Retained Assets, as applicable.

12. **THIS COURT ORDERS** that no authorization, approval or other action by and no notice to or filing with any Governmental Authority or regulatory body exercising jurisdiction over the Acquired Entities, Purchased Shares or the Retained Assets is required for the due execution, delivery and performance by the Acquired Entities of the Share Purchase Agreement.

13. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Existing Interests and the issuance of the Subscription Shares (including, for greater certainty, the Deposit and the Cash Proceeds) (the "**Proceeds**") shall stand in the place and stead of the Acquired Entities, the Purchased Shares and the Retained Assets, and that from and after the delivery of the Monitor's Certificate, all Claims and Encumbrances shall attach to the Proceeds, Excluded Contracts and Excluded Assets, with the same priority as they had with respect to the Acquired Entities, the Purchased Shares and the Retained Assets, as applicable, immediately prior to the sale.

14. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), as amended, the Acquired Entities or the Monitor, as the case may be, is authorized, permitted and directed to, at the Effective Time, disclose to the Purchaser all human resources and payroll information in the Acquired Entities records pertaining to past and current employees of the Acquired Entities. The Purchaser shall maintain and cause the Acquired Entities, from and after the Closing Date, to maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Acquired Entities prior to the Closing Date.

15. **THIS COURT ORDERS AND DECLARES** that, at the Effective Time and without limiting the provisions of paragraph 7 hereof, the Acquired Entities, the Monitor and the Purchaser shall be deemed released from any and all claims, liabilities (direct, indirect, absolute or contingent) or obligations with respect to any Taxes (including penalties and interest thereon), as well as penalties for failure to file returns pursuant to section 162 of the *Income Tax Act* (Canada) (the "Act"), or that relate to, the Acquired Entities, including without limiting the generality of the foregoing all taxes, penalties and interest that could be assessed against the Acquired Entities or the Purchaser (including its affiliates and any predecessor corporations) pursuant to section 160 of the Act, as amended, or any provincial equivalent, in connection with the Acquired Entities

(provided, as it relates to the Acquired Entities, such release shall not apply to (a) transaction taxes, or (b) taxes in respect of the business and operations conducted by the Acquired Entities after the Effective Time). For greater certainty, nothing in this paragraph shall release or discharge any Claims with respect to taxes or obligations in respect thereof that are transferred to ResidualCo.

16. **THIS COURT ORDERS** that except to the extent expressly contemplated by the Share Purchase Agreement, all Contracts (with the exception of any Agreements Affecting the Shares/ Partnership Interests) to which the Acquired Entities are a party upon delivery of the Monitor's Certificate will be and remain in full force and effect upon and following delivery of the Monitor's Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

(a) any event that occurred on or prior to the delivery of the Monitor's Certificate and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the Acquired Entities);

(b) any monetary defaults in relation to the Contracts incurred on or prior to the delivery of the Monitor's Certificate;

(c) the insolvency of the Acquired Entities or the fact that the Acquired Entities sought or obtained relief under the CCAA;

(d) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the Share Purchase Agreement, the Transactions or the provisions of this Order, or any other Order of the Court in these proceedings; or

(e) any transfer, assignment or change of control of the Acquired Entities arising from the implementation of the Share Purchase Agreement, the Transactions or the provisions of this Order.

17. **THIS COURT ORDERS**, for greater certainty, that: (a) nothing in paragraph 16 hereof shall waive, compromise or discharge any obligations of the Acquired Entities in respect of any Retained Liabilities, and (b) the designation of any Claim as a Retained Liability is without prejudice to the Acquired Entities' right to dispute the existence, validity or quantum of any such Retained Liability, and (c) nothing in this Order or the Share Purchase Agreement shall affect or waive the Acquired Entities' rights and defences, both legal and equitable, with respect to any Retained Liability, including, but not limited to, all rights with respect to entitlements to set-offs or recoupments against such Retained Liability.

18. **THIS COURT ORDERS** that from and after the Effective Time, all Persons shall be deemed to have waived any and all defaults of the Acquired Entities then existing or previously committed by the Acquired Entities, or caused by the Acquired Entities, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any Contract, existing between such Person and the Acquired Entities (including, for certainty, those Contracts constituting Retained Assets or Retained Liabilities) arising directly or indirectly from the filing by the Acquired Entities under the CCAA and the implementation of the Transactions, including without limitation any of the matters or events listed in paragraph 16 hereof, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a Contract shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse the Acquired Entities from performing their obligations under the Share Purchase Agreement or be a waiver of defaults by the Acquired Entities under the Share Purchase Agreement and the related documents.

19. **THIS COURT ORDERS** that from and after the Effective Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Acquired Entities, the Purchased Shares, the Retained Assets, or the Purchaser, relating in any way to or in respect of any Excluded Assets, Excluded Contracts or Excluded Liabilities and any other claims, obligations and other matters which are waived, released, expunged or discharged pursuant to this Order, including, for greater certainty, the Claims and Encumbrances being discharged pursuant to this Order .

20. **THIS COURT ORDERS** that, from and after the Effective Time:

(a) the nature of the Retained Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transactions or this Order;

(b) the nature of the Excluded Contracts and Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to ResidualCo;

(c) any Person that prior to the Effective Time had a valid right or claim against the Acquired Entities, the Purchased Shares or the Retained Assets, under or in respect of any Excluded Contract or Excluded Liability (each an "**Excluded Liability Claim**") shall no longer have such right or claim against the Acquired Entities, the Purchased Shares or the Retained Assets, but will have an equivalent Excluded Liability Claim against ResidualCo in respect of the Excluded Contract or Excluded Liability from and after the Effective Time in its place and stead, and nothing in this Order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against ResidualCo; and

(d) the Excluded Liability Claim of any Person against ResidualCo following the Effective Time shall have the same rights, priority and entitlement as such Excluded Liability Claim had against the Acquired Entities, the Purchased Shares or the Retained Assets, prior to the Effective Time.

21. **THIS COURT ORDERS AND DECLARES** that:

(a) as of the Effective Time, the Acquired Entities shall cease to be an applicant in these CCAA Proceedings and the Acquired Entities shall be deemed to be released from the purview of the Initial Order and all other Orders of this Court granted in these CCAA Proceedings, save and except for this Order the provisions of which (as they relate to the Acquired Entities) shall continue to apply in all respects;

(b) as of the date of this Order, ResidualCo shall be a company to which the CCAA applies, and ResidualCo shall be added as an applicant in these CCAA Proceedings and all references in any Order of this Court in respect of these CCAA

Proceedings to (i) an "*Applicant*" shall refer to and include ResidualCo, *mutatis mutandis*, (ii) *"Property"*, as defined in the Initial Order, shall include the current and future assets, licenses, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof, of ResidualCo (including the Cash Consideration) (collectively, the "**ResidualCo Property**"), and, for greater certainty, each of the Charges (as defined in the Initial Order) shall constitute a charge on the ResidualCo Property.

22. **THIS COURT ORDERS** that for greater certainty, nothing in this Order, including the release of the Acquired Entities from the purview of these CCAA Proceedings pursuant to paragraph 21(a) hereof and the addition of ResidualCo as applicant in these CCAA Proceedings shall affect, vary, derogate from, limit or amend, and GTL shall continue to have the benefit of, any and all rights and approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order, this Order, any other Orders in these CCAA Proceedings or otherwise, including all approvals, protections and stays of proceedings in favour of GTL in its capacity as Monitor, all of which are expressly continued and confirmed.

23. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these CCAA Proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada), as amended (the "**BIA**") in respect of the Acquired Entities or ResidualCo and any bankruptcy order issued pursuant to any such applications;

(c) any assignment in bankruptcy made in respect of the Acquired Entities or ResidualCo;

(d) the provisions of any federal or provincial statutes pertaining to fraudulent preferences, assignments, fraudulent conveyances, transfers at undervalue, other reviewable transactions, or oppressive or unfairly prejudicial conduct;

(e) any negative covenants, prohibitions or other similar provisions with respect to the Purchased Shares contained in any Agreements Affecting the Shares/Partnership Interests or other agreement which binds any of the Acquired Entities, and notwithstanding any provision to the contrary in any such agreement;

the Share Purchase Agreement, the implementation of the Transactions (including without limitation the transfer and vesting of the Excluded Assets and Excluded Liabilities in and to ResidualCo, and transfer of the Existing Interests and Retained Assets, and the issuance of the Subscription Shares, to the Purchaser free and clear of all Claims and Encumbrances) and any payments by or to the Purchaser, the Acquired Entities, ResidualCo, or the Monitor authorized herein or pursuant to the Share Purchase Agreement shall be binding on any trustee in bankruptcy that may be appointed in respect of the Acquired Entities or ResidualCo, and shall not be void or voidable by creditors of the Acquired Entities or ResidualCo, as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

RELEASES

24. **THIS COURT ORDERS** that effective upon the delivery of the Monitor's Certificate to the Acquired Entities and the Purchaser, (a) the employees, legal counsel and advisors of the Acquired Entities or ResidualCo, (b) the Monitor and its legal counsel and advisors, and their respective present and former directors, officers, partners, employees and advisors, (c) the Purchaser, its directors, officers, employees, legal counsel and advisors, (d) the DIP Lenders, its counsel, and their respective present and former directors, officers, partners, employees and advisors (the Persons listed in (a), (b), (c) and (d) being collectively, the "**Released Parties**") shall be deemed to be forever irrevocably released and discharged from any and all present and future claims whatsoever (including, without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part on any act or omission, transaction, offer, investment proposal, dealing, or other fact, matter, occurrence or thing existing or taking place prior to the delivery of the Monitor's Certificate or completed pursuant to the terms of this Order and/or in connection with the Transactions in respect of the Acquired Entities or its assets, business or affairs, prior dealings with the Acquired Entities (wherever or however conducted or governed), or the administration and/or management of the Acquired Entities or these proceedings (collectively, the "**Released Claims**"), which

Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, and are not vested nor transferred to ResidualCo or to any other entity and are extinguished, provided that nothing in this paragraph shall waive, discharge, release, cancel or bar any claim for fraud or wilful misconduct or any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA.

25. **THIS COURT ORDERS** that nothing in this Order waives, discharges or in any way releases any person, including the Released Parties, from any responsibility or obligation, including any Encumbrance, that was, is or may be owed to or enforceable by the Province of Newfoundland and Labrador or any Ministry or agency thereof (collectively, "**Newfoundland and Labrador Governmental Authorities**"), that is not a "claim" as defined in section 2(1) of the CCAA, including from any environmental Liability that was, is or may be owed to or enforceable by any Newfoundland and Labrador Governmental Authority that is not a "claim" as defined in section 2(1) of the CCAA, and nothing in this order in any way bars, estops, stays or enjoins any and all steps or proceedings by any Newfoundland and Labrador Governmental Authorities or any servant, agent or employee thereof in respect thereof; it being understood that nothing in this paragraph 25 shall impact the protections in favour of the Monitor pursuant to paragraph 30 hereof.

26. **THIS COURT ORDERS** that, upon the Monitor paying Four Hundred Thousand Dollars ($400,000.00) to Newfoundland Fluorspar Exploration Ltd., pursuant to a royalty agreement dated November 23, 2015 (the "**Royalty Agreement**"), the Royalty Agreement shall be terminated and removed from the Confidential Registry at the Registry Mines for the Province of Newfoundland and Labrador, and the Monitor and the Purchaser shall be authorized to discharge any registrations against any of the Acquired Entities, the Purchased Shares or Retained Assets, as applicable, in accordance with paragraph 11 above.

THE MONITOR

27. **THIS COURT ORDERS** that the Ninth Report, the Confidential Report and the activities of the Monitor set out in the Ninth Report and Confidential Report, are hereby approved, provided however, that only the Monitor, in its personal capacity and only with respect to its own liability, shall be entitled to rely upon or utilize in any way such approval.

28. **THIS COURT ORDERS** that the Monitor, its employees and representatives shall not be deemed directors of ResidualCo, de facto or otherwise, and shall incur no liability as a result of acting in accordance with this Order, other than any liability arising out of or in connection with the gross negligence or wilful misconduct of the Monitor.

29. **THIS COURT ORDERS** that no action lies against the Monitor by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court following a motion brought on not less than fifteen (15) days' notice to the Monitor and its legal counsel. The entities related or affiliated with the Monitor or belonging to the same group as the Monitor (including, without limitation, any agents, employees, legal counsel or other advisors retained or employed by the Monitor) shall benefit from the protection granted to the Monitor under the present paragraph.

30. **THIS COURT ORDERS** that the Monitor shall not, as a result of this Order or any matter contemplated hereby, (a) be deemed to have taken part in the management or supervision of the management of the Acquired Entities or ResidualCo, or to have taken or maintained possession or control of the business or property of any of the Acquired Entities or ResidualCo, or any part thereof, or (b) be deemed to be in Possession (as defined in the Initial Order) of any property of the Acquired Entities or ResidualCo within the meaning of any applicable Environmental Legislation (as defined in the Initial Order) or otherwise.

SEALING ORDER

31. **THIS COURT ORDERS** that the Third Confidential Report and the Share Purchase Agreement shall be sealed with the Court until such time as the Transactions are closed pursuant to the Closing as outlined in the Share Purchase Agreement.

GENERAL

32. **THIS COURT ORDERS** that, following the Effective Time, the Purchaser shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances as against the Acquired Entities, Purchased Shares and the Retained Assets.

33. **THIS COURT ORDERS** that, following the Effective Time, the title of these proceedings is hereby changed to:

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,

1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF RESIDUALCO

34. **THIS COURT DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.

35. **THIS COURT DECLARES** that the Monitor and the Acquired Entities shall be authorized to apply as they may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States or elsewhere, for orders which aid and complement this Order. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Acquired Entities and the Monitor as may be deemed necessary or appropriate for that purpose.

36. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Acquired Entities, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Acquired Entities and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Acquired Entities, the Monitor and their respective agents in carrying out the terms of this Order.

37. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Newfoundland and Labrador Time on the date hereof, provided that the Transaction steps set out in paragraph 7 hereof shall be deemed to have occurred sequentially, one after the other, in the order set out in therein.

____

SCHEDULE A

Form of Certificate of Monitor

(see attached)

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., Newspar and CFI Newspar Holdings Inc., (collectively, "**CFI**" or the "**Company**");

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

MONITOR'S CERTIFICATE

RECITAL

A. Pursuant to an Initial Order of the Newfoundland and Labrador Supreme Court, in Bankruptcy and Insolvency dated the 11th day of March 2022 (the "**Initial Order**"), which was amended and restated on the 18th day of March, 2022 (the "**ARIO**"), Amendment #1 of ARIO dated June 10th, 2022 (the "**Amended ARIO**"), Amendment #2 to the ARIO dated August 30th, 2022 ("**2nd Amended ARIO**"), Amendment #3 to the ARIO dated October 12th 2022 ("**3rd Amended ARIO**") Amendment #4 to the ARIO dated February 21, 2023 ("**4th Amended ARIO**") and Amendment #5 to the ARIO dated May 18th 2023 ("**5th Amended ARIO**"), Canada Fluorspar (NL) Inc., Canada Fluorspar Inc., Newspar and CFI Newspar Holdings Inc., (collectively referred to herein as the "**Acquired Entities**", and individually as an "**Acquired Entity**") were granted creditor-protection pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**") and Grant Thornton Limited was appointed as court-appointed monitor of the Acquired Entities ("**GTL**" or the "**Monitor**").

B. Pursuant to an Order of this Honourable Court dated the __ day of _________, 2023 (the "**Approval and Reverse Vesting Order**"), the Court approved the Share Purchase Agreement made as of the 26th day of May, 2023 (the "**Share Purchase Agreement**") entered into by and between the Acquired Entities, as vendor, and the new successful bidder, as purchaser (the "**Purchaser**"), as well as the Transactions as defined in the Share Purchase Agreement.

C. Unless otherwise indicated or defined herein, capitalized terms used herein shall have the meanings given to them in the Approval and Reverse Vesting Order.

THE MONITOR CERTIFIES as follows:

1. The Monitor has received written confirmation from the Acquired Entities and the Purchaser, in form and substance satisfactory to the Monitor, that all conditions to closing have been satisfied or waived by the parties to the Share Purchase Agreement, including, without limitation, the payment of the Cash Consideration (as defined in the Share Purchase Agreement) by the Purchaser; and

2. This Certificate was delivered by the Monitor at__________**[TIME]** on_________**[DATE].**

Grant Thornton Limited, in its capacity as Monitor of Canada Fluorspar (NL) Inc., Canada Fluorspar Inc., and Newspar, and not in its personal capacity

Per: ____

Name:

Title:

Schedule "B"

(Non-Exhaustive List of Specific Encumbrances to be Deleted)

Registration in the name of the Acquired Entities registered at the Personal Property Security Registry for the Province of Newfoundland and Labrador, including but not limited to;

1. Registration Number 14986145 as amended by Amendment Number 15667900 in favor of Government of Newfoundland and Labrador, Department of Tourism, Culture, Industry and Innovation;

2. Registration Number 15980576 registered in favor of HSBC Bank of Canada;

3. Registration Number 15980618 registered in favor of HSBC Bank of Canada;

4. Registration Number 17728072 registered in favor of Caterpillar Financial Services Limited;

5. Registration Number 17788076 registered in favor of Caterpillar Financial Services Limited;

6. Registration Number 17938135 as amended by Amendment Number 17943606 in favor of Meridian Onecap Credit Corp.;

8. Registration Number 19074921 as amended by Amendment Numbers 19194646,19268622 and 19274877 in favor of Caterpillar Financial Services Limited;

9. Registration Number 19074947 in favor of Caterpillar Financial Services Limited;

12. Registration Number 14560924 in favor of Bank of Montreal;

13. Registration Number 15980345 in favor of HSBC Bank Canada;

14. Registration Number 15980584 in favor of HSBC Bank Canada;

15. Registration Number 15980600 in favor of HSBC Bank Canada;

16. Registration Number 15980626 in favor of HSBC Bank Canada;

17. Registration Number 16028888 in favor of HSBC Bank Canada;

18. Registration Number 16483109 and amended by Renewal Number 19729250 in favor of Komatsu International (Canada) Inc.;

19. Registration Number 14667497 as amended by Amendment Numbers 14712368, 15199193, 15667934, 16737959, and Renewal Numbers 16737991, 17931833 and 19391762 in favor of Bridging Finance Inc., as Agent;

20. Registration Number 14667521 as amended by Amendment Numbers 14712517, 15199169, 15667884, 16737986, and Renewal Numbers 16738007, 17931825 and 19391770 in favor of Bridging Finance Inc., as Agent and Sprott Bridging Income Fund LP;

21. Registration Number 17133950 in favor of Komatsu International (Canada) Inc.;

22. Registration Number 17203423 as amended by Amendment Number 17265760 in favor of Komatsu International (Canada) Inc.;

23. Registration Number 17542499 as amended by Amendment Number 17578709 in favor of Hickman Leasing Limited;

24. Registration Number 17691296 in favor of Komatsu International (Canada) Inc.;

25. Registration Number 17821000 in favor of Bank of Montreal;

26. Registration Number 17840695 in favor of Ford Credit Canada Leasing, Division of Canadian Road Leasing Company;

27. Registration Number 18204024 in favor of Ford Credit Canada Leasing, Division of Canadian Road Leasing Company;

28. Registration Number 18585851 as amended by Amendment Number 19552025 in favor of Komatsu International (Canada) Inc.;

29. Registration Number 18591297 in favor of Komatsu International (Canada) Inc.;

30. Registration Number 19074905 as amended by Amendment Numbers 19194653, 19268614 and 19274869 in favor of Caterpillar Financial Services Limited;

31. Registration Number 19129444 in favor of De Lage Landen Financial Services Canada Inc.;

32. Registration Number 19219492 as amended by Amendment Number 19223015 in favor of Komatsu International (Canada) Inc.;

33. Registration Number 19424100 in favor of Komatsu International (Canada) Inc.;

34. Registration Number 19432152 in favor of Komatsu International (Canada) Inc.;

35. Registration Number 19433895 in favor of Komatsu International (Canada) Inc.;

36. Registration Number 19434125 in favor of Komatsu International (Canada) Inc.;

40. Registration Number 19605021 in favor of Komatsu International (Canada) Inc.;

Litigation including but not limited to;

(a) Mikan Scientific Incorporated vs. Canada Fluorspar (NL) Inc., Small Claims Division 0122C00055;

(b) Arkema France vs. Canada Fluorspar (NL) Inc., et al Case Number CV21006632470000;

(c) Canada Fluorspar Inc., Case Number CV140001054100CL, Business Corporations Act NN;

(d) Inaminka Marine Services vs. Canada Fluorspar (NL) Inc., et al, Federal Court File No. T-279-22

(e) Brandon Burke vs. Canada Fluorspar Inc., Human Rights Compliant 13862

(f) Labour Relations Board File Number 5761

Schedule "C"

(Permitted Encumbrances)

1. The obligations set out in paragraph 8 of the Approval and Reverse Vesting Order.
2. Reservations, limitations, provisions and conditions, if any, expressed in any original grant from the Crown.
3. Title defects or irregularities which are of minor nature, encroachments, easements, rights-of-way, rights to use, servitudes or similar interests provided that same does not materially adversely affect value, use or exploitation.
4. Servitudes, easements, rights of way or similar rights in land granted to or reserved by other persons including minor title defects effecting real property such as reservations and limitations expressed in any original grant from the Crown or as a result of statutory reservations and exceptions to title.
5. Encumbrances securing Retained Liabilities to the extent that such Retained Liabilities are secured by Encumbrances as of the Closing Time.
6. Encumbrances permitted in writing by the Purchaser.