2022 01G 0709

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR

IN BANKRUPTCY AND INSOLVENCY

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

AND 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 a Plan of Compromise or Arrangement of the Company;

SUMMARY OF CURRENT DOCUMENT	
Court File Number (s):	2022 01G 0709
Date of Filing of Document:	___ May, 2022
Name of Filing Party or Person:	Applicant, Canada Fluorspar (NL) Inc., Canada Fluorspar Inc., and Newspar (collectively, "**CFI**" or the "**Company**"), by their Court Appointed Monitor, Grant Thornton Limited
Application to which Document being filed relates:	Re: Application to make changes to the Amended and Restated Initial Order dated 18 March 2022 (the "**ARIO**") and the Order concerning the Sales Investment and Solicitation Process dated 18 March 2022, including the procedures included therein (the "**SISP Order**"); and seeking a declaration pursuant to s.5(5) of *Wage Earners Protection Program Act* S.C. 2005, c.47, s.1 ("**WEPPA**")
Statement of purpose in filing:	To seek changes to the ARIO, SISP Order, and for a declaration pursuant to section 5(5) of WEPPA;
Court Sub-File Number, if any:	N/A

AFFIDAVIT

I, Phil Clarke, CA, CPA, CIRP, LIT, of the City of Halifax, Nova Scotia, make oath and say as follows:

1. I am a Senior Vice President with Grant Thornton Limited ("**GTL**"), the Monitor in the within CCAA proceedings concerning CFI and am authorized to give this affidavit in support of the within application. The information set out in the within application is true to the best of my knowledge, information and belief.

2. As set out in the within application, GTL was appointed Interim Receiver of the Company pursuant to an Order of this Honourable Court dated the 21st of February 2022, attached hereto as **Exhibit "A"**.

3. As set out in the within application, GTL was further appointed as Monitor for CFI pursuant to an Amended and Restated Initial Order of this Honourable Court issued on the 18th of March 2022 attached hereto as **Exhibit "B"**.

4. That in the face of the impending liquidity crisis facing the Company, and outlined in the Interim Receivership filings, the Company began a mass termination on February 21, 2022. Starting on February 21, 2022, and ending February 24, 2022, the Company terminated approximately 223 employees. Once appointed, the Interim Receiver did not interfere with the mass termination underway. However, in the course of its duties as Interim Receiver GTL caused the termination of two (2) executive employees on February 22, 2022. The Company's mass termination was intended to terminate all employee's other than those identified by CFI as critical to the wind down of the mine and to put the mine into care and maintenance mode. GTL, as Monitor, considers these terminations to be permanent. Following these terminations, the Monitor retained 51 employees' pursuant to our care and maintenance plan for the Company.

5. After the mass terminations, GTL in its capacity as Monitor terminated a further 14 employees up to March 21, 2022. The Monitor, in conjunction with senior management of CFI, determined that further reductions were prudent given the progress made in transitioning from operations mode to care and maintenance mode. In our view this is the minimum number of employees required to safely care for and maintain the mine property (the Company's main asset) as it winds down its operations pending a decision on how the assets of the Company would be sold or liquidated.

6. The Monitor now has 37 individuals on payroll, having brought back an employee on leave part time to assist with the SISP process.

7. As noted in the within application, on the 8th of March 2022, GTL applied to the Honourable Supreme Court, in its capacity as Interim Receiver, to have the Company placed into administration under the CCAA. That order was granted, as noted above, initially on the 8th of March 2022 and revised on the 18th of March 2022 (the Amended and Restated Initial Order being referred to as the "**ARIO**").

5. Between the period of March 18th, 2022, and present, GTL has undertaken the following work pursuant to the ARIO and the Sales Investment and Solicitation Process (the "**SISP**") that was approved by the Court by way of an order on the same date (the "**SISP Order**"):

   (a) prepared and sent out solicitation letters along with NDAs to Potential Bidders;
   (b) opened a VDR and coordinated with CFI management for the production of the pertinent documents related to the SIPS and for the same to be uploaded to the VDR;
   (c) published a CIM, Template LOI and Template PSA and made it available to Potential Bidders in the VDR;
   (d) provided access to the VDR to the Potential Bidders and responded to inquiries as necessary;
   (e) published newspaper notices and an online news article about the SISP;
   (f) coordinated site visits for Potential Bidders;
   (g) reviewed the non-binding letters of intents received with the DIP Lenders, the Company, and qualified certain Phase 1 Bidders.

   Further details regarding the Monitor's undertakings for the SISP process are described in the Monitor's Third Report to Court dated May 30th, 2022 filed contemporaneous herewith (the "**Monitors Third Report**"). Capitalized terms used in paragraph 5 of this affidavit are as defined in the SISP Procedures, unless otherwise noted.

6. The Monitor has executed on the SISP as approved in the SISP Order. The Monitor extended the deadline to file non-binding LOI's from April 17, 2022, to April 20, 2022, to avoid having a deadline that fell on Easter Sunday in Canada. The extension was considered minor and did not have any impact on the cashflow of the estate. Notice of the extension was circulated to the Service List on April 13, 2022. A copy of that notice is attached hereto as **Exhibit "C"**.

7. Further details on the SISP process are contained in the Monitors Third Report.

8. That in connection with our duties as Monitor, GTL has also been responsible for dealing with the WEPP filings on behalf of the Company. GTL's role is to report to Service Canada on the status of the proceeding and that WEPP filings are forthcoming, calculate and review the initial WEPP claims for each eligible employee as defined in the WEPP, and to make the necessary WEPP forms available to those former employees of the Company so they can make a claim under WEPP.

9. That I am informed and do verily believe that Service Canada, who are responsible for processing WEPP claims for former employees of the Company, require a confirmation from this Honorable Court confirming the facts surrounding the termination of employees, in order for the Company's former employees to be eligible for WEPP under s.5(5) of the Act. Attached hereto as **Exhibit "D"** are the email exchanges between GTL as Monitor and Service Canada.

10. As noted above, I can confirm on behalf of the Monitor that substantially all of the Companies employees were permanently terminated on or before March 21, 2022. All of these employees, with the exception one (1) were Canadian citizens. The employee who was not a Canadian citizen was terminated effective February 22nd, 2022. Any of the remaining employees have been retained specifically to maintain the mine in a care and maintenance mode and wind down operations during the period of the SISP process.

11. That in the course of my duties as Monitor, in running the SISP, I have had several conversations with multiple interested parties who submitted Phase I non-binding letters of interest as per the agreed upon process outlined in the SISP.

12. That during my discussions with potential bidders it became clear that many of the potential bidders and Phase I participants were having difficulty in putting together their offers due to the fact the Company did not have a National Instruments 43-101 Technical Report (a "**43-101**") completed or alternatively they made it a condition in their Phase 1 bids.

13. A 43-101 is a technical report that summarizes material scientific and technical information concerning the mineral deposits at a given site (typically a mine), including the scope of the proposed development and scope of proposed production activities at the site. In my view, this report would be critical to a prospective purchaser in helping them to understand the value of the mine and its deposits.

14. Prior to our appointment as Monitor, the Company had engaged independent third-party consultants to complete a 43-101, however it was never finalized. Since our appointment as Monitor, we have confirmed that the consultants are willing and able to finish the work required to complete the 43-101 and can have the report issued to us on or before June 6, 2022.

15. That in my view, based on my conversations with potential purchasers, a 43-101 would be of significant interest to potential purchasers and the information provided therein would, most likely, would improve the offers for the assets than is presently contemplated in the non-binding indicative offers we have received to date.

16. That in my view, as Monitor, and in accordance with the foregoing, I believe it would be prudent to allow the consultants the time required to complete the 43-101. Also, in my view, it would be prudent to extend the timeframes outlined in the SISP to provide a fair opportunity to potential bidders to review the 43-101 and digest the information contained therein. Our proposed revisions to the SISP timelines are outlined in the attached revised SISP Procedures found at **Exhibit "E"**.

17. The Monitor extended the deadline to file binding offers from June 10, 2022, to June 17, 2022, to provide some additional time for potential bidders to incorporate the 43-101 into their due diligence. The extension was considered minor and did not have any impact on the cashflow of the estate. Potential bidders have advised that this minor extension is not sufficient time to allow the incorporation of the 43-101 report into binding offers. The ARIO and SISP Order require court approval of material changes to the SISP. The requested extension to July 22, 2022, is considered material. Notice of the proposed extension was circulated to the Service List on May 25, 2022. A copy of that notice is attached hereto as **Exhibit "F"**.

18. That in my view, the extension of time under the SISP and an extension to the stay of proceedings issued under s.11 of the CCAA would be in the best interest of the Company and its stakeholders, including the senior secured creditors, and it would not materially prejudice any stakeholder or creditor.

19. Revised cash flow shows that we can cash flow the extension without increase to the DIP. The revised cashflow is attached hereto as **Exhibit "G"**.

20. I make this affidavit in support of the within application and for no other purpose.

SWORN at, Halifax, Nova Scotia
on the 30th day of May 2022,
before me

Commissioner, notary public, etc.

GAVIN D. F. MACDONALD
A Notary Public in and for the
Province of Nova Scotia

Phil Clarke, CA, CPA, CIRP, LIT

This is Exhibit A to the affidavit of Phil Clarke sworn before me on the 30 day of May 2022.

GAVIN D. F. MACDONALD
A Notary Public in and for the
Province of Nova Scotia

EXHIBIT "A"

SCHEDULE "I"

2022 01G 0709
IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
GENERAL DIVISION

BETWEEN:

PRICEWATERHOUSECOOPERS INC. in its capacity as court-appointed receiver and manager of BRIDGING FINANCE INC. and BRIDGING INCOME FUND LP

APPLICANT

AND:

CANADA FLUORSPAR (NL) INC. and CANADA FLUORSPAR INC.

RESPONDENTS

INTERIM RECEIVERSHIP ORDER

BEFORE THE HONOURABLE CHIEF JUSTICE RAYMOND P. WHALEN:

UPON The application of PricewaterhouseCoopers Inc., in its capacity as court-appointed receiver and manager of Bridging Finance Inc. and Bridging Income Fund LP (formerly Sprott Bridging Income Fund LP) (the "**Applicant**"), for appointment of an interim receiver in respect of Canada Fluorspar (NL) Inc. and Canada Fluorspar Inc. (collectively, the "**Debtor**");

AND UPON READING the Originating Application and the affidavit of Graham Page sworn February 19, 2022, and the consent of Grant Thornton Limited to act as interim receiver (in such capacity, the "**Interim Receiver**") of the Debtor;

AND UPON HEARING counsel for the Applicant any other counsel or other interested parties present;

Filed Feb 22, 22

R.W.

IT IS HEREBY ORDERED THAT:

SERVICE

1. The time for service of the notice of application and the material filed herein for this order (the "**Order**") is hereby abridged and deemed good and sufficient and this application is properly returnable today and any further service thereof is hereby dispensed.

APPOINTMENT

2. Pursuant to section 47(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "*BIA*") Grant Thornton Limited is hereby appointed Interim Receiver, without security, of all of the Debtor's 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 (the "**Property**").

3. For greater certainty, the Interim Receiver will not take possession of the Property except to the extent necessary to carry out its obligations hereunder.

DEFINED TERMS

4. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in **Schedule "A"**.

INTERIM RECEIVER'S POWERS

5. The Interim Receiver is not authorized or permitted to operate or conduct the business of the Debtor; provided, however, that the Receiver is hereby empowered and authorized, but not obligated, to take such steps as are necessary (or cause the Debtor to take such steps as are necessary) to protect, preserve, and secure the Property.

R.W.

6. The Interim Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Interim Receiver is hereby expressly empowered and authorized to do any of the following where the Interim Receiver considers it necessary or desirable:

(a) to exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

(b) to receive, preserve, protect, and maintain control of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

(c) to manage, preserve and protect the assets of the Debtor, including the power to incur any obligations in the ordinary course of business, and the powers to enter into any agreements, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

(d) to retain or hire any employees on behalf of the Debtor for any period of time on substantially the same terms and conditions as those existing between such employees and the Debtor, if applicable, prior to the appointment of the Interim Receiver;

(e) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Interim

R.W

Receiver's powers and duties, including without limitation those conferred by this Order;

(f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor. For greater certainty, this provision shall not apply to the Excluded Property;

(g) to settle, extend or compromise any indebtedness owing to or by the Debtor;

(h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Interim Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;

(i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Interim Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

(j) to report to, meet with and discuss with such affected Persons (as defined below) as the Interim Receiver deems appropriate all matters relating to the Property and the interim receivership, and to share information, subject to such terms as to confidentiality as the Interim Receiver deems advisable;

(k) to register a copy of this Order and any other orders in respect of the Property against title to any of the Property, and when submitted by the Interim Receiver for registration this Order shall be immediately registered by the Registrar of Deeds

K.W.

for the Province of Newfoundland and Labrador or any other similar government authority, notwithstanding Section 7 of the *Registration of Deeds Act*, 2009, SNL 2009, c R-10.01, or the provisions of any other similar legislation in any other province or territory, and notwithstanding that the appeal period in respect of this Order has not elapsed and the Registrar of deeds shall accept all Affidavits of Corporate Signing Authority submitted by the Interim Receiver in its capacity as Interim Receiver of the Debtor and not in its personal capacity;

(l) to 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, if thought desirable by the Interim Receiver, in the name of the Debtor;

(m) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

(n) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;

(o) to commence proceedings for the Debtor pursuant to the *Bankruptcy and Insolvency Act* or the *Companies' Creditors Arrangement Act*; and

(p) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Interim Receiver 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 Debtor, and without interference from any other Person (as defined below).

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE INTERIM RECEIVER

7. (i) The Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Interim Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Interim Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Interim Receiver upon the Interim Receiver's request.

8. All Persons shall forthwith advise the Interim Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records (and all transaction related thereof), and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Interim Receiver or permit the Interim Receiver to make, retain and take away copies thereof and grant to the Interim Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph or in paragraphs 7 and 9 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Interim Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.

J.R.W.

9. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Interim Receiver for the purpose of allowing the Interim Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Interim Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Interim Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Interim Receiver with all such assistance in gaining immediate access to the information in the Records as the Interim Receiver may in its discretion require including providing the Interim Receiver with instructions on the use of any computer or other system and providing the Interim Receiver with any and all access codes, account names, and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE INTERIM RECEIVER

10. Without leave of the Court no action lies against the interim receiver with respect to any report made under, or any action taken pursuant to *BIA*.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

11. No Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Interim Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing

R.N.

agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph; and (ii) affect a Regulatory Body's investigation in respect of the debtor or an action, suit or proceeding that is taken in respect of the debtor by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. "**Regulatory Body**" means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a Province.

NO EXERCISE OF RIGHTS OR REMEDIES

12. All rights and remedies of any Person, whether judicial or extra-judicial, statutory or non-statutory (including, without limitation, set-off rights) against or in respect of the Debtor or the Interim Receiver or affecting the Property are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided, however, that nothing in this Order shall:

    (a) empower the Debtor to carry on any business that the Debtor is not lawfully entitled to carry on;

    (b) prevent the filing of any registration to preserve or perfect a security interest;

    (c) prevent the registration of a claim for lien; or

    (d) exempt the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment.

13. Nothing in this Order shall prevent any party from taking an action against the Applicant where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such

party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Interim Receiver at the first available opportunity.

14. Nothing in this Order shall prevent HSBC from exercising any rights or remedies, taking any enforcement steps, actions or commencing any proceedings against the Debtor with respect to the Excluded Property.

NO INTERFERENCE WITH THE INTERIM RECEIVER

15. No Person shall accelerate, suspend, 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 Debtor, except with the written consent of the Debtor and the Interim Receiver, or leave of this Court.

CONTINUATION OF SERVICES

16. All persons having:

(a) statutory or regulatory mandates for the supply of goods and/or services; or

(b) oral or written agreements or arrangements with the Debtor, 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 Debtor

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Debtor or exercising any other remedy provided under such agreements or arrangements. The Debtor 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 usual prices or charges for all such goods or services received after the date of this Order are paid by the Debtor in accordance with the payment practices of the Debtor, or such other practices as may be agreed upon by the supplier or service provider and each of the Debtor and the Interim Receiver, or as may be ordered by this Court.

INTERIM RECEIVER TO HOLD FUNDS

17. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Interim Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, but excluding the Excluded Property, shall be deposited into one or more new accounts to be opened by the Interim Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Interim Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

18. Subject to employees' rights to terminate their employment, all employees of the Debtor shall remain the employees of the Debtor until such time as the Interim Receiver, on the Debtor's behalf, may terminate the employment of such employees.

19. Despite anything in federal or provincial law, if the Interim Receiver, in that position, carries on the business of the Debtor or continues the employment of a debtor's employees, the interim receiver is not by reason of that fact personally liable in respect of a liability,

including one as a successor employer, that is in respect of the employees or former employees of the debtor or a predecessor of the debtor or in respect of a pension plan for the benefit of those employees and that exists before the interim receiver is appointed or that is calculated by reference to a period before the appointment.

LIMITATION ON ENVIRONMENTAL LIABILITIES

20. Nothing herein contained shall require the Interim Receiver 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 (collectively, the "Environmental Legislation"), provided however that nothing herein shall exempt the Interim Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Interim Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver'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.

21. The Interim Receiver shall not be 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:

R.W.

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

(i) before the Interim Receiver's appointment; or

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

(b) Nothing in sub-paragraph (a) exempts the Interim Receiver 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 sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Interim Receiver to remedy any environmental condition or environmental damage affecting the Property, the Interim Receiver 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 Interim Receiver, if the order is in effect when the Interim Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Interim Receiver:

(A) complies with the order, or

RW

(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 Interim Receiver, if the order is in effect when the Interim Receiver is appointed, by,

(A) the court or body having jurisdiction under the law pursuant to which the order was made to enable the Interim Receiver 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 Interim Receiver 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.

LIMITATION ON THE INTERIM RECEIVER'S LIABILITY

22. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Interim Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property provided that the interim receiver shall act honestly and in good faith and deal with the Property in a commercially reasonable manner. Nothing in this Order shall derogate from any

R.M

limitation on liability or other protection afforded to the Interim Receiver under any applicable law.

INTERIM RECEIVER'S ACCOUNTS

23. The Interim Receiver and counsel to the Interim Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges.

24. The Interim Receiver and counsel to the Interim Receiver shall be entitled to the benefits of and are hereby granted a charge (the "**Interim Receiver's Charge**") on the Property, which charge shall not exceed an aggregate amount of $250,000, as security for their professional fees and disbursements incurred at the normal rates and charges of the Interim Receiver and such counsel, both before and after the making of this Order in respect of these proceedings, and the Interim Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any person but subject to sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.

25. The Interim Receiver and its legal counsel shall pass their accounts from time to time.

26. Prior to the passing of its accounts, the Interim Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Interim Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

R.M.

FUNDING OF THE INTERIM RECEIVERSHIP

27. Subject to prior approval of the Applicant, the Interim Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed $2,000,000 (or such greater amount as this Court may by further order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Interim Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Interim Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Interim Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.

28. Neither the Interim Receiver's Borrowings Charge nor any other security granted by the Interim Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

29. The Interim Receiver is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule "B"** hereto (the "**Interim Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

30. The monies from time to time borrowed by the Interim Receiver pursuant to this Order or any further order of this Court and any and all Interim Receiver's Certificates evidencing the same or any part thereof shall rank on a pari passu basis, unless otherwise agreed to by the holders of any prior issued Interim Receiver's Certificates.

31. The Interim Receiver shall be allowed to repay any amounts borrowed by way of Interim Receiver's Certificates out of the Property or any proceeds, including any proceeds from the sale of any assets without further approval of this Court.

ALLOCATION

32. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Interim Receiver's Charge and the Interim Receiver's Borrowings Charge amongst the various assets comprising the Property.

GENERAL

33. For greater certainty, neither the Interim Receiver's Charge nor the Interim Receiver's Borrowing Charge shall apply or attach to the Excluded Property.

34. The Interim Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

35. Unless otherwise ordered by this Court, the Interim Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Interim Receiver's reports shall be filed by the registry notwithstanding that they do not include an original signature.

36. Nothing in this Order shall prevent the Interim Receiver from acting as a receiver, a receiver and manager, a trustee in bankruptcy, or a monitor of the Debtor.

37. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction to give effect to this Order and to assist the Interim Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby

RW

respectfully requested to make such orders and to provide such assistance to the Interim Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Interim Receiver in any foreign proceeding, or to assist the Interim Receiver and its agents in carrying out the terms of this Order.

38. The Interim Receiver 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 Interim Receiver 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.

39. The Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis, including legal costs on a solicitor-client full indemnity basis, to be paid by the Interim Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

40. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Interim Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

FILING

41. The Interim Receiver shall establish and maintain a website in respect of these proceedings at www.grantthornton.ca/cfi (the "**Interim Receiver's Website**") and shall post there as soon as practicable:

(a) all materials prescribed by statue or regulation to be made publicly available; and

D.W.

(b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Interim Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.

42. Service of this Order shall be deemed good and sufficient by:

a. serving the same on:

(i) the persons listed on the service list created in these proceedings or otherwise served with notice of these proceedings;

(ii) any other person served with notice of the application for this Order;

(iii) any other parties attending or represented at the application for this Order; and

b. posting a copy of this Order on the Interim Receiver's Website.

and service on any other person is hereby dispensed with.

43. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

DATED at St. John's, in the Province of Newfoundland and Labrador, this 21 day of February, 2022.

~~COURT~~
OFFICER

R.W.

SCHEDULE "A"

Defined Terms

"**Excluded Property**" means: (i) any and all Receivables and / or Financed Receivables, as such terms are defined pursuant to a Trade Invoice Recourse Financing Facility Agreement between HSBC and Canada Fluorspar (NL) Inc. dated May 25, 2018, as amended, 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 favour of HSBC.

"**HSBC**" means HSBC Bank Canada.

R.W.

SCHEDULE "B"

Interim Receiver Certificate

Certificate No.

Amount $

This is to certify that Grant Thornton Limited, the interim receiver (the "**Interim Receiver**") of the assets, undertakings, and properties of Canada Fluorspar (NL) Inc., and Canada Fluorspar Inc., (the "**Debtors**") acquired for, or used in relation to, a business carried on by the Debtors, including all proceeds thereof (collectively, the "**Property**") appointed by order of the Supreme Court of Newfoundland and Labrador (the "**Court**") dated the day of February, 2022 (the "**Order**") made in an action having court file number 2022 01G 0709, has received as such Interim Receiver from the holder of this certificate (the "**Lender**") the principal sum of $, being part of the total principal sum of $ which the Interim Receiver is authorized to borrow under and pursuant to the Order.

The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [*monthly/semi-annually/annually/other*] not in advance on the day of each month after the date hereof at a rate per annum equal to the rate of per cent above the prime commercial lending rate of from time to time.

Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Interim Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Interim Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at .

Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Interim Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

The charge securing this certificate shall operate so as to permit the Interim Receiver to deal with the Property (as defined in the Order) as authorized by the Order and as authorized by any further or other order of the Court.

The Interim Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

[*signature page to follow*]

R.W

Dated the day of , 2022.

Grant Thornton Limited, solely in its capacity as Interim Receiver of the Property, and not in its personal capacity

Per:

Name:
Title:

This is Exhibit B to the affidavit of Phil Clark sworn before me on the 30 day of May 20 22

EXHIBIT "B"

GAVIN D. F. MACDONALD
A Notary Public in and for the
Province of Nova Scotia

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

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 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

(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, 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; and

(B) 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 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 __ 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 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.

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.

This is Exhibit C to the affidavit of Phil Clarke sworn before me on the 30 day of May 2022

GAVIN D. F. MACDONALD
A Notary Public in and for the
Province of Nova Scotia

EXHIBIT "C"

Grant Thornton

April 13, 2022

NEWFOUNDLAND AND LABRADOR
SUPREME COURT
(BANKRUPTCY AND INSOLVENCY)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF CANADA FLUORSPAR (NL) INC., CANADA FLUORSPAR INC. AND NEWSPAR (a General Partnership) (collectively, ("CFI" or the "Companies")

PHASE 1 BID DEADLINE EXTENSTION

TAKE NOTICE that regarding the Sales Investment Solicitation Process (SISP) for CFI. The Monitor has extended the deadline to submit Phase 1 bids (delivery of non-binding LOI's) to **5:00 PM Newfoundland Standard Time on April 20, 2022.**

No other changes to the SISP are being made at this time.

If you have any questions or would like to discuss your intended LOI, please feel free to contact the Mr. Jason Kanji, at 416-777-6136 (Jason.Kanji@ca.gt.com) or Mr. Phil Clarke, at (902) 420-7191 (Phil.Clarke@ca.gt.com).

Note capitalized terms within this document that are not defined herein maintain their meaning as defined in the Procedures for the Sale and Investment Solicitation Process available on the Monitor's case website www.GrantThornton.ca/CFI.

This is Exhibit D to the affidavit of Phil Clarke sworn before me on the 30 day of May 2022

GAVIN D. F. MACDONALD
A Notary Public in and for the
Province of Nova Scotia

EXHIBIT "D"

From: adrian.raddatz@labour-travail.gc.ca
To: Shahini, Ada
Cc: Kanji, Jason; Hines, Corey; stephanie.a.leroux@servicecanada.gc.ca; johannar.howes@labour-travail.gc.ca; julie.l.matte@servicecanada.gc.ca
Subject: RE: WEPP eligibility - Canada Fluorspar Inc ("CFI") – CCAA - Termination and Severance
Date: Monday, March 28, 2022 1:07:32 PM
Attachments: image001.jpg
image002.png

You don't often get email from adrian.raddatz@labour-travail.gc.ca. Learn why this is important

CAUTION: EXTERNAL EMAIL. DO NOT CLICK ON LINKS OR OPEN ATTACHMENTS YOU DO NOT TRUST
*****NEW*** DO NOT ENTER YOUR GT PASSWORD ON ANY EXTERNAL EMAIL REQUEST**

Hello Ada, thanks for meeting with us this morning.

As discussed, below are two example cases that should be useful for draft wording:

- FIGR Brands Inc. – section 4 of this order
- Éclairage Contraste M.L Inc. – section 34 of this order (some documents in French)

I would also like to clarify that the wording of subsection 5(5) is permissive (the court may...) because WEPP eligibility is not automatic during a CCAA, unlike during a bankruptcy or receivership. During a CCAA, as described on the call, WEPP eligibility can only be triggered by a court declaration and only after the criteria in the WEPP Regulations have been met. Any party may seek that court declaration, but unfortunately the declaration is not optional.

Please let us know if you have any further questions. We would also welcome any comments or feedback you may have on the new legislative and regulatory framework for triggering WEPP during a CCAA, as the provisions are relatively new.

Regards,

Adrian Raddatz

Gestionnaire p.i., Programme du travail
Emploi et Développement social Canada / Gouvernement du Canada
adrian.raddatz@labour-travail.gc.ca / Tél.: 873-396-2833

A/Manager, Labour Program
Employment and Social Development Canada / Government of Canada
adrian.raddatz@labour-travail.gc.ca / Tel.: 873-396-2833

De : Shahini, Ada <Ada.Shahini@ca.gt.com>
Envoyé : March 28, 2022 11:18 AM
À : Raddatz, Adrian AJ [NC] <adrian.raddatz@labour-travail.gc.ca>
Cc : Kanji, Jason <Jason.Kanji@ca.gt.com>; Hines, Corey <Corey.Hines@ca.gt.com>; Leroux, Stephanie SL [NC] <stephanie.a.leroux@servicecanada.gc.ca>; Howes, Johanna R [NC] <johannar.howes@labour-travail.gc.ca>; Matte, Julie J [NC] <julie.l.matte@servicecanada.gc.ca>
Objet : RE: WEPP eligibility - Canada Fluorspar Inc ("CFI") – CCAA - Termination and Severance

Hello Adrian,
As discussed on our call, can you kindly forward us the example cases for the CCAA triggering the WEPP eligibility for our counsels review and we will try to have an answer for the team by the end of the day.
Thank you,
Ada

Ada Shahini | Senior Associate
Grant Thornton LLP
11th Floor | 200 King Street West | Toronto | ON | M5H 3T4
T +1 416 607 4577 | F +1 416 360 4949
E Ada.Shahini@ca.gt.com | W http://www.grantthornton.ca/

Grant Thornton LLP is proud to be recognized as one of Canada's best workplaces for our fourteenth consecutive year!

From: Hines, Corey <Corey.Hines@ca.gt.com>
Sent: Friday, March 25, 2022 1:50 PM
To: stephanie.a.leroux@servicecanada.gc.ca

Cc: julie.l.matte@servicecanada.gc.ca; Shahini, Ada <Ada.Shahini@ca.gt.com>; Kanji, Jason <Jason.Kanji@ca.gt.com>
Subject: RE: WEPP eligibility - Canada Fluorspar Inc ("CFI") – CCAA - Termination and Severance

Stephanie,

As discussed on the call, please see attached:

- Interim Receivership Order
- Affidavit of Phil Clarke dated March 8, 2022
- CCAA Initial Order dated March 11, 2022

Our position is that the termination of the employees has already been acknowledged by the Court in the following way:

1) The Interim Receivership Order is attached for context of the Affidavit of Phil Clarke.
2) Paragraph 13 of the Affidavit of Phil Clarke describes the termination of the employees at the appointment of the Interim Receiver
3) Per the CCAA Initial Order, the Court states that "ON READING the affidavit of Phil Clarke sworn the 8th day of March, 2022..." at the beginning of the Order, Paragraph 2 Orders and Declares that CFI is a company to which the CCAA applies.

Please pass this along to your labour team for review. If this does not solve the issue, we would like to request a call Monday morning with the labour team to discuss this issue further.

Thanks,

Corey Hines, CPA | Senior Associate
Grant Thornton Limited
Nova Centre, North Tower | Suite 1000 - 1675 Grafton Street | Halifax | NS | B3J 0E9
T +1 902 491 7704 | F +1 902 420 1068
E Corey.Hines@ca.gt.com | W http://www.grantthornton.ca/

From: stephanie.a.leroux@servicecanada.gc.ca <stephanie.a.leroux@servicecanada.gc.ca>
Sent: March 25, 2022 1:27 PM
To: Hines, Corey <Corey.Hines@ca.gt.com>
Cc: Shahini, Ada <Ada.Shahini@ca.gt.com>; julie.l.matte@servicecanada.gc.ca
Subject: RE: WEPP eligibility - Canada Fluorspar Inc ("CFI") – CCAA - Termination and Severance

Hi Corey,

Unfortunately this would not be sufficient as it is granting the right to terminate employees but it doesn't state that the employees have actually been terminated. What we need is a court document to confirm that the criteria is met in order to trigger WEPP.

If you want, you can draft up some wording and we can run it by Labour to see if they feel the wording meets the new Regulations. Then once the court signs off on it, we know it will meet. Here is some of the blurb that speaks to the new Regulations that may assist in the wording:

Legislative and Regulatory Changes
On November 20, 2021, Section 5 of the *WEPP Act* was amended to state that an individual can be eligible to receive a WEPP payment if:

> *(5)(b)(iv) the former employer is the subject of proceedings under Division I of Part III of the Bankruptcy and Insolvency Act or under the Companies' Creditors Arrangement Act and a court determines under subsection (5) that the criteria prescribed by regulation are met.*

Once in force, the legislative change and new section 3.2 of the *WEPP Regulations* will allow the WEPP to be triggered when the former employer subjected to specific BIA or CCAA proceedings has terminated all of its employees, except for employees that have been retained to wind down business operations. Specifically, section 3.2 reads:

> *3.2 For the purposes of subsection 5(5) of the Act, a court may determine whether the*

former employer is the former employer all of whose employees in Canada have been terminated other than any retained to wind down its business operations.

Subsection 5(5) of the *WEPP Act* states that any person can ask the court to determine if a proceeding under Division I of Part III of the BIA or under the CCAA meets the condition of section 3.2 of the *WEPP Regulations*. The WEPP Act states:

(5) On application by any person, a court may, in proceedings under Division I of Part III of the Bankruptcy and Insolvency Act or under the Companies' Creditors Arrangement Act, determine that the former employer meets the criteria prescribed by regulation.

Section 5 of the *WEPP Act* therefore allows "any person" to seek a court determination for the triggering of WEPP eligibility under section 3.2 of the *WEPP Regulations*, once a proceeding under the BIA or CCAA is underway. To simplify triggering of the WEPP, the reference to "any person" is broad. It could include a wide range of individuals such as a former employee, a union, counsel, etc.

Hopefully this helps ☺

Stephanie Leroux

Program Advisor, Benefits and Integrated Services Branch
Wage Earner Protection Program (WEPP)
Service Canada / Government of Canada
stephanie.a.leroux@servicecanada.gc.ca / Tel: 705-923-9469

Conseillère en matière de programmes, Direction générale des prestations et services intégrés
Programme de protection des salariés (PPS)
Service Canada / Gouvernement du Canada
stephanie.a.leroux@servicecanada.gc.ca / Tél: 705-923-9469

From: Hines, Corey <Corey.Hines@ca.gt.com>
Sent: March 25, 2022 11:05 AM
To: Leroux, Stephanie SI [NC] <stephanie.a.leroux@servicecanada.gc.ca>; Matte, Julie J [NC] <julie.l.matte@servicecanada.gc.ca>
Cc: Shahini, Ada <Ada.Shahini@ca.gt.com>
Subject: RE: WEPP eligibility - Canada Fluorspar Inc ("CFI") – CCAA - Termination and Severance

Stephanie and Julie,

Passing this along if this may help with the issue regarding the new standards and documentation from Court.

Attached is a copy of the CCAA Amended and Reinstated Initial Order dated March 18, 2022. Paragraph 11 (b) details the right granted from the Court allowing the Monitor to terminate any employees.

Would this be sufficient commentary from the Court to accept our application?

Thanks!

Corey Hines, CPA | Senior Associate
Grant Thornton Limited
Nova Centre, North Tower | Suite 1000 - 1675 Grafton Street | Halifax | NS | B3J 0E9
T +1 902 491 7704 | F +1 902 420 1068
E Corey.Hines@ca.gt.com | W http://www.grantthornton.ca/

From: stephanie.a.leroux@servicecanada.gc.ca <stephanie.a.leroux@servicecanada.gc.ca>
Sent: March 25, 2022 12:17 PM
To: Shahini, Ada <Ada.Shahini@ca.gt.com>; Hines, Corey <Corey.Hines@ca.gt.com>
Cc: julie.l.matte@servicecanada.gc.ca
Subject: WEPP eligibility - Canada Fluorspar Inc ("CFI") – CCAA - Termination and Severance

NEW DO NOT ENTER YOUR GT PASSWORD ON ANY EXTERNAL EMAIL REQUEST

Hi Ada and Corey,

We have received clarification on termination and severance for those employees who will still be working to wind-down operations.

<u>These clients can work after the event date and be entitled to termination and severance.</u>

The WEPP eligibility period will still be the 6-month period before the CCAA (OSB shows the CCAA on March 11, 2022). Even though you will use this 6 month period to determine monies owed to the client, they will only be eligible for WEPP when they too have stopped working.

Please use the first 7 digits of the CCAA number as the Estate ID on TIF's and applications: 0000548-2022-NF

If you have any other questions or concerns, please feel free to reach out to us.

Have a wonderful weekend ☺

Stephanie Leroux

Program Advisor, Benefits and Integrated Services Branch
Wage Earner Protection Program (WEPP)
Service Canada / Government of Canada
stephanie.a.leroux@servicecanada.gc.ca / Tel: 705-923-9469

Conseillère en matière de programmes, Direction générale des prestations et services intégrés
Programme de protection des salariés (PPS)
Service Canada / Gouvernement du Canada
stephanie.a.leroux@servicecanada.gc.ca / Tél: 705-923-9469

From: Leroux, Stephanie SL [NC]
Sent: March 24, 2022 1:50 PM
To: 'Shahini, Ada' <Ada.Shahini@ca.gt.com>
Cc: Matte, Julie J [NC] <julie.j.matte@servicecanada.gc.ca>; Hines, Corey <Corey.Hines@ca.gt.com>
Subject: RE: WEPP eligibility - Canada Fluorspar Inc ("CFI") – CCAA

Hi Ada,

Thank you very much for not only providing this information, but also for making it so clear and well organized!

We would be happy to meet with you to discuss this further. Julie and I are free tomorrow between 9am-1:00pm and again between 2-3:00pm EST. Let me know a time that works best and I will set the meeting up. If tomorrow isn't good we can certainly look at next week too.

Thank you ☺

Stephanie Leroux

Program Advisor, Benefits and Integrated Services Branch
Wage Earner Protection Program (WEPP)
Service Canada / Government of Canada
stephanie.a.leroux@servicecanada.gc.ca / Tel: 705-923-9469

Conseillère en matière de programmes, Direction générale des prestations et services intégrés
Programme de protection des salariés (PPS)
Service Canada / Gouvernement du Canada
stephanie.a.leroux@servicecanada.gc.ca / Tél: 705-923-9469

From: Shahini, Ada <Ada.Shahini@ca.gt.com>
Sent: March 24, 2022 11:37 AM
To: Leroux, Stephanie SL [NC] <stephanie.a.leroux@servicecanada.gc.ca>
Cc: Matte, Julie J [NC] <julie.j.matte@servicecanada.gc.ca>; Hines, Corey <Corey.Hines@ca.gt.com>
Subject: WEPP eligibility - Canada Fluorspar Inc ("CFI") – CCAA

Good morning Stephanie and Julie,
I hope you are having a good week! As mentioned on my previous email I have received some additional information from our team in Halifax about the **Canada Fluorspar Inc ("CFI") – CCAA.**
Corey and I are available for a call to go over the details on the court orders and to discuss the employee eligibility if it is easier to discuss over the phone. Here are as background details on the file that might help with the determination of eligibility of the employees.

1) Most employees were terminated during the Interim Receivership, with a handful being terminated during the CCAA. During this process, CFI management has been terminating employees with only the exception of 2 terminated by Grant Thornton in its capacity as Interim Receiver (both directors of CFI who are not be eligible for WEPP).
2) All terminated employees were terminated as a result of the wind down of operations required during CFI's "Care and Maintenance Mode" where we are preserving assets and protecting the environment while the Monitor pursues a sales process for the business. Terminated

employees have **not** been offered to be rehired once the sale of the business has occurred, their termination is considered final.

3) I am attaching a copy of the following documents and will forward two more emails as they are larger files (the court orders are also available on our website: www.GrantThornton.ca/CFI):
   a. CCAA Initial Order (attached)
   b. CCAA Amended and Reinstated Initial Order (attached)
   c. Interim Received Order (separate email)
   d. Sample termination letter for employees (separate email)

We are also currently still working with the OSB in obtaining an estate number and this process has proven to be a little slower. Once it is determined that the employees are eligible for WEPP and that the CCAA will be considered as an event is it possible to perhaps set up an estate number with WEPP and then replace once we have received the correct one from OSB or we have completed the work on the file. (We had taken a similar route on a previous file as well).

Please feel free to reach out to me 416-607-4577 or Corey Hines 902-491-7704 from our Halifax office and we will gladly go over any questions.
I truly appreciate your help in this matter.
Regards,

Ada Shahini | Senior Associate
Grant Thornton LLP
11th Floor | 200 King Street West | Toronto | ON | M5H 3T4
T +1 416 607 4577 | F +1 416 360 4949
E Ada.Shahini@ca.gt.com | W http://www.grantthornton.ca/

From: Shahini, Ada
Sent: Friday, March 18, 2022 5:30 PM
To: stephanie.a.leroux@servicecanada.gc.ca
Cc: julie.l.matte@servicecanada.gc.ca
Subject: RE: WEPP changes and update on file work and extensions

Hello Stephanie,
Thank you so much for your response, I apologize for not getting back to you earlier. It has been a busy Friday afternoon.

1. You are correct on the **Mike's Technology Corp – 11-2812618** estate- we will likely not require and extension as of yet.
2. On the **Canada Fluorspar Inc – CCAA:** I am still waiting to hear from the team on the court report, I know that we were in court today as well so I am not sure if we have this order yet. I will advise as soon as I have an answer.

I truly appreciate your help and you have a fabulous weekend as well!
Take care,
Ada

Ada Shahini | Senior Associate
Grant Thornton LLP
11th Floor | 200 King Street West | Toronto | ON | M5H 3T4
T +1 416 607 4577 | F +1 416 360 4949
E Ada.Shahini@ca.gt.com | W http://www.grantthornton.ca/

From: stephanie.a.leroux@servicecanada.gc.ca <stephanie.a.leroux@servicecanada.gc.ca>
Sent: Friday, March 18, 2022 1:57 PM
To: Shahini, Ada <Ada.Shahini@ca.gt.com>
Cc: julie.l.matte@servicecanada.gc.ca
Subject: RE: WEPP changes and update on file work and extensions

NEW DO NOT ENTER YOUR GT PASSWORD ON ANY EXTERNAL EMAIL REQUEST

Hi Ada,

Thank you for reaching out and providing us this update. It is very much appreciated ☺

Mike's Technology Corp – 11-2812618: Bankruptcy date is showing as March 15, 2022 in OSB. There is an automatic 45 day period from the date of event to allow the TIF's to arrive. If I understand correctly, you are not asking for an extension at this time. If at any point you feel you need more time, please do not hesitate to contact me as I would be happy to grant an extension.

Canada Fluorspar Inc – CCAA: Under the new WEPP regulations, the CCAA will only be considered a WEPP eligible event when the court has determined that the former employer has terminated all of it's employees in Canada, other than any retained to wind down its business operations. Can you confirm if this court determination has already happened? If so, could you please provide the Court documents in order for us to validate these proceedings. Once I know the date the court determined the CCAA is a WEPP eligible event I can look at the extension. If it is still in the very early stages and the courts have not made the determination, we wouldn't need to add an extension just yet. If this is the situation, please keep me informed and as soon as we have a date we can go ahead and add the extension.

Feel free to reach out to me at any point if you have any questions or concerns.

Have a fabulous weekend ☺

Stephanie Leroux

Program Advisor, Benefits and Integrated Services Branch
Wage Earner Protection Program (WEPP)
Service Canada / Government of Canada
stephanie.a.leroux@servicecanada.gc.ca / Tel: 705-923-9469

Conseillère en matière de programmes, Direction générale des prestations et services intégrés
Programme de protection des salariés (PPS)
Service Canada / Gouvernement du Canada
stephanie.a.leroux@servicecanada.gc.ca / Tél: 705-923-9469

From: Shahini, Ada <Ada.Shahini@ca.gt.com>
Sent: March 18, 2022 12:03 PM
To: Smith, Sarah S [NC] <sarah.s.smith@servicecanada.gc.ca>
Cc: Matte, Julie J [NC] <julie.j.matte@servicecanada.gc.ca>; Leroux, Stephanie SL [NC] <stephanie.a.leroux@servicecanada.gc.ca>
Subject: RE: WEPP changes and update on file work and extensions

Hi Sarah,
Thank you so much for your kind words, I will miss our interactions and your continues support with our files. I wish you all the best as well and I hope our paths will cross again.

Thank you for forwarding my request to Julie and Stephanie, very nice to virtually meet you ladies, although I am not sure if we might have spoken or communicated via email before. I look forward to working with you in our future files and look forward to hearing back on our request for the extension of the second file.

Thank you again all three and hope you have a great rest of the day and weekend!
Take care,
Ada

Ada Shahini | Senior Associate
Grant Thornton LLP
11th Floor | 200 King Street West | Toronto | ON | M5H 3T4
T +1 416 607 4577 | F +1 416 360 4949
E Ada.Shahini@ca.gt.com | W http://www.grantthornton.ca/

From: sarah.s.smith@servicecanada.gc.ca <sarah.s.smith@servicecanada.gc.ca>
Sent: Friday, March 18, 2022 11:39 AM
To: Shahini, Ada <Ada.Shahini@ca.gt.com>
Cc: julie.j.matte@servicecanada.gc.ca; stephanie.a.leroux@servicecanada.gc.ca
Subject: RE: WEPP changes and update on file work and extensions

CAUTION: EXTERNAL EMAIL. DO NOT CLICK ON LINKS OR OPEN ATTACHMENTS YOU DO NOT TRUST
*****NEW*** DO NOT ENTER YOUR GT PASSWORD ON ANY EXTERNAL EMAIL REQUEST**

Hi Ada!

I hope you and your family are doing well. Lovely to see you are back!

At the beginning of December, I left the WEPP team and while still in Service Canada, am doing different work now. I have CC'd my amazing colleagues, Julie and Steph who can definitely help you with your request. You are in good hands with them ☺.

On a personal note, it has been a pleasure working with you and I want to thank you for always being so focused on helping our clients. I also greatly appreciate how organized you have always been and really loved our interactions ☺ I wish you the best in the future.

Best regards,

Sarah Smith
(She/Her/Elle)

A/ Business Strategies Consultant
Integrated Services Management (ISM) | Benefits and Integrated Services Branch
Service Canada | Government of Canada
sarah.s.smith@servicecanada.gc.ca

Consultante des stratégies opérationnelles p.i
Gestion intégrée des services (GIS) | Direction générale des prestations et des services intégrés
Service Canada | Gouvernement du Canada
sarah.s.smith@servicecanada.gc.ca

From: Shahini, Ada <Ada.Shahini@ca.gt.com>
Sent: March 18, 2022 10:05 AM
To: Smith, Sarah S [NC] <sarah.s.smith@servicecanada.gc.ca>
Subject: WEPP changes and update on file work and extensions

Good morning Sarah,
It has been a while that we have not been in touch, I hope you are doing well. I have been back since January but I have been busy and just never got a chance to touch base. The WEPP program made a lot of changes back in November 2021 and I am still updating all of our documentation for employees and in general for our team.

I just wanted to give you a heads up on a couple of WEPP filings that we will be handling. We were recently appointed as trustee in bankruptcy on one of the files out west for Mike's Technology Corp. Estate # 11-2812618 (roughly 26 more or less employees) and are having trouble in getting access to the premises of the business, we hope to get access next week in order for us to collect the physical and electronic records to review the employee details provided by the employer. Hoping that we might not need to file late, I have started working on the file documentation already and might be able to file on time, I will keep you posted.

We also got appointed as interim receiver and monitor on a CCAA proceeding for Canada Fluorspar Inc. out east (roughly over 200 employees) and will would like to see if we can get an extension as to avoid to have to file the trustee information forms twice, once to file the total amounts owed to the employees and then to confirm the proof of claim receipt. We are still working on a response for an estate number but were planning on using the following steps in order to avoid higher costs for the file if it is possible to get an extension:

1) Prepare employee packages advising the total amounts owed and asking employees to file a proof of claim and the WEPP application online within a set date
2) A few virtual teams sessions will be held for the employees to ask their questions and to help guide them with the proof of claim and WEPP filing (details of the meetings will be included in the package, a mass email will be sent out to employees as well as the details will be posted on our creditor website) Once the proof of claims are received by our office we will then file the trustee information forms with WEPP
3) If all proof of claims are not received by the deadline we will enter all of the remaining claims for the employees that have not filed their claims with our office without confirmation of the proof of claim receipt

Is it possible perhaps to get the extension on this file for a couple of months to allow us to prepare the packages and hold these meetings with the employees and file these claims only once.
I look forward to hearing back from you and hope you have a great weekend, feel free to call me at 416-607-4577 if you are not clear on anything.
Take care,
Ada

Ada Shahini | Senior Associate
Grant Thornton LLP
11th Floor | 200 King Street West | Toronto | ON | M5H 3T4
T +1 416 607 4577 | F +1 416 360 4949
E Ada.Shahini@ca.gt.com | W http://www.grantthornton.ca/

Grant Thornton LLP is proud
to be recognized as one of
Canada's best workplaces for
our fourteenth consecutive year!

This is Exhibit E to the affidavit of Phil Clarke sworn before me on the 30 day of May 2022

GAVIN D. F. MACDONALD
A Notary Public in and for the Province of Nova Scotia

EXHIBIT "E"

Revised Procedures for the Sale and Investment Solicitation Process

On March 7, 2022, Canada Fluorspar Inc., and Canada Fluorspar (NL) Inc., by their Interim Receiver, Grant Thornton Limited, and Newspar (a General Partnership) (collectively the "**Company**" or the "**Applicant**") commenced proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") before the Supreme Court of Newfoundland and Labrador (in Bankruptcy and Insolvency) in the City of St. John's, in the Province of Newfoundland and Labrador (the "**Court**") pursuant to an order granted by the Court on March 11, 2022. Said order was amended and restated by the Court on March 18, 2022 (collectively, as further amended or restated from time to time, the "**Initial Order**").

Pursuant to the Initial Order, Grant Thornton Limited was appointed as monitor in the CCAA Proceedings (in such capacity, the "**Monitor**").

On March 18, 2022, the Court granted an order (the "**Bidding Procedures Order**"), authorizing the Applicant to undertake a sale and investment solicitation process ("**SISP**") for the sale of the Company's business, property, assets and undertakings (collectively, the "**Business**"). The SISP shall be conducted by the Monitor, supported by the Company as required, in the manner set forth herein.

Among other things, the Bidding Procedures Order authorizes and directs the Monitor and the Company to conduct the SISP in accordance with the bidding procedures set out herein (the "**Bidding Procedures**") governing the solicitation of offers or proposals (each a "**Bid**") for the acquisition of the Business or some portion thereof.

Defined Terms

1. Capitalized terms used in this SISP have the meanings given thereto in Appendix A.

Bidding Procedures

Opportunity

2. The SISP 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 Business; and/or (ii) for an investment in, restructuring, recapitalization, refinancing or other form of reorganization of the Company or its Business. Bids considered pursuant to the SISP 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 Business, or a combination thereof (the "**Opportunity**").

3. All interested parties are encouraged to submit bids based on any form of Opportunity that they may elect to advance pursuant to the SISP, including as a Sale Proposal or an Investment Proposal.

4. The Bidding Procedures describe the manner in which prospective bidders may gain access to due diligence materials concerning the Company and the Business, the manner in which

bidders may participate in the SISP, the requirement of and the receipt and negotiation of bids received, the ultimate selection of a Successful Bidder and the requisite approvals to be sought from the Court in connection therewith. The Monitor shall conduct the SISP in the manner set forth herein.

The Monitor, in consultation with the Company and the DIP Lenders, may at any time and from time to time, modify, amend, vary or supplement, whether material or immaterial the SISP or the Bidding Procedures, if necessary or useful in order to give effect to the substance of the SISP, the Bidding Procedures and the Bidding Procedures Order.

The Monitor shall post on the Monitor's website, as soon as practicable, any such modification, amendment, variation or supplement to the Bidding Procedures and inform the bidders impacted by such modifications.

In the event of a dispute as to the interpretation or application of the SISP or Bidding Procedures, the Court will have exclusive jurisdiction to hear and resolve such dispute.

5. No bidder may request or receive any form of bid protection as part of any bid made pursuant to the SISP.

As more particularly set out herein, a summary of the key dates pursuant to the SISP are as follows:[1]

Event	**Date**
1. Solicitation Letter Monitor to distribute Solicitation Letter, to potentially interested parties	By no later than March 20 2022, at 5:00 p.m. (Newfoundland Standard Time)
2. CIM and VDR Monitor to prepare and have available for parties having executed the NDA (Potential Bidders) the CIM and VDR	By no later than March 23, 2022, at 5:00 p.m. (Newfoundland Standard Time), or at such later time as the Monitor, in consultation with the Company, deems appropriate
3. Phase 1 Qualified Bidders & Bid Deadline Phase 1 Bid Deadline (for delivery of non-binding LOIs by Phase 1 Qualified Bidders in accordance with the requirement of paragraph 14 of the Bidding Procedures)	By no later than April 17, 2022, at 5:00 p.m. (Newfoundland Standard Time)

[1] All capitalized terms not already defined are defined further below. Titles in the chart are for presentation purposes only.

Event	Date
4. Phase 1 Successful Bid Monitor to notify each Phase 1 Qualified Bidder in writing as to whether its bid constituted a Phase 1 Successful Bid	By no later than April 24, 2022, at 5:00 p.m. (Newfoundland Standard Time)
5. Phase 2 Bid Deadline & Qualified Bidders Phase 2 Bid Deadline (for delivery of definitive offers by Phase 2 Qualified Bidders in accordance with the requirement of paragraph 21 of the Bidding Procedures)	By no later than ~~June 12,2~~July 22, 2022, at 5:00 p.m. (Newfoundland Standard Time)
6. Auction Auction Commencement Date (if needed)	By no later than ~~June 19~~July 29, 2022
7. Selection of final Successful Bid Deadline for selection of final Successful Bid	By no later than ~~June 19~~August 5, 2022, at 5:00 p.m. (Newfoundland Standard Time)
8. Definitive Documentation Deadline for completion of definitive documentation in respect of Successful Bid	By no later than ~~June 26~~August 12, 2022
9. Approval Motion – Successful Bid Deadline for filing of Approval Motion in respect of Successful Bid	By no later than ~~July 3~~August 19, 2022
10. Closing – Successful Bid Anticipated deadline for closing of Successful Bid being the Target Closing Date	~~July 10~~September 2, 2022 or such earlier date as is achievable
11. Outside Date – Closing Outside Date by which the Successful Bid must close	~~July 10~~September 16, 2022

Solicitation of Interest: Notice of the SISP

6. As soon as reasonably practicable after the granting of the Bidding Procedures Order:

   (a) a notice of the SISP and such other relevant information which the Company, in consultation with the Monitor and the DIP Lenders, considers appropriate shall be published in the *National Post*, the *Telegram (NL)* and *The Globe & Mail* and such other publications as may be considered appropriate;

   (b) a press release setting out the notice and such other relevant information regarding the Opportunity as may be considered appropriate, shall be issued with *Canada Newswire* designating dissemination in Canada; and

   (c) any parties that have already reached out to the Monitor expressing their interest.

7. The Monitor shall send a letter describing the Opportunity (a "**Solicitation Letter**"), outlining the SISP and inviting recipients of the Solicitation Letter to express their interest pursuant to the SISP, for distribution to potential bidders as soon as practical.

Virtual Data Room

8. A confidential virtual data room (the "**VDR**") in relation to the Opportunity will be made available by the Company or the Monitor to Potential Bidders that have executed the NDA (as defined below) in accordance with paragraph 9 herein. The VDR will be made available as soon as practicable. Following the completion of "**Phase 1**", but prior to the completion of "**Phase 2**", additional information may be added to the VDR to enable Phase 2 Qualified Bidders to complete any confirmatory due diligence in respect of the Company and the Opportunity. The Monitor, in consultation with the Company and the DIP Lenders, may establish or cause the Company to establish separate VDRs (including "**clean rooms**"), if the Monitor reasonably determines that doing so would further the Company's and any Potential Bidders' compliance with applicable antitrust and competition laws, or would prevent the distribution of commercially sensitive competitive information. The Monitor may also, in consultation with the Company and the DIP Lenders, limit the access of any Potential Bidder to any confidential information in the VDR where the Monitor reasonably determines that such access could negatively impact the SISP, the ability to maintain the confidentiality of the information, the Business or its value.

PHASE 1: NON-BINDING LOIS

Phase 1 Qualified Bidders and Delivery of Confidential Information Memorandum

9. In order to participate in the SISP, and prior to the distribution of any confidential information to an interested party (including access to the VDR), such interested party must deliver to the Monitor at the address specified in Appendix B hereto (including by email) a Non Disclosure Agreement (an "**NDA**") which shall enure to the benefit of any Successful Bidder that closes a transaction contemplated by the Successful Bid. Pursuant to the terms of the NDA to be signed by a potential bidder (each potential bidder who has executed an NDA with the Monitor, a "**Potential Bidder**"), each Potential Bidder will be

prohibited from communicating with any other Potential Bidder regarding the Opportunity during the term of the SISP, without the consent of the Monitor. Prior to the Monitor executing an NDA with any potential bidder, any potential bidder may be required to provide evidence, reasonably satisfactory to the Monitor, in consultation with the Company, of its financial wherewithal to complete a transaction in respect of the Opportunity (either with existing capital or with capital reasonably anticipated to be raised prior to closing) and/or to disclose details of their ownership and/or investors. For the avoidance of doubt, a party who has executed an NDA or a joinder with a Potential Bidder for the purpose of providing financing to a Potential Bidder in connection with the Opportunity (such party a "**Financing Party**") shall not be deemed a Potential Bidder for purposes of the SISP, provided that such Financing Party undertakes to inform the Monitor in the event that it elects to act as a Potential Bidder.

10. A Potential Bidder that has executed an NDA and provided any additional information required pursuant to paragraph 9, will be deemed a "**Phase 1 Qualified Bidder**" and will be promptly notified of such classification by the Monitor.

11. The Monitor with the assistance of the Company and the DIP Lenders, as required, will prepare and send to each Phase 1 Qualified Bidder a confidential information memorandum providing additional information considered relevant to the Opportunity (a "**CIM**") as soon as practicable. The Monitor, the Company, the DIP Lenders and their respective advisors make no representation or warranty as to the information contained in the CIM or otherwise made available pursuant to the SISP.

12. The Monitor shall provide any person deemed to be a Phase 1 Qualified Bidder with access to the VDR. The Monitor, the Company, the DIP Lenders and their respective advisors make no representation or warranty as to the information contained in the VDR. The VDR shall contain a template letter of intent (the "**Template LOI**") and a template purchase and sale agreement ("**Template PSA**").

13. If a Phase 1 Qualified Bidder wishes to submit a bid, it must deliver a non-binding letter of intent (an "**LOI**") (each such LOI, provided in accordance with paragraph 14 below, a "**Phase 1 Qualified Bid**"), to the Monitor at the address specified in Appendix B hereto (including by email) so as to be received by the Monitor not later than 5:00 p.m. (Newfoundland Standard Time) on April 17, 2022, or such other date or time as may be agreed by the Monitor in consultation with the Company and the DIP Lenders (the "**Phase 1 Bid Deadline**"). To the extent possible, the Phase 1 Qualified Bid should follow the format as set out in the Template LOI.

14. An LOI submitted by a Phase 1 Qualified Bidder will only be considered a "**Phase 1 Qualified Bid**" if the LOI complies at a minimum with the following:

    (a) it has been duly executed by all required parties;

    (b) it is received by the Phase 1 Bid Deadline;

    (c) it provides written evidence, satisfactory to the Monitor, in consultation with the Company and the DIP Lenders, of the ability to consummate the transaction within the timeframe contemplated by the SISP and to satisfy any obligations or liabilities to be assumed on closing of the transaction, including, without limitation, a specific indication of the sources of capital;

(d) it identifies all proposed material conditions to closing including, without limitation, any internal, regulatory or other approvals and any form of agreement or other document required from a government body, stakeholder or other third party, and an estimate of the anticipated timeframe and any anticipated impediments for obtaining such approvals;

(e) it: (i) identifies the Qualified Phase 1 Bidder and representatives thereof who are authorized to appear and act on behalf of the Qualified Phase 1 Bidder for all purposes regarding the contemplated transaction; and (ii) fully discloses the identity of each entity or person that will be sponsoring, participating in or benefiting from the transaction contemplated by the LOI;

(f) an outline of any additional due diligence required to be conducted in order to submit a binding offer;

(g) it clearly indicates:

(i) that the Phase 1 Qualified Bidder is seeking to acquire all or substantially all of the Business whether through an asset purchase, a share purchase or a combination thereof (either one being, a "**Sale Proposal**") or some other portion of the Business (a "**Partial Sale Proposal**"); and/or

(ii) whether the Phase 1 Qualified Bidder is offering to make an investment in, restructure, recapitalize, reorganize or refinance the Company or their business (an "**Investment Proposal**");

(h) it contains such other information as may be reasonably requested by the Monitor, in consultation with the Company and the DIP Lenders;

(i) it does not provide for any break fee or expense reimbursement;

(j) in the case of a Sale Proposal, it identifies or contains the following:

(i) the purchase price or price range and key assumptions supporting the valuation and the anticipated amount of cash payable on closing of the proposed transaction;

(ii) any contemplated purchase price adjustment;

(iii) a description of the specific assets that are expected to be subject to the transaction and any assets or obligations expected to be excluded;

(iv) a description of those liabilities and obligations (including operating liabilities, obligations to employees, and reclamation obligations) which the

Phase 1 Qualified Bidder intends to assume and which such liabilities and obligations it does not intend to assume;

(v) information sufficient for the Monitor, in consultation with the Company and the DIP Lenders, to determine that the Phase 1 Qualified Bidder has sufficient ability to satisfy and perform any liabilities or obligations assumed pursuant to subparagraph (iv) above; and

(vi) any other terms or conditions of the Sale Proposal that the Phase 1 Qualified Bidder believes are material to the transaction; and

(k) in the case of an Investment Proposal, it identifies the following:

(i) a description of how the Phase 1 Qualified Bidder proposes to structure the proposed investment, restructuring, recapitalization, refinancing or reorganization;

(ii) the aggregate amount of the equity and/or debt investment to be made in the Company or their business;

(iii) the underlying assumptions regarding the *pro forma* capital structure;

(iv) a description of those liabilities and obligations (including operating liabilities, obligations to employees, and reclamation obligations) which the Phase 1 Qualified Bidder intends to assume and which such liabilities and obligations it does not intend to assume;

(v) information sufficient for the Monitor, in consultation with the Company, to determine that the Phase 1 Qualified Bidder has sufficient ability to satisfy and perform any liabilities or obligations assumed pursuant to subparagraph (iv) above; and

(vi) any other terms or conditions of the Investment Proposal that the Phase 1 Qualified Bidder believes are material to the transaction.

15. Notwithstanding the foregoing, the Monitor in consultation with the Company and the DIP Lenders may waive compliance with any one or more of the requirements in paragraph 14 and deem any such non-compliant LOI to be a Phase 1 Qualified Bid, provided that doing so shall not constitute a waiver by the Monitor of the requirements of paragraph 14 or an obligation on the part of the Monitor to designate any other LOI as a Phase 1 Qualified Bid. The Monitor will be under no obligation to negotiate identical terms with, or extend identical terms to, each Phase 1 Qualified Bidder;

Assessment of Phase 1 Qualified Bids and Subsequent Process

16. The Monitor, in consultation with the Company and the DIP Lenders, may, following the receipt of any LOI, seek clarification with respect to any of the terms or conditions of such LOI and/or request and negotiate one or more amendments to such LOI prior to

determining if the LOI should be considered a Phase 1 Qualified Bid or a Phase 1 Successful Bid (as defined below).

17. Following the Phase 1 Bid Deadline, the Monitor shall determine, in accordance with the requirements of paragraph 14 and in consultation with the Company, the LOI(s) that are selected as the most favourable Phase 1 Qualified Bid(s), which Phase 1 Qualified Bid(s) shall be deemed a "**Phase 1 Successful Bid(s)**" and which Phase 1 Qualified Bidder(s) accordingly shall be deemed a "**Phase 2 Qualified Bidder(s)**". For greater certainty, there can be more than one Phase 1 Qualified Bid that may be determined as being a Phase 1 Successful Bid, and more than one Phase 1 Qualified Bidder that may be determined as being a Phase 2 Qualified Bidder.

18. Only Phase 2 Qualified Bidders – being those that have submitted a Phase 1 Successful Bid – shall be permitted to proceed to Phase 2 of the SISP.

19. The Monitor shall notify each Phase 1 Qualified Bidder in writing as to whether its Phase 1 Qualified Bid constituted a Phase 1 Successful Bid – such that it is a Phase 2 Qualified Bidder – within five (5) Business Days of the Phase 1 Bid Deadline, or at such later time as the Monitor deems appropriate, in consultation with the Company.

20. Without limiting the provisions governing amendment of the SISP set out in paragraph 32 below, and notwithstanding the process and timeline for Phase 1, the process to identify and designate Phase 2 Qualified Bidders and the terms upon which Phase 2 may be continued as described below, the Monitor may at any time before or after the Phase 1 Bid Deadline, determine that Phase 2 is not required and may proceed to execute a definitive agreement (which shall be subject to Court approval) with respect to a transaction contemplated in a Phase 1 Qualified Bid submitted at any time on or before the Phase 1 Bid Deadline.

PHASE 2: FORMAL OFFERS AND REMOVAL OF CONDITIONS

Formal Binding Offers

21. Any Phase 2 Qualified Bidder that wishes to make a formal offer with respect to his/her/its Sale Proposal or Investment Proposal shall submit a binding offer (a "**Binding Offer**"): (a) in the case of a Sale Proposal, in the form of the Template PSA provided in the VDR, along with a marked version showing edits to the original form of Template PSA provided in the VDR; or (b) in the case of an Investment Proposal, a plan or restructuring support agreement in form and substance satisfactory to the Monitor, in consultation with the Company and the DIP Lenders (each, such Binding Offer submitted in accordance with paragraph 22 below, a "**Phase 2 Qualified Bid**") in each case to the Monitor, at the address specified in Appendix B hereto (including by email) so as to be received by the Monitor not later than 5:00 p.m. (Newfoundland Standard Time) on ~~June 12~~July 22, 2022, or such other date or time as may be agreed by the Monitor in consultation with the Company and the DIP Lenders (as may be extended, the "**Phase 2 Bid Deadline**").

22. A Binding Offer will only be considered as a Phase 2 Qualified Bid if the Binding Offer:

(a) has been received by the Phase 2 Bid Deadline;

(b) is a Binding Offer: (i) to purchase all, substantially all, or a portion of the Business; and/or (ii) to make an investment in, restructure, recapitalize, reorganize or refinance the Company or their business, on terms and conditions reasonably acceptable to the Company and the DIP Lenders;

(c) identifies all executory contracts of the Company that the Phase 2 Qualified Bidder will assume and clearly describes, for each contract or on an aggregate basis, how all monetary defaults and non-monetary defaults will be remedied, as applicable;

(d) is not subject to any financing conditionality;

(e) is unconditional, other than upon the receipt of the Approval Order(s) (as defined below) and satisfaction of any other conditions expressly set forth in the binding offer;

(f) includes acknowledgments and representations of the Phase 2 Qualified Bidder that it: (i) has had an opportunity to conduct any and all due diligence regarding the Opportunity prior to making its Binding Offer; (ii) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Business in making its Binding Offer; (iii) did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Opportunity or the completeness of any information provided in connection therewith, other than as expressly set forth in the Binding Offer or other transaction document submitted with the Binding Offer; and (iv) promptly will commence any governmental or regulatory review of the proposed transaction by the applicable competition, antitrust or other applicable governmental authorities;

(g) the Binding Offer must be accompanied by a letter that confirms that the Binding Offer: (i) may be accepted by the Monitor by countersigning the Binding Offer, and (ii) is irrevocable and capable of acceptance until the earlier of (A) two business days after the date of closing of the Successful Bid; and (B) the Outside Date;

(h) does not provide for any break fee or expense reimbursement;

(i) is accompanied by a deposit in the amount of not less than **5%** of the cash purchase price payable on closing or total new investment contemplated, as the case may be (the "**Deposit**"), along with acknowledgement that if the Phase 2 Qualified Bidder is selected as the Successful Bidder (as defined below), that the Deposit will be non-refundable subject to approval of the Successful Bid (as defined below) by the Court and the terms described in paragraph 31 below;

(j) contemplates and reasonably demonstrates a capacity to consummate a closing of the transaction set out therein on or before ~~July 10~~September 2, 2022, or such earlier date as is practical for the parties to close the contemplated transaction, following the satisfaction or waiver of the conditions to closing (the "**Target Closing Date**") and in any event no later than ~~July 10~~September 16, 2022 (the "**Outside Date**"); and

(k) contains an agreement that the Phase 2 Qualified Bidder submitting such bid, if not chosen as the Successful Bidder, shall serve, without modification to such bid, as a Backup Bidder (as defined below), in the event the Successful Bidder fails to close.

23. The Monitor shall not purport to waive strict compliance with any one or more of the requirements specified above (for greater certainty, other than paragraph 21(c) above and paragraph 32 below and deem any such non-compliant Binding Offer to be a Phase 2 Qualified Bid.

Selection of Successful Bid

24. The Monitor, in consultation with the Company and the DIP Lenders, may, following the receipt of any Binding Offer, seek clarification with respect to any of the terms or conditions of such Binding Offer and/or request and negotiate one or more amendments to such Binding Offer prior to determining if the Binding Offer should be considered a Phase 2 Qualified Bid.

25. The Monitor, in consultation with the Company and the DIP Lenders, will: (a) review and evaluate each Phase 2 Qualified Bid; and (b) identify the highest or otherwise best bid (the "**Successful Bid**", and the Phase 2 Qualified Bidder making such Successful Bid, the "**Successful Bidder**") pursuant to the paragraphs below. Any Successful Bid shall be subject to approval by the Court.

26. In the event there is at least two Phase 2 Qualified Bids, the Successful Bid shall be identified through an Auction.

27. Auction: In the event that an auction (the "**Auction**") is required in accordance with the terms of this SISP, it shall be conducted in accordance with the procedures set forth in this paragraph:

(a) The Auction shall commence at a time to be designated by the Monitor, no later than ~~June 19~~July 29, 2022, and may, in the discretion of the Monitor, be held virtually due to the COVID-19 pandemic via videoconference, teleconference or such other reasonable means as the Monitor deems appropriate. The Monitor and the Company shall work in good faith with the parties entitled to attend the Auction to arrange for the Auction to be so held. The Monitor reserves the right to cancel or postpone the Auction in the consultation with the DIP Lenders.

(b) The identity of each Phase 2 Qualified Bidder participating in the Auction will be disclosed, on a confidential basis, to each other Phase 2 Qualified Bidder participating in the Auction.

(c) Except as otherwise permitted in the Monitor's discretion, only the Company, the Dip Lenders, the Monitor and the Phase 2 Qualified Bidders, and, in each case, their respective professionals shall be entitled to attend the Auction. Only a Phase 2 Qualified Bidder is eligible to participate in the Auction.

(d) Phase 2 Qualified Bidders shall appear at the Auction, or through a duly authorized representative.

(e) Except as otherwise set forth herein, the Monitor, in consultation with the Company and the DIP Lenders, may waive and/or employ and announce at the Auction additional rules, including rules to facilitate the participation of parties participating in an aggregated bid, that are reasonable under the circumstances for conducting the Auction, provided that such rules are: (i) not inconsistent with the Initial Order, the SISP, the Bidding Procedures, the DIP, the CCAA, or any order of the Court entered in connection with the CCAA Proceedings; (ii) disclosed to each Phase 2 Qualified Bidder; and (iii) designed, in the Monitor's business judgment, to result in the highest and otherwise best offer.

(f) The Monitor will arrange for the actual bidding at the Auction to be transcribed or recorded. Each Phase 2 Qualified Bidder participating in the Auction shall designate a single individual to be its spokesperson during the Auction.

(g) Each Phase 2 Qualified Bidder participating in the Auction must confirm on the record, at the commencement of the Auction and again at the conclusion of the Auction, that it has not engaged in any collusion with the Company or any other person regarding the SISP that has not been disclosed to all other Phase 2 Qualified Bidders.

(h) Prior to the Auction, the Monitor shall identify, in consultation with the Company and the DIP Lenders, the highest and best of the Phase 2 Qualified Bids received and such Phase 2 Qualified Bid shall constitute the opening bid for the purposes of the Auction (the "**Opening Bid**"). Subsequent bidding will continue in minimum increments valued at not less than $**[250,000]** cash in excess of the Opening Bid. For the purposes of facilitating bidding, the Monitor may ascribe a monetary value to non-cash considerations, including by way of example, to different levels of conditionality to closing. Each Phase 2 Qualified Bidder shall provide evidence of its financial wherewithal and ability to consummate the transaction at the increased purchase price, if so requested by the Monitor. Further, in the event that an Aggregated Bid qualifies to participate in the Auction, modifications to the bidding requirements may be made by the Monitor to facilitate bidding by the participants in the Aggregated Bid.

(i) All Phase 2 Qualified Bidders shall have the right to, at any time, request that the Monitor announce, subject to any potential new bids, the then-current highest and best bid and, to the extent requested by any Phase 2 Qualified Bidder, use reasonable efforts to clarify any and all questions such Phase 2 Qualified Bidder may have regarding the Monitor's announcement of the then-current highest and best bid.

(j) Each participating Phase 2 Qualified Bidder shall be given reasonable opportunity to submit an overbid at the Auction to any then-existing overbids. The Auction shall continue until the bidding has concluded and there is one remaining Phase 2 Qualified Bidder that the Monitor, in consultation with the Company and the DIP Lenders, determine has submitted the highest and otherwise best Phase 2 Qualified Bid of the Auction. At such time and upon the conclusion of the bidding, the Auction shall be closed and the final remaining Phase 2 Qualified Bidder shall be the Successful Bidder.

(k) Upon selection of a Successful Bidder, the Monitor shall require the Successful Bidder to deliver as soon as practicable an amended and executed transaction document that reflects its final bid and any other modifications submitted and agreed to during the Auction, prior to the filing of the application material for the hearing to consider the Approval Motion (as defined below).

(l) The Monitor shall not consider any bids submitted after the conclusion of the Auction.

28. The final Successful Bid and the Backup Bid (as defined below) shall be selected by no later than ~~June 19~~August 5, 2022 and the definitive documentation in respect of the Successful Bid must be finalized and executed no later than ~~June 26~~August 12, 2022, which definitive documentation shall be conditional only upon the receipt of the Approval Order(s) and the express conditions set out therein and shall provide that the Successful Bidder shall use all reasonable efforts to close the proposed transaction by no later than the Target Closing Date, or such longer period as shall be agreed to by the Monitor in consultation with the Company, the DIP Lenders and the Successful Bidder. In any event, the Successful Bid must be closed by no later than the Outside Date, unless with the authorization of the DIP Lenders, acting reasonably.

29. Notwithstanding anything in the SISP to the contrary, if an Auction is conducted, the Phase 2 Qualified Bidder with the next highest or otherwise best Phase 2 Qualified Bid at the Auction, as determined by the Monitor will be designated as the backup bidder (the "**Backup Bidder**"). The Backup Bidder shall be required to keep its initial Phase 2 Qualified Bid (or if the Backup Bidder submitted one or more overbids at the Auction, the Backup Bidder's final overbid) (the "**Backup Bid**") open until the earlier of: (A) two business days after the date of closing of the Successful Bid; and (B) the Outside Date.

Approval of Successful Bid

30. The Monitor shall apply to the Court (the "**Approval Motion**") for one or more orders: (i) approving the Successful Bid and the Backup Bid (as applicable) and authorizing the taking of such steps and actions and completing such transactions as are set out therein or required thereby; and (ii) granting a vesting order and/or reverse vesting order to the extent that such relief is contemplated by the Successful Bid or the Backup Bid, as applicable, so

as to vest title to any purchased assets in the name of the Successful Bidder or the Backup Bidder (as applicable) and/or vesting unwanted liabilities out of one or more of the Company (collectively, the "**Approval Order(s)**"). The Approval Motion will be held on a date to be scheduled by the Monitor and confirmed by the Court upon application by the Monitor, who shall use their best efforts to schedule the Approval Motion on or before ~~July 3~~August 19, 2022, subject to Court availability. The Approval Motion may be adjourned or rescheduled by the Monitor without further notice, by an announcement of the adjourned date at the Approval Motion or in a notice to the service list of the CCAA Proceedings prior to the Approval Motion.

31. All Phase 2 Qualified Bids (other than the Successful Bid) shall be deemed rejected on and as of the date of the closing of the Successful Bid, with no further or continuing obligation of the Monitor to any unsuccessful Phase 2 Qualified Bidders.

Deposits

32. The Deposit(s):

(a) shall, upon receipt from the Phase 2 Qualified Bidder(s), be retained by the Monitor and deposited in a non-interest-bearing trust account.

(b) received from the Successful Bidder, shall:

(i) be applied to the purchase price to be paid by the applicable Successful Bidder whose Successful Bid is the subject of the Approval Order(s), upon closing of the approved transaction; and

(ii) shall otherwise be held and refundable in accordance with the terms of the definitive documentation in respect of any Successful Bid, provided that all such documentation shall provide that the Deposit shall be retained by the Monitor and forfeited by the Successful Bidder, if the Successful Bid fails to close by the Outside Date, and such failure is attributable directly to any failure or omission of the Successful Bidder to fulfil its obligations under the terms of the Successful Bid;

(c) received from the Backup Bidder, unless it is subsequently selected as the Successful Bidder, shall be fully refunded, to the Backup Bidder on or before the earlier of: (i) two (2) Business Days after the date of the closing to the Successful Bid; or (ii) ~~July 17~~September 16, 2022; and

(d) received from the Phase 2 Qualified Bidder(s) that are not the Successful Bidder or the Backup Bidder shall be fully refunded, to the Phase 2 Qualified Bidder(s) that paid the Deposit(s) as soon as practical following the selection of the Successful Bidder and in any event no later than ~~July 17~~September 16, 2022.

Amendment

33. The Monitor shall have the right at any time, in consultation with the Company and the DIP Lenders, to: (i) make material amendments to the SISP (including by extending the Phase 1 Bid Deadline or the Phase 2 Bid Deadline); and (ii) make non-material amendments to the SISP, in each case if, in the Monitor's reasonable judgment in consultation with the Company and/or the DIP Lenders, such material or non-material amendment will enhance the procedure for conducting the SISP or maximize the value of a transaction pursuant to the SISP. The Monitor shall advise the Service List in the CCAA Proceedings of any material amendment to the SISP. Without limiting the foregoing and notwithstanding the process and timeline for Phase 1 and the continuation of the SISP into Phase 2, the Monitor may at any time during Phase 1 or Phase 2: (i) subject to Court approval, enter into a stalking horse agreement involving a transaction with respect to some or all of the Business with a party identified through the SISP or otherwise; or (ii) subject to Court approval, enter into a definitive agreement with respect to a transaction involving some or all of the Business with a party identified through the SISP or otherwise and suspend or terminate the SISP.

"As is, Where is"

34. Any sale (or sales) of the Business will be on an "**as is, where is**" basis except for representations and warranties that are customarily provided in purchase agreements for a company subject to CCAA proceedings and any such representations and warranties provided for in the definitive documents shall not survive closing.

Free of Any and All Claims And Interests

35. In the event of a sale, to the extent permitted by law, all of the rights, title and interests of the Company in and to the Business to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests thereon and there against (collectively, the "**Claims and Interests**") pursuant to section 36(6) of the CCAA, such Claims and Interests to attach to the net proceeds of the sale of such Business (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), except to the extent otherwise set forth in the relevant transaction documents with a Successful Bidder.

Credit Bidding

36. Any party or parties holding a valid, enforceable, and properly perfected security interest in the Business may, subject in all respects to such party's compliance with the Bidding Procedures, credit bid the amount of debt secured by such lien as part of any transaction contemplated by the Bidding Procedures; provided, however, that such transaction shall also provide for the indefeasible and irrevocable repayment in full in cash on the date of closing of any such transaction of any and all obligations: (i) owing to the DIP Lenders; (ii) owing pursuant to any charges granted by the Court in the CCAA Proceedings; and (iii) secured by a security interest in the Business that is to be acquired under such transaction that is senior to the security interest held in such Business by the party

submitting such credit bid unless the holder or indenture trustee or agent of any such senior security interest otherwise agrees. Nothing contained in this paragraph 34 is intended to, or shall, alter or amend the rights, terms or obligations under any intercreditor agreement or other form of agreement in respect of existing indebtedness of the Company.

Confidentiality

37. For greater certainty other than as shall be required in connection with any Auction or Approval Motion, neither the Company nor the Monitor will share: (i) the identity of any Potential Bidder, or Phase 1 Qualified Bidder; or (ii) the terms of any bid, LOI, Phase 1 Qualified Bid, Sale Proposal, Investment Proposal or Phase 2 Qualified Bid, with any other bidder without the consent of such party (including by way of email).

Further Orders

38. At any time during the SISP, the Monitor may apply to the Court for advice and directions with respect to any aspect of this SISP and the Bidding Procedures including, but not limited to, the continuation of the SISP or with respect to the discharge of its powers and duties hereunder.

Additional Terms

39. In addition to any other requirement of these Bidding Procedures:

(a) The Monitor, as applicable, shall at all times prior to the selection of a Successful Bid use commercially reasonable efforts to facilitate a competitive bidding process in the SISP including, without limitation, by actively soliciting participation by all persons who would be customarily identified as high potential bidders in a process of this kind or who may be reasonably proposed by any of the Monitor, the DIP Lenders or the Company's stakeholders as a high potential bidder.

(b) Any consent, approval or confirmation to be provided by the Company and/or the Monitor is ineffective unless provided in writing and any approval required pursuant to the terms hereof is in addition to, and not in substitution for, any other approvals required by the CCAA or as otherwise required at law in order to implement a Successful Bid. For the avoidance of doubt, a consent, approval or confirmation provided by email shall be deemed to have been provided in writing for the purposes of this paragraph.

(c) All Phase 1 Qualified Bidders and Phase 2 Qualified Bidders shall at all times be granted information, access and facilitation that is no less complete and timely than is granted by the Monitor, or their representatives, to other Phase 1 Qualified Bidders and Phase 2 Qualified Bidders pursuant to the SISP. This shall include, without limitation, reasonable access to the Company's books, records, financial information, management, advisors and business partners. The Monitor shall review all information and materials provided by the Company or its representatives to the DIP Lenders or their representatives pursuant to the DIP and, to the extent that the Monitor, in consultation with the Company, is of the view that any such information or materials are materially relevant to a Potential Bidder or Phase 1 Qualified Bidder or Phase 2 Qualified Bidder, then such information or materials shall be promptly posted to the VDR or otherwise made available to all Potential Bidders, Phase 1 Qualified Bidders and Phase 2 Qualified Bidders. Nothing in this paragraph creates binding obligations of third parties.

(d) Nothing in this SISP shall require that a Successful Bid, Backup Bid or any other bid must be approved by the Court. The Court at all times retains the discretion to direct the clarification, termination, extension or modification of the SISP and Bidding Procedures on application of any interested party.

(e) Prior to the seeking of Court approval for any transaction or bid contemplated by this SISP, the Monitor will provide a report to the Court on the SISP process, parts of which may be filed under seal, including in respect of any and all bids received.

APPENDIX A

DEFINED TERMS

"**Applicant**" shall have the meaning set forth in the preamble.

"**Approval Motion**" shall have the meaning set forth in paragraph 29.

"**Approval Order(s)**" shall have the meaning set forth in paragraph 29.

"**Auction**" shall have the meaning set forth in paragraph 26.

"**Backup Bid**" shall have the meaning set forth in paragraph 28.

"**Backup Bidder**" shall have the meaning set forth in paragraph 28.

"**Bid**" shall have the meaning set forth in the preamble.

"**Bidding Procedures**" shall have the meaning set forth in the preamble.

"**Bidding Procedures Order**" shall have the meaning set forth in the preamble.

"**Binding Offer**" shall have the meaning set forth in paragraph 20.

"**Business**" shall have the meaning set forth in the preamble.

"**Business Day**" means a day on which banks are open for business in St. John's, Newfoundland and Labrador but does not include a Saturday, Sunday or statutory holiday in the Province of Newfoundland and Labrador.

"**CCAA**" shall have the meaning set forth in the preamble.

"**CCAA Proceedings**" shall have the meaning set forth in the preamble.

"**CIM**" "shall have the meaning set forth in paragraph 11.

"**Claims and Interests**" shall have the meaning set forth in paragraph 33.

"**Court**" shall have the meaning set forth in the preamble.

"**Deposit**" shall have the meaning set forth in paragraph 21(i).

"**DIP**" means the DIP Financing Agreement dated March 11, 2022 among Grant Thornton Limited, as the Monitor/Interim Receiver of the Company and the lenders party thereto from time to time providing for DIP financing.

"**DIP Lenders**" means, collectively, Bridging Finance Inc. and/or an affiliate to be named, and Her Majesty in Right of Newfoundland and Labrador, as represented by the Minister of Industry, Energy and Technology, each in its capacity as lender under the DIP.

"**Financing Party**" shall have the meaning set forth in paragraph 9.

"**Initial Order**" shall have the meaning set forth in the preamble.

"**Investment Proposal**" shall have the meaning set forth in paragraph 14(g)(ii).

"**LOI**" shall have the meaning set forth in paragraph 13.

"**Monitor**" shall have the meaning set forth in the preamble.

"**NDA**" shall have the meaning set forth in paragraph 9.

"**Opening Bid**" shall have the meaning set forth in paragraph 26(h)26(h).

"**Opportunity**" shall have the meaning set forth in paragraph 2.

"**Outside Date**" shall have the meaning set forth in paragraph 21(j).

"**Partial Sale Proposal**" shall have the meaning set forth in paragraph 14(g)(i).

"**Phase 1**" shall have the meaning set forth in paragraph 8.

"**Phase 1 Bid Deadline**" shall have the meaning set forth in paragraph 13.

"**Phase 1 Qualified Bid**" shall have the meaning set forth in paragraph 13.

"**Phase 1 Qualified Bidder**" shall have the meaning set forth in paragraph 10.

"**Phase 1 Successful Bid**" shall have the meaning set forth in paragraph 17.

"**Phase 2**" shall have the meaning set forth in paragraph 8.

"**Phase 2 Bid Deadline**" shall have the meaning set forth in paragraph 20.

"**Phase 2 Qualified Bid**" shall have the meaning set forth in paragraph 20.

"**Phase 2 Qualified Bidder**" shall have the meaning set forth in paragraph 17.

"**Potential Bidder**" shall have the meaning set forth in paragraph 9.

"**Sale Proposal**" shall have the meaning set forth in paragraph 14(g)(i).

"**SISP**" shall have the meaning set forth in the preamble.

"**Successful Bid**" shall have the meaning set forth in paragraph 24.

"**Successful Bidder**" shall have the meaning set forth in paragraph 24.

"**Target Closing Date**" shall have the meaning set forth in paragraph 21(j).

"**Solicitation Letter**" shall have the meaning set forth in paragraph 7.

"**Template LOI**" shall have the meaning set forth in paragraph 12.

"**Template PSA**" shall have the meaning set forth in paragraph 12.

"**VDR**" shall have the meaning set forth in paragraph 8.

APPENDIX B

TO the Company:

Canada Fluorspar Inc., Canada Fluorspar (NL) Inc, and Newspar (a General Partnership)

with a copy to:

~~Cox & Palmer~~

O'Keefe and Company

Attention: **Darren O'Keefe ~~and Allison Philpott~~**
Email: darren@okeefeandcompany.com ~~and~~

TO THE MONITOR:

Grant Thornton Limited

Attention: **Phil Clarke and Jason Kanji**
Email: phil.clarke@ca.gt.com and jason.kanji@ca.gt.com

with a copy to:

McInnes Cooper

Attention: **Meghan King and Geoff Spencer**
Email: meghan.king@mcinnescooper.com and geoff.spencer@mcinnescooper.com

This is Exhibit F to the affidavit of Phil Clarke sworn before me on the 30 day of May 2022.

GAVIN D. F. MACDONALD
A Notary Public in and for the
Province of Nova Scotia

EXHIBIT "F"

Grant Thornton

May 25, 2022

NEWFOUNDLAND AND LABRADOR
SUPREME COURT
(BANKRUPTCY AND INSOLVENCY)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF CANADA FLUORSPAR (NL) INC., CANADA FLUORSPAR INC. AND NEWSPAR (a General Partnership) (collectively, ("CFI" or the "Companies")

TENTATIVE PHASE 2 BID DEADLINE EXTENSTION

TAKE NOTICE that regarding the Sales Investment Solicitation Process ("**SISP**") for CFI, the Monitor is bringing forth an application to Court to extend the deadlines contemplated in the original SISP. The requested changes are significant and material, as such, they require court approval.

Below are the new SISP deadlines being submitted to the Court for approval by the Monitor. **They are subject to Court approval.** The DIP Lenders have advised they support the requested extension. The Monitor will send another communication on receipt of the Court's decision.

5. Phase 2 Bid Deadline & Qualified Bidders Phase 2 Bid Deadline (for delivery of definitive offers by Phase 2 Qualified Bidders in accordance with the requirement of paragraph 21 of the Bidding Procedures)	By no later than July 22, 2022, at 5:00 p.m. (Newfoundland Standard Time)
6. Auction Auction Commencement Date (if needed)	By no later than July 29, 2022
7. Selection of final Successful Bid Deadline for selection of final Successful Bid	By no later than August 5, 2022, at 5:00 p.m. (Newfoundland Standard Time)
8. Definitive Documentation Deadline for completion of definitive documentation in respect of Successful Bid	By no later than August 12, 2022
9. Approval Motion – Successful Bid Deadline for filing of Approval Motion in respect of Successful Bid	By no later than August 19, 2022
10. Closing – Successful Bid Anticipated deadline for closing of Successful Bid being the Target Closing Date	September 2, 2022 or such earlier date as is achievable

11. Outside Date – Closing Outside Date by which the Successful Bid must close	September 16, 2022

No other changes to the SISP are being made at this time.

If you have any questions, please feel free to contact Mr. Jason Kanji at 416-777-6136 (Jason.Kanji@ca.gt.com) or Mr. Phil Clarke, at (902) 420-7191 (Phil.Clarke@ca.gt.com).

Note capitalized terms within this document that are not defined herein maintain their meaning as defined in the Procedures for the Sale and Investment Solicitation Process available on the Monitor's case website www.GrantThornton.ca/CFI.

This is Exhibit G to the affidavit of Phil Clarke sworn before me on the 30 day of May 2022

GAVIN D. F. MACDONALD
A Notary Public in and for the
Province of Nova Scotia

EXHIBIT "G"

Canada Fluorspar Inc. (CFI)
Cash Flow Projection (Extension of Sale and Investor Solicitation Process)
For the Period of May 9, 2022 to August 28, 2022
(In 000s CAD)

			CCAA SISP - Phase 2 (extended)															
Week No.	Notes	Actual	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	Total
Week Start		07-Mar-22	09-May-22	16-May-22	23-May-22	30-May-22	06-Jun-22	13-Jun-22	20-Jun-22	27-Jun-22	04-Jul-22	11-Jul-22	18-Jul-22	25-Jul-22	01-Aug-22	08-Aug-22	15-Aug-22	22-Aug-22	07-Mar-22
Week Ending		08-May-22	15-May-22	22-May-22	29-May-22	05-Jun-22	12-Jun-22	19-Jun-22	26-Jun-22	03-Jul-22	10-Jul-22	17-Jul-22	24-Jul-22	31-Jul-22	07-Aug-22	14-Aug-22	21-Aug-22	28-Aug-22	28-Aug-22
Cash Inflows																			
Collection of Receivables	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other - Sale of Inventory	B	5,628	-	-	-	-	-	-	-	111	-	-	-	-	-	-	-	-	5,739
Other - Sale of Equipment	C	-	-	-	-	-	-	-	165	-	-	-	-	150	-	-	-	-	315
Other		161	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	161
Total Cash Inflows		5,788	-	-	-	-	-	-	165	111	-	-	-	150	-	-	-	-	6,215
Cash Outflows																			
Payroll		864	-	100	-	175	-	175	-	175	-	175	-	175	-	175	-	175	2,089
Maintenance Costs		73	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	201
Fuel		106	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	426
Freight		2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2
Utilities		137	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	425
Insurance		167	-	85	-	-	-	85	-	-	-	85	-	-	-	85	-	-	507
Materials/Supplies		2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	18
Professional Fees - Restructuring		495	75	100	100	75	50	50	50	50	50	50	50	50	50	50	50	50	1,445
Other/Miscellaneous		6	1	1	1	5	1	1	1	5	1	1	1	5	1	1	1	5	38
Inventory Sale Costs	B	889	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	889
HSBC Inventory Sale Agreement	B	2,792	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,792
Telephone/Communications		43	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	123
Environmental		49	5	5	5	30	5	5	5	30	5	5	5	30	5	5	5	30	229
Logistics/Warehousing		1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
Contingency		-	-	-	-	10	-	-	-	10	-	-	-	10	-	-	-	10	40
Equipment Lease Payments/Buyouts		-	55	-	-	3	-	2	153	3	3	2	1	3	3	-	2	4	212
Barge		-	-	-	20	-	-	-	5	-	-	-	-	5	-	-	-	5	35
Mining Leases / Licenses		117	-	24	-	-	-	-	-	-	-	-	-	1	-	4	-	-	144
SLR/AGP - NI 43-101 Mining Report		-	380	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	380
Total Cash Outflows		5,781	568	467	178	350	108	370	246	325	111	370	109	331	111	372	110	331	9,735
Net Cash Flow		507	(568)	(467)	(178)	(350)	(108)	(370)	(81)	(214)	(111)	(370)	(109)	(181)	(111)	(372)	(110)	(331)	(3,520)
Cash Balance																			
Opening Cash Balance		321	5,528	4,960	4,494	4,316	3,966	3,858	3,488	3,408	3,194	3,083	2,713	2,605	2,424	2,313	1,942	1,732	321
DIP Financing - Bridging Finance (Receiver)		1,450	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,450
DIP Financing - Prov. of Newfoundland		3,250	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,250
Priority Charges		-															(100)	(85)	(185)
Net Cash Flow		507	(568)	(467)	(178)	(350)	(108)	(370)	(81)	(214)	(111)	(370)	(109)	(181)	(111)	(372)	(110)	(331)	(3,520)
Closing Cash Balance		5,528	4,960	4,494	4,316	3,966	3,858	3,488	3,408	3,194	3,083	2,713	2,605	2,424	2,313	1,942	1,732	1,316	1,316

Notes:

A - Deloitte Restructuring Inc. was appointed as receiver on behalf of HSBC who held security over the receivables. Whether any surplus funds will exist after the receivership is unknown at this time.

B - See inventory sale schedule for details on sale of fluorspar and costs including agreement with HSBC and funds set aside in trust pending resolution of dispute with Farrell's Excavating in respect to loading of the vessel.

C - The Monitor is exploring the buyout and sale of certain redundant leased equipment, which may transpire sometime in June.