

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;

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

October 6, 2022



Grant Thornton

**Grant Thornton Limited,
Court Appointed Monitor**

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

TABLE OF CONTENTS

INTRODUCTION	4
PURPOSE OF THE REPORT	8
TERMS OF REFERENCE	8
BUSINESS, PROPERTY, AND CARE AND MAINTENANCE	9
CREDITORS	11
THIRD PARTY ASSETS	13
EMPLOYEES	15
NOTICES AND STATUTORY REPORTING	16
SALES AND INVESTMENT SOLICITATION PROCESS ("SISP")	17
PROPOSED TRANSACTION	22
LEGAL PROCEEDINGS	25
ACTIVITIES OF THE MONITOR - OTHER	26
MATERIAL ADVERSE CHANGE	26
CASH FLOW UPDATE AND REVISED FORECAST	26
GENERAL COMMENTS ON THE CASHFLOW	27
RECOMMENDATION	28

APPENDICES

A – Amended and Restated Initial Order dated March 21, 2022

B - Amended and Restated Initial Order – Amendment #1 and Revised SISP and WEPP Order dated June 10, 2022

C – Amended and Restated Initial Order – Amendment #2

D – SLATA Release Letter

E – NAPA Release Letter

F – Weir Minerals Release Letter

G – NAPA Release Letter #2

H – Atlantic Explosives Limited Property Acknowledgement Letter

I – Brenco High Voltage Solutions Property Acknowledgement Letter

J – CRA HST Letter dated August 8, 2022

K – CRA’s Letter on Withholding Tax Audit

L – SISP Order

M – CFI Teaser Letter

N – Newspaper Ads and Press Release

O – April 13, 2022 SISP Extension

P – May 25, 2022 SISP Extension

Q – June 10, 2022 Court Order on SISP Extension

R – June 13, 2022 SISP Extension

S – August 5, 2022 Extension to Submit Binding Offers

T – August 30, 2022 SISP and Stay Extension Court Order

U – September 26, 2022 SISP Extension

V – Retained Liabilities

W – Excluded Assets

X – IMSL Caveat Claim

Y – Federal Court’s October 5, 2022 Decision

Z – Monitor’s Budget to Actual Analysis to September 18, 2022

AA – Monitor’s Statement of Receipts and Disbursements to September 20, 2022

BB - Cash Flow Projection to February 26, 2023

INTRODUCTION

1. On February 21, 2022, upon the application of PricewaterhouseCoopers Inc., in its capacity as court-appointed receiver and manager of Bridging Finance Inc. and Bridging Income Fund LP (collectively referred to as "**Bridging**"), Grant Thornton Limited ("**GTL**") was appointed as Interim Receiver (the "**Interim Receiver**") of all the current and future assets, undertakings and properties (the "**Property**") of Canada Fluorspar (NL) Inc. and Canada Fluorspar Inc. by Order of the Supreme Court of Newfoundland and Labrador (the "**Court**").
2. The Interim Receivership Order authorized the Interim Receiver, among other things, to:
 - (a) receive, preserve, protect and maintain control over the Property;
 - (b) to retain or hire any employees on behalf of the Company;
 - (c) to report to, meet with and discuss with such Affected Persons (as defined in the Interim Receivership Order) as the Interim Receiver deems appropriate;
 - (d) to utilize monies on hand or borrowed by the Interim Receiver to fund payments of employee payroll obligations, rent, insurance, utilities, and other obligations determined by the Interim Receiver to be integral to the preservation of the Property;
 - (e) to commence proceedings for the Company pursuant to the *Bankruptcy and Insolvency Act* ("**BIA**") or the *Companies' Creditors Arrangement Act* ("**CCAA**"); and
 - (f) to report to the Court and the creditors of CFI regarding the status of the business and financial affairs of CFI, including its assets, liabilities, accounts payable and other matters deemed relevant by the Interim Receiver.
3. On March 8, 2022, the Interim Receiver made application to commence proceedings pursuant to the CCAA and the Court issued an Initial Order on March 11, 2022. Grant Thornton Limited was appointed Monitor ("**Monitor**").
4. The Initial Order imposed a stay of proceeding against Canada Fluorspar (NL) Inc., Canada Fluorspar Inc., and Newspar (a General Partnership) (collectively referred to as the "**Company**" or "**CFI**").
5. The Initial Order granted an initial stay of proceedings and authorized the Monitor, among other things, to:

- (a) Preserve and protect the Business and Property of CFI excluding certain property in favour of HSBC Bank of Canada ("**HSBC**");
 - (b) Providing the Monitor with certain enhanced powers;
 - (c) Approving the debtor in possession financing to allow CFI to continue to operate in the ordinary course pending the comeback hearing; and
 - (d) Setting down the comeback hearing for March 18, 2022 at 10am NL Time.
6. On March 18, 2022 (Court order is dated March 21, 2021), the Court issued an Amended and Restated Initial Order ("**ARIO**") which affirmed the terms of the Initial Order and authorized the Monitor, among other things:
- (a) Authority to file, if deemed appropriate, a plan of compromise and arrangement on behalf of the Company;
 - (b) Authority to implement operational changes and pursue restructuring opportunities on behalf the Company;
 - (c) Authority under s. 32 of the CCAA to disclaim or rescind agreements for real property;
 - (d) Granted an extension of the stay of proceedings to July 10, 2022;
 - (e) Empowered to run a Sales and Investment Solicitation Process ("**SISP**"), with the terms being outlined in the SISP Process on behalf of the Company and approved by the Court via a SISP Order;
 - (f) Provided enhanced powers within the CCAA due to the directors of the Company resigning and there being no officers;
 - (g) Authorized an increase to the DIP Financing Agreement to borrow on behalf of the Company in accordance with the DIP Financing Agreement.
7. A copy of the ARIO is attached hereto as **Appendix "A"**.
8. On June 10, 2022, the Monitor made application to the Court to extend the stay of proceedings and extend the SISP process. The Court issued an Order regarding the SISP, an extension of the stay of proceedings and authorized the Monitor, among other things:
- (a) Approved of the Monitor's activities to the date of the Third Report of the Monitor of May 30, 2022;
 - (b) Granted an extension of the stay of proceedings to September 2, 2022;

- (c) Granted and declared that pursuant to section 5(5) of the *Wage Earners Protection Act* (“**WEPPA**”) the Company’s former employees meet the criteria prescribed by section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222 and are individuals to whom the WEPPA applies as of March 18, 2022;
 - (d) Granted approval of amendments to the SISP Order; and
 - (e) Granted approval of amendments to the ARIO Order.
9. A copy of the Order regarding the Amended and Restated Initial Order – Amendment #1 and Revised SISP and WEPP Order dated June 10, 2022 is attached hereto as **Appendix “B”**.
10. On August 24, 2022, the Monitor made application to the Court for, amongst other things, an extension of the stay of proceedings and to extend the SISP process. The purpose of the second extension was to provide additional time for the Monitor to finalize the Definitive Agreements as required by the SISP Order. The Court issued an Order that, among other things:
- (a) Approved the Monitor’s activities to the date of the Fourth Report of the Monitor of August 24, 2022;
 - (b) Granted approval of amendments to the SISP Order;
 - (c) Granted approval of amendments to the ARIO Order; and,
 - (d) Granted an extension of the stay of proceedings to October 17, 2022;
11. A copy of the Order regarding the Amended and Restated Initial Order – Amendment #2 dated August 30, 2022 is attached hereto as **Appendix “C”**.
12. The preceding reports of Grant Thornton Limited as Interim Receiver and Monitor, and all other information in respect of the interim receivership, and all other information in respect to the CCAA proceeding, are posted on the Interim Receiver’s and Monitor’s website at www.GrantThornton.ca/CFI. Readers are encouraged to read the following reports of Grant Thornton Limited, the materials filed with the court in relation to the applications, and the orders of the Court to provide additional information:

Reports to the Court

- a) First Report of Grant Thornton Limited in its capacity as Interim Receiver and Proposed Monitor dated March 8, 2022
- b) Second Report of Grant Thornton Limited in its capacity as Monitor dated March 15, 2022
- c) Third Report of Grant Thornton Limited in its capacity as Monitor dated May 30, 2022
- d) Fourth Report of Grant Thornton Limited in its capacity as Monitor dated August 24, 2022
- e) First Confidential Report of Grant Thornton Limited in its capacity as Monitor dated October 5, 2022

Court Orders

- a) Interim Receivership Order dated February 21, 2022, including reasons for judgement
 - b) CCAA Initial Order dated March 11, 2022, including reasons for judgement
 - c) ARIO dated March 21, 2022, including reasons for judgement
 - d) Order approving the SISP dated March 21, 2022
 - e) Order approving the Revised SISP, Amended and Restated Initial Order – Amendment #1, and WEPP eligibility dated June 10, 2022
 - f) Order approving the Amended and Restated Initial Order – Amendment #2 dated August 30, 2022
13. On March 25, 2022, on application by HSBC Bank Canada, the Court appointed Deloitte Restructuring Inc. (“**Deloitte**”) as receiver over the accounts receivable of the Company. Stakeholders wishing additional information on that proceeding are encouraged to contact Deloitte.
14. This is the Fifth Report of the Monitor.

PURPOSE OF THE REPORT

15. The purpose of this report (the “**Fifth Report**”) is to inform the Court of the following:
- (a) The activities of the Monitor since August 24, 2022, the date of the Fourth Report;
 - (b) Advise the Court that the Monitor has finalized the Definitive Agreements with the Successful Bidder pursuant to the SISP and that the transaction contemplated in the Offer by the Successful Bidder is supported by Bridging and the Province of Newfoundland and Labrador (“**PNL**”), the senior secured creditors;
 - (c) Seeking the following Orders:
 - (i) Approving this Fifth Report, the activities of the Monitor and its counsel;
 - (ii) Approving of the First Confidential Report of the Monitor (“**First Confidential Report**”);
 - (iii) Approving the Proposed Transaction as disclosed in the First Confidential Report;
 - (iv) Granting a Sealing Order of the First Confidential Report; and
 - (v) Granting an extension to the stay of proceedings to February 28, 2023.

TERMS OF REFERENCE

16. In preparing this Fifth Report, the Monitor has relied upon unaudited financial information, certain Company’s records, financial information and projections, and discussions with the Management of the Company, and its legal advisors. While the Monitor reviewed various documents provided by the Company and its legal advisors (including, among other things, unaudited internal financial statements and financial projections) and believes that the information therein provides a fair summary of the transactions as reflected in the documents, such work does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles (“**GAAP**”) or International Financial Reporting Standards (“**IFRS**”). Accordingly, the Monitor expresses no opinion or other form of assurance pursuant to GAAP or IFRS with respect to such information.
17. Some of the information used in preparing this Fifth Report consists of financial projections, including the Cash Flow Forecast. The Monitor cautions that these forecasts

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

18. In the course of its mandate, the Monitor has assumed the integrity and truthfulness of the information and explanations presented to it by the Company, its Management and other stakeholders, within the context in which such information was presented. To date, nothing has come to the Monitor's attention that would cause it to question the reasonableness of these assumptions, or accuracy of the information. The Monitor has requested that Management bring to its attention any significant matters which were not addressed in the course of the Monitor's specific inquiries. Accordingly, this Fifth Report is based solely on the information (financial or otherwise) made available to the Monitor by the Company and its Management.
19. This Fifth Report has been prepared for the use of this Court and the Company's stakeholders as general information relating to the Company and to assist the Court in determining whether to grant the relief sought by the Company. Accordingly, the reader is cautioned that this Report may not be appropriate for any other purpose. The Monitor will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Fifth Report contrary to the provisions of this paragraph.
20. All references to dollars are in Canadian currency unless otherwise noted.

BUSINESS, PROPERTY, AND CARE AND MAINTENANCE

21. Since its appointment, the Monitor, has continued to preserve and protect the Company's business and property and has completed the transition into care and maintenance mode. The maintenance and care of the business and property is ongoing and there is/are no significant issue(s) to note.
22. The Monitor has:
 - a) Security – Maintained the existing Company security processes and procedures, and developed and continues to maintain enhanced

physical security protocols for the mine sites and IT security enhancements;

- b) Insurance – Maintained the Company’s insurance policies which remain in full force and effect, with the exception of Directors and Officers Liability Insurance (there are no directors or officers), and insurance over finished good inventory in transit (the mine is in care and maintenance mode and no further sales of inventory are contemplated);
- c) Utilities and services – Arranged for the continued provision of services from utilities and other vendors, including new payment processes and credit terms (if applicable). The Monitor has paid for all services rendered to date in the normal course;
- d) Employees – continues to retain a core group of employees sufficient to maintain the mine, its assets and other properties in care and maintenance mode, support the SISP process, and maintain a core of key employees to allow for the possibility of a restart of operations for a purchaser should the SISP process transaction close;
- e) Operations – In conjunction with Company management, participate in twice daily operation updates and planning, and weekly updates and planning processes as part of the care and maintenance program. The weekly operational report is shared with the Bridging and the Province of Newfoundland and Labrador (together the “**DIP Lenders**”);
- f) Inventory of certain assets – Monitor has worked to complete an inventory of capital assets, leases, supply agreements, etc. in support of its estate communication processes, the SISP, and for use by other stakeholders in the process;
- g) Statutory Filing – Monitor has continued to communicate with, file all statutory reports, and make all required payments with/to Canada Revenue Agency, Service Canada (for the WEPP Program), Workplace NL, Department of Industry Energy and Technology

("DIET"), Department of Fisheries and Oceans, and Environment Canada;

- h) DIP Lenders – Monitor has continued to report to the DIP Lenders in accordance with the DIP Financing Agreement without issue; and
- i) Reporting to Creditors and Other Stakeholders – Monitor has continued to respond to creditor and stakeholder queries, attend meetings with various creditors and stakeholders, and has continued to maintain the estates website by posting updated information as it becomes available.

CREDITORS

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

- a) Secured Creditors – Bridging and the Province of Newfoundland and Labrador ("PNL") – The Monitor has provided regular updates to Bridging and PNL on operational and the financial matters in the estate pursuant to the DIP Loan agreement. In addition, the Monitor has responded to all queries to the satisfaction of Bridging and PNL.
- b) HSBC Bank of Canada ("HSBC") – The CCAA proceeding has carved out the Company's accounts receivable and those assets are being dealt with by Deloitte. The Monitor has cooperated with Deloitte in furtherance of its mandate, and Deloitte has cooperated with the Monitor in furtherance of its mandate.
- c) Unsecured – The Monitor continues to manage an email address to engage with stakeholders in the proceeding (canadafluorspar@ca.gt.com). That address is monitored, and queries responded too. In addition, the Monitor has created a website for stakeholders on this proceeding at www.grantthornton.ca/cfi. This website is updated regularly.

- d) Employees – The Monitor has created a section on the estate’s website dedicated to employees and posts responses to employee related questions, and other updates. In addition, the CFI Human Resource Manager was retained by the Monitor and responds to employee related queries.
- e) Town of St. Lawrence – The Monitor has provided regular updates to the Town of St. Lawrence.
- f) Equipment leases – The Monitor has engaged with the various leasing companies for equipment and has made satisfactory arrangements with the majority of them. Further details are:
 - i. The Monitor continues to maintain lease payments to 7 lease agreements detailed in the Fourth Report:
 - (i) Lease agreement with Navstar Capital (Bank of Montreal) for the purchase of a 2020 International truck and a 2020 Tremcar 1000LT Tank;
 - (ii) Lease agreement with Meridian OneCap Credit Corp. for the purchase of a 2019 Takeuchi Mini Excavator;
 - (iii) Lease agreement with DLL for the purchase of two 2021 Takeuchi TL8CRWH Track Loaders;
 - (iv) Lease agreement with DLL for the rental of a MX3051, two MX3071 and a MX4071 printer; and
 - (v) Lease agreements with Ford Credit Canada Leasing for a 2020 Ford F150 and a 2020 Ford F250.
 - ii. The Monitor has also been in communication with Komatsu International (Canada) Inc. (“**Komatsu**”), beneficiary of 13 lease agreements for various equipment with the Company. Komatsu has agreed to suspend future payments on these lease agreements through the SISP.
 - iii. Caterpillar Financial Services Limited (“**Caterpillar**”), beneficiary of 3 lease agreements for various equipment with the Company, has

continued to agree to suspend future payments on these lease agreements through the SISP.

- iv. The Monitor has not been made aware of any creditor seeking to dispute any disclaimers and has not received any notice that any of the lessors intend to dispute the disclaimer.
- v. Supply Agreements – The Company had entered into various supply agreements with customers for the sale of acid grade fluorspar, and certain supply agreements with vendors. It is the Monitors view that claims, if any, can be dealt with in any claims process should one be ordered by the Court.
- vi. The Proposed Transaction outlines the Successful Bidder's intention with the remaining lease and supply agreements up to the date of Closing contemplated to be October 17, 2022, or if elected by the Successful Bidder and holdings costs paid to the Monitor in advance, a date later than October 17, 2022, but no later than November 30, 2022.

THIRD PARTY ASSETS

24. The Monitor developed a process to receive and evaluate claims from stakeholders for the return of property owned by third parties using Form 74 of the *Bankruptcy and Insolvency Act*. The Monitor has received and accepted, or partially accepted claims for reclamation of property owned by:

- a) Air Liquide Canada Inc.;
- b) T R Excavating Inc.;
- c) Blue Water Newfoundland Ltd.;
- d) GFL Environment Inc.;
- e) Modspace Financial Services, Canada;
- f) General Auto and Industrial (operating as NAPA Auto Parts 6305) (“NAPA”);
- g) SMS Equipment Inc.; and

h) RJG Construction Ltd.

25. The assets subject to these claims have been returned to their owners. Details are noted in the Monitor's previous reports.
26. Since the date of the Fourth Report, the Monitor has received accepted claims for reclamation of property owned by the St. Lawrence Area Trails Association ("**SLATA**") and an additional claim from NAPA. Details are noted as follows:
 - a) A claim from SLATA for various items donated to the association including steel beams, solar panels, retired coast guard towers and various items to be used in a yard sale. All items were being stored on site at CFI. The Monitor accepted this claim in full. SLATA will be retrieving the items from CFI by no later than October 7, 2022. A copy of the release letter is attached hereto at **Appendix "D"**; and
 - b) An additional claim was received from NAPA for totes containing diesel emission fuel and wind shield washer fluid. The Monitor accepted this claim in full. NAPA has retrieved the empty totes onsite and has agreed to leave the totes with fluid remaining onsite until they are empty. A copy of the release letter is attached hereto as **Appendix "E"**.
27. The Monitor has arranged for Weir Minerals Canada Inc. to leave their consignment inventory, mostly parts for various pumps, on site pending the outcome of the closing of the SISP process. A copy of the release letter is attached hereto as **Appendix "F"**. This will not impact the Proposed Transaction as this asset is included with the Excluded Assets.
28. The Monitor has arranged for NAPA to leave their consignment inventory, mostly parts for light and heavy-duty vehicles, on site pending the outcome of the closing of the SISP process. A copy of this release letter is attached hereto as **Appendix "G"**. This will not impact the Proposed Transaction as this asset is included with the Excluded Assets.
29. The Monitor to date has not received a property claim from Atlantic Explosives Limited ("**AEL**"). The Monitor has issued a letter to AEL dated September 8, 2022, acknowledging AEL's ownership of two above ground magazines. Attached hereto as **Appendix "H"**, is a copy of the letter. This will not impact the Proposed Transaction as this asset is included with the Excluded Assets.

30. The Monitor to date has not received a property claim from Brenco High Voltage Solutions (“**Brenco**”). The Monitor has issued a letter to Brenco dated September 8, 2022, acknowledging Brenco’s ownership of several light poles, a utility trailer and a line truck. Attached hereto as **Appendix “I”**, is a copy of the letter. This will not impact the Proposed Transaction as this asset is included with the Excluded Assets.

EMPLOYEES

31. As of the date of this Fifth Report, there are 36 employees employed with the Company.
32. One employee has resigned since the date of the Fourth Report. The CFI Management team has expressed that any risk posed by the employee’s resignation will be mitigated through a transition of duties to remaining employees.
33. Based on advice provided by CFI management team, and the results of ongoing monitoring and regulatory oversight, the Monitor considers the current work force level of 36 is what is required to continue to preserve and protect the business and assets of the Company in a care and maintenance mode. No further reductions are anticipated; however, the Monitor will continue to evaluate this need, and the circumstances of the business and its assets, and retain and employ those parties whose experience and skill sets are required to continue to preserve and protect the business and assets for the benefit of the stakeholders.
34. On June 10, 2022, this Court approved an Order concerning the WEPP eligibility of terminated employees.
35. Since the date of this Order, the Monitor has filed with Service Canada all Trustee Information Forms (“**TIF**”) for employees who have filed a proof of claim with the Monitor.
36. In total, 227 eligible employees have submitted a proof of claim with the Monitor. The Monitor has filed the required TIF’s with Service Canada for these employees.
37. As of the date of this report, 8 eligible employees have not submitted a proof of claim with the Monitor. The Monitor will file the TIF with Service Canada for these employees when a proof of claim form has been submitted.

NOTICES AND STATUTORY REPORTING

38. The Monitor has reported to the Court in the Second Report on the CCAA statutory notices. The Monitor continues to update the estate's website at www.GrantThornton.ca/CFI providing estate stakeholders updates when available.
39. The Monitor, together with CFI management continues to work to update, and file, all statutory filings, reports and payments with the Canada Revenue Agency ("**CRA**"), Workplace NL, Service Canada (for the WEPP Program), Department of Industry Energy and Technology ("**DIET**"), Department of Fisheries and Oceans, Natural Resources Canada, and Environment Canada.
40. CRA completed a payroll trust examination for Canadian employees covering the pre-filing pay period in the calendar year 2022. The Monitor has been advised by CRA that there are no issues, and that no property claim will be forthcoming.
41. CRA issued a letter to the Monitor dated June 1, 2022, indicating a proposed change to the GST/HST return for the audit period of March 1, 2022, to March 11, 2022, ("**HST Assessment**"). On receipt of this letter, the Monitor requested and was granted an extension to July 18, 2022, to respond. On July 18, 2022, the Monitor formally responded to the letter concerning the HST Assessment. Since the date of the Fourth Report, The Monitor has received a response from CRA dismissing the Monitor's response to the audit. A copy of this letter from CRA is attached hereto as **Appendix "J"**. The Monitor intends to appeal this assessment. This will not impact the Proposed Transaction as this liability is included with the Excluded Liabilities.
42. On June 8, 2022, CFI's received notice from CRA of a tax audit of the Part XIII, Regulation 105 and Regulation 102, of Account 89811 4087 RC0001 for the years 2016 to 2020. The Monitor, with assistance from CFI's management, have compiled the documents requested by CRA. The documents will be submitted to CRA prior to Closing. A copy of the CRA audit notice is attached hereto as **Appendix "K"**.
43. The Monitor has estimated that the deem trust claim related to withholding taxes to be \$76,438.26. The unsecured portion of the withholding tax is estimated to be approximately \$31,000. This ongoing audit should not impact the Proposed Transaction. The deemed trust amount has been withheld from the net proceeds from the inventory sales and represents a priority charge on the assets of CFI. It can be addressed at distribution. The

unsecured portion is a liability included with the Excluded Liabilities. This should not impact the Proposed Transaction

44. On August 16, 2022, the Monitor was notified by AEL of an explosives inspection to be held at CFI by Natural Resources Canada, Explosives Regulatory Division. CFI received minor review notes including painting the magazine and using the fob system when accessing the magazines. These changes have been addressed by CFI employees since the date of the Fourth Report.

SALES AND INVESTMENT SOLICITATION PROCESS (“SISP”)

45. The Monitor has prepared a First Monitors Confidential Report disclosing financial details, commercial terms, and identities of the SISP participants and the Successful Bidder. The Monitor is requesting a sealing order over this information until the earlier of closing of the Proposed Transaction or further order of the Court.
46. On March 15, 2022, the Court granted the SISP Order which approved of a sales process pursuant to which the Monitor, whilst working in conjunction with the Company and the DIP Lenders, would solicit interest in, and opportunities for: (i) one or more sales or partial sales of all, substantially all, or certain portions of the Company; and/or (ii) for an investment in, restructuring, recapitalization, refinancing or other form of reorganization of the business and affairs of the Company as a going concern or a sale (or partial sale) of all, substantially all, or certain aspects of the Company’s business, or combination thereof (the “**Opportunity**”). A copy of this order is attached hereto as **Appendix “L”**.
47. In accordance with the milestones set out in the SISP Order, on March 20, 2022, the Monitor began circulating a solicitation letter (the “**Teaser Letter**”) and a non-disclosure agreement (the “**NDA**”) initially to 73 potential bidders which later expanded to a total of 103 potential bidders. The interested party list was developed using information provided by Bridging (leveraging information gathered through that insolvency proceeding), parties that reached out to the Monitor, industry research provided by various stakeholders, Company information and the Monitor’s and other advisor contacts in the legal and accounting industry for their potential network. A copy of the Teaser Letter is attached hereto as **Appendix “M”**.
48. Pursuant to paragraph 6 of the SISP, the Monitor also posted advertisements of the SISP in the National Post, The Globe & Mail and the Evening Telegram on March 29, 2022.

Furthermore, a press release was issued on April 11, 2022, a copy of each is attached hereto as **Appendix “N”**.

49. The Monitor posted the Teaser letter, NDA, Solicitation Letter, SISP Procedures, ARIO, and the SISP order to the estate’s website at www.grantthornton.ca/cfi by March 21, 2022.
50. The Monitor in conjunction with legal counsel and the Company worked towards creating an extensive virtual data room (the “**VDR**”) utilizing a due diligence tracking tool. The due diligence tracking tool was used to streamline the due diligence process by anticipating information requests, providing a structure to rapidly respond to questions, and help ensure the completeness of the data on the VDR. The Monitor hosted the VDR on Firmex which, amongst other things, provided the Monitor with standard tracking data and notified all registered users on a daily basis when new information was posted to the VDR.
51. The Monitor, in conjunction with the Company, established an internal process to track and respond to questions received by interested parties and update the VDR as appropriate.
52. Midday on March 24, 2022, the Monitor opened the VDR to ‘go live’ for those interested parties who returned to the Monitor a properly executed NDA. Interested parties returned their NDAs at varying times. Throughout the SISP a total of 29 parties signed NDA’s and received access to the VDR.
53. To assist interested parties on understanding the Opportunity, the Monitor in conjunction with the Company developed a Confidential Information Memorandum (the “**CIM**”) and uploaded it to the VDR on April 1, 2022.
54. The original SISP Procedures contemplated that non-binding LOI’s (“**LOIs**”) were to be due Sunday April 17, 2022, which happened to fall on the Sunday of the Easter long weekend in Canada. Therefore, in consultation with the DIP Lenders and the Company, the deadline was extended to Wednesday April 20, 2022, at 5:00 PM Newfoundland Standard Time. The Monitor advised the Phase 1 Qualified Bidders and the Service List of the extension, on April 13, 2022. A copy of that notice is attached hereto as **Appendix “O”**.
55. Throughout the SISP process, the Monitor contacted 103 parties that covered parties in the fluorspar mining industry, fluorspar consumers, customers of CFI, industrial and chemical companies, private equity entities, fluorspar traders, and mining companies.

- These entities were located globally, covering parties in Canada, the United States, Mexico, Europe, United Kingdom, South Africa, India, China, and other countries in Asia.
56. The Monitor is confident that it has successfully canvassed the investment opportunity to parties within the fluorspar industry, and other possible interested parties located globally.
 57. The Monitor received a total of 13 non-binding LOIs, in various structures and ranges. In consultation with the DIP Lenders and after follow-up calls with each of the Phase 1 Qualified Bidders who submitted LOIs, the Monitor accepted a total of 11 parties into Phase 2 (the “**Phase 2 Qualified Bidders**”).
 58. Included in the Phase 1 non-binding offers were 3 parties who expressed interest in pursuing a stalking horse bid process. The Monitor undertook a review of the stalking horse proposals and consulted with the DIP Lenders. The Monitor decided not to proceed with a stalking horse process as outlined by the interested parties given there was no clear incremental benefit to creditors in that process over the existing SISP after the Monitor considered the Phase 1 Qualified Bidders.
 59. In April 2022 as the Phase 2 Qualified Bidders continued their due diligence, it became evident to the Monitor that the Phase 2 Qualified Bidders were seeking out a National Instruments 43-101 Standards of Disclosure for Mineral Projects report (the “**43-101 Report**”) and/or that a binding offer would be conditional on the completion of the 43-101 Report.
 60. As a result, on May 9, 2022, the Monitor in consultation with the DIP Lenders and the Company, re-initiated the Company’s ongoing engagement with AGP Mining Consultants Inc. and SLR Consulting to complete the 43-101 Report that was started prior to the Grant Thornton Limited’s appointment as Interim Receiver on February 21, 2022.
 61. As the 43-101 Report was considered a key aspect of the due diligence process for the Phase 2 Qualified Bidders, the Monitor, in consultation with the DIP Lenders, the Company and by Order of this Court dated June 10, 2022, extended the Phase 2 Bid Deadline to July 22, 2022. A copy of the SISP Extension Order is attached hereto as **Appendix “B”**.
 62. On May 25, 2022, the Monitor advised the Phase 2 Qualified Bidders that it was undertaking the completion of the 43-101 Report and of a tentative extension to the Phase 2 Bid Deadline extension. A copy of notice sent to the Phase 2 Qualified Bidders is attached hereto as **Appendix “P”**.

63. The 43-101 Report was completed and issued on June 15, 2022.
64. On June 10, 2022 the Court approved the Monitors request to extend the Phase 2 Bid Deadline and subsequent SISP steps. A copy of that Order is attached hereto as **Appendix “Q”**.
65. On June 13, 2022, the Monitor formally notified the Phase 2 Qualified Bidders of the Phase 2 Bid Deadline extension. A copy of that notice to Phase 2 Qualified Bidders is attached hereto as **Appendix “R”**.
66. Considering the issuance of the 43-101 Report and the results of the same, the Monitor in consultation with the DIP Lenders and the Company, reached out to 8 parties on June 24, 2022, who actively engaged in the Phase 1 process and who the Monitor felt would reconsider engaging in the Opportunity given the results of the 43-101 Report. The Monitor further advised these parties of the Phase 2 Bid Deadline Extension. Despite the Monitor’s best efforts to re-engage these parties, none came forward with a binding offer.
67. The Monitor received a total of 4 binding offers from the Phase 2 Qualified Bidders (the **“Phase 2 Bidders”**).
68. Because the quantity and value of the binding offers received by the Phase 2 Qualified Bidders were materially less than the non-binding LOI’s received in Phase 1, the Monitor coordinated calls with the Phase 2 Qualified Bidders to understand why they did not submit an offer and, for those who did, why there were significant reductions from the LOIs. The Monitor was advised that several factors contributed to the reduction or lack of an offer, which arose from the 43-101 Report, Phase 2 Bidder due diligence and site visits. Further information regarding the issues are disclosed in the Monitor’s First Confidential Report.
69. In consultation with the DIP Lenders and the Company, the Monitor commenced three actions:
- a) Extended the Phase 2 Bid Deadline to August 12, 2022, to allow for the Phase 2 Bidders to submit improved offers. The notice issued to Phase 2 Bidders and the Service List is attached hereto as **Appendix “S”**;
 - b) Engaged three liquidators to provide proposals to compare liquidating offers to the Binding Offers, and;

- c) Reached out to certain Phase 1 and Phase 2 participants for a final time, advising of the extension and the DIP Lenders' consideration to accept liquidation offers.
- 70. On August 12, 2022, the Monitor received 6 binding offers.
- 71. In light of the final offers and in consultation with the DIP Lenders and the Company, on August 18, 2022, the Monitor selected the Successful Bidder and accepted their binding letter of offer.
- 72. The Successful Bidder offer is the best offer for the creditors and stakeholders in that:
 - a) the Monitor understands that the Successful Bidder intends to restart operations and therefore avoids a liquidation. Although unsecured creditors will not recover any money under the Successful Bidder offer, a restarted operation presents an opportunity to future business. A restarted operation will also preserve a number of jobs although the Monitor understands at a level less than prior to the insolvency, and achieves the objectives of the CCAA by preserving value as a functioning business greater than in a bankruptcy or liquidation;
 - b) the Successful Bidder offer did not require the Province of Newfoundland and Labrador to advance any further funds or provide any additional environmental indemnity;
 - c) the Successful Bidder provided for the repayment of the DIP on closing; and
 - d) the Successful Bidder offer is materially greater than any other binding offer, however, is insufficient to repay the senior secured creditors. The senior secured creditors will suffer a substantial shortfall.
- 73. Furthermore, considering the other offers the Monitor received, and in consultation with the Company and the DIP Lenders, the Monitor did not deem it necessary for there to be an Auction prior to selecting the Successful Bidder.
- 74. On August 24, 2022, the Monitor made application to further extend the SISP timelines, specifically to extend the deadline for completion of the definitive documentation to

September 14, 2022, the deadline for filing an Approval Motion in respect of the Successful Bid, and the Closing Date and Outside date. On August 30, 2022 the Court approved the extended SISP timelines, and also extended the stay of proceedings to October 17, 2022, to match the outside date of closing. A copy of that order is attached hereto as **Appendix “T”**.

On September 26, 2022 the Monitor further extended the SISP timelines specifically to extend the deadline for the completion of the definitive agreements. A copy of that notice which was sent to the service list is attached hereto as **Appendix “U”**.

75. The Monitor has disclosed details of the SISP and any revisions to the SISP on its website at GrantThornton.ca/CFI.
76. Details regarding the SISP are commercially sensitive at this time as the Monitor and the Successful Bidder work towards Closing the Proposed Transaction, if this Court would approve of the Proposed Transaction. The Monitor is of the view that sealing the First Confidential Report will not prejudice any stakeholder and will protect the interests of all stakeholders of the CFI estate if in the unlikely event the Proposed Transaction does not close.

PROPOSED TRANSACTION

77. The Proposed Transaction contemplated by the Successful Bidder is a Reverse Vesting Order. The proposed Transaction contemplates the vesting out of all liabilities except the Retained Liabilities as outlined in **Appendix “V”**, and the retention of all assets with the exception of the Excluded Assets as outlined in **Appendix “W”**. The Excluded Liabilities and Excluded Assets are to be vested out to a ResidualCo, at which time the Monitor intends to seek a distribution order.
78. The consideration being provided is insufficient to pay out the secured creditors. The secured creditors will, if the transaction closes, suffer a substantial loss.
79. The effect of the proposed transaction on the stakeholders are as follows:
 - a) Senior Secured Creditors – The senior secured creditors, should the Proposed Transaction close, suffer a substantial loss;

- b) Unsecured Creditors – The Proposed Transaction contemplates vesting out all the liabilities of CFI except for the Retained Liabilities. The result being that the unsecured creditor will not recover anything;
- c) CRA – The Monitor has withheld funds sufficient to cover any deemed trust claim. In addition any deemed trust claim can be dealt with on distribution; and
- d) Other creditors with possible priority claims – these creditor will have an opportunity to advance a priority claim through the application for distribution process.

80. The Successful Bidder's offer is the best offer for the creditors and stakeholders in that:

- a) The Monitor understands that the Successful Bidder intends to restart operations and therefore avoids a liquidation. Although unsecured creditors will not recover any money under the Proposed Transaction, a restarted operation present an opportunity for future business. A restarted operation will also preserve a number of jobs although the Monitor understands at a level less than prior to insolvency, and achieves the objectives of the CCAA by preserving value as a functioning business greater than in a bankruptcy or liquidation;
- b) The Successful Bidder's offer does not require PNL to advance any further funds or provide any additional environmental indemnity;
- c) Provides for the repaying of the DIP on closing; and
- d) Provides consideration on closing that is materially greater than any other binding offer received.

81. While the structure of the Proposed Transaction is unique, in so much as the Proposed Transaction involves the vesting out of certain of the CFI liabilities and excluded assets to ResidualCo, the structure has been previously used in CCAA proceedings, including recently to affect the transfer of mineral and mining licenses held by insolvent mining companies in the Harte Gold Corp. CCAA proceeding.

82. Furthermore, the Company has 64 material permits and licenses that are required to maintain its mining operation, including: mineral licenses, mine lease rentals, surface

lease rentals, crown lands lease, water use licenses and operational permits, all that are integral to the operations of the Company (collectively, the “**Permits and Licenses**”).

83. Under a traditional asset sales transaction structure, most of these Permits and Licenses may be difficult to transfer to a third-party purchaser and, to the extent that such transfer would be possible, the steps required to affect such transfer would likely result in significant additional delays and costs which would be detrimental to the Successful Bidder, employees, suppliers, and possibly regulatory bodies.
84. Similarly, a plan of arrangement would require the support of CFI’s senior secured creditors, who are already taking a substantial loss on their security and who would be better off exercising their security to culminate a sale of CFI than supporting a plan that would divert funds away from their security. The Monitor understands that the additional time and cost to run a plan would impact the Successful Bidder’s proposed timelines to restart operations and therefore create additional closing risk.
85. The reverse vesting structure will enable the Proposed Transaction to be completed efficiently and expeditiously, without exposure to risks, costs, and delays of having to seek the transfer of the Permit and Licenses.
86. Furthermore, while there are many creditors whose claim will be included in the Excluded Liabilities under the Proposed Transaction who will therefore receive no recovery, there is no apparent prejudice to those creditors as there would have been no recovery for them had the transaction been structured as a traditional asset sale. It is the Monitor’s view that no stakeholder is any worse off under the RVO structure than they would have been under another viable structure.
87. In addition, the DIP Lenders, who are also the senior secured creditors, support the structure of the Proposed Transaction. Accordingly, the Monitor is of the view that, with respect to the Proposed Transaction, there are significant benefits that are reasonable, justified, and appropriate in the circumstances to the reverse vesting structure as compared to a traditional asset sale structure or a plan of arrangement. The RVO structure provides an economic result at least as favourable as any other viable alternative and reduces costs to the estate as an RVO can be finalized much more efficiently than a traditional asset sale or plan of arrangement.
88. The Proposed Transaction provides for the following:

- a) The Successful Bidder is required to top up the deposit. As at the date of this report the Successful Bidder has NOT completed this task. The Monitor is filing the approval relying on the Successful Bidders representation that the funds are enroute and will be with the Monitor prior to the hearing to approve the Proposed Transaction; and
- b) The Successful Bidder can elect to extend the proposed closing date to a date no later than November 30, 2022 provide they provide, in advance, the holding costs for the requested extension.

LEGAL PROCEEDINGS

89. Other than the CCAA proceeding, the estate is involved in one other active legal proceeding:

- a) As previously reported, Inaminka Marine Services Limited has the CFI barge under arrest in Marystown. Details on the arrest were provided in the Monitor's Third Report. The Monitor is vigorously defending the claim.
- b) On September 2, 2022, the principal of IMSL, Mr. Spellacy also filed a claim for unpaid master's wages and filed a caveat release with the Federal Court on the matter. A copy of that filing is attached hereto as **Appendix "X"**. The Monitor is vigorously defending this claim.
- c) The Monitor filed an emergency application to have the various orders, and the stay of proceedings, recognized by the Federal Court. The Federal Court scheduled a hearing on September 28 and committed to a decision by October 7, 2022.
- d) On October 5, 2022 the Federal Court provided its decision and stayed the IMSL actions to October 17, 2022 or any later date determined by order of this Court. A copy of that decision is attached hereto as **Appendix "Y"**.

90. The Monitor has consented to the filing of various statements of claim by lien holders in order to perfect their lien claims. The lien claims will be dealt with in a claims process should one be sought out by the Applicant and further approved by the Court.

ACTIVITIES OF THE MONITOR - OTHER

91. The Monitor has continued to complete the following:
- a) The Monitor has continued to fully fund payroll for the remaining employees to Ceridian Canada Ltd. (“**Ceridian**”) and has paid all outstanding wages. Ceridian has remitted all applicable source deductions to the Crown on behalf of the Monitor; and
 - b) The Monitor has paid all regulatory costs owed to the Mineral Lands Division of the Province of Newfoundland and Labrador under the Mineral Act RSNL 1990, c. M-12 relating to mineral licenses, mine and surface leases, water-use licenses and water monitoring charges.
 - c) The Monitor, with assistance from CFI Management, has filed all outstanding tax and GST/HST returns for Canada Fluorspar Inc., Canada Fluorspar (NL) Inc. and Newspar.

MATERIAL ADVERSE CHANGE

92. The Monitor is not aware of any issue or condition that could be considered a Material Adverse Change pursuant to s.23(1)(d), or the DIP Financing Agreement.
93. The Monitor continues to be of the opinion that s.23(1)(h) does NOT apply and it would be more beneficial to the Company’s creditors to continue with the SISP within the CCAA proceeding.

CASH FLOW UPDATE AND REVISED FORECAST

94. The Monitor has prepared an analysis of budget to actual as of September 18, 2022. This is attached hereto as **Appendix “Z”**. Overall, the Monitor is tracking ahead of budget by \$259,000 on a net basis, being ahead of forecast on the cash inflows by \$6,000 and ahead of forecast on expenses by \$253,000. In addition, the Monitor has attached hereto as **Appendix “AA”** a statement of receipts and disbursements to September 20, 2022.
95. The Monitor has prepared a revised cash flow forecast, attached hereto as **Appendix “BB”** (the “**Revised Cash Flow Forecast**”) as a result of the Monitor’s proposed extension to the SISP. The Cash Flow Forecast covers the period from September 19, 2022 to February 26, 2023 (the “**Revised Cash Flow Period**”);

96. The Cash Flow Forecast has been prepared by the Monitor using probable and hypothetical assumptions set out therein (the “**Probable and Hypothetical Assumptions**”);
97. The requirement of s. 23(1)(b) of the CCAA states that the Monitor is to review the Revised Cash Flow Forecast for reasonableness. As the Directors of the Company have resigned, the Monitor has prepared the Revised Cash Flow Forecast based on the actual expenses incurred since the date of the Interim Receivership and Initial Order. The Monitor is of the opinion that the Revised Cash Flow is reasonable in all material respects:
- (a) The Probable and Hypothetical Assumptions are consistent with the purpose of the Revised Cash Flow Projection;
 - (b) As at the date of this Fifth Report, the Probable and Hypothetical Assumptions developed by the Monitor are suitably supported and consistent with the Company’s plans and provide a reasonable basis for the Revised Cash Flow Forecast;
 - (c) The Revised Cash Flow Forecast reflects the Probable and Hypothetical Assumptions.
98. The Company’s cash position, held in trust with the Monitor, as of September 20, 2022 is \$2,665,554.84. The Company is forecasting future cash receipt of \$1,500,000 representing a payment to the Monitor on account of holding costs from the Successful Bidder, and \$3,034,000 in future disbursements from the date of this report through to February 26, 2023. This disbursement includes \$76,000 to cover the unremitted withholding taxes payable, and an estimated \$85,000 WEPP priority claim from Service Canada.

GENERAL COMMENTS ON THE CASHFLOW

99. In addition, the Monitor makes the following general comments on the Revised Cash Flow Forecast:
- (a) Disbursements appear to be consistent with the level of operations since the date of the Initial Order;
 - (b) The Revised Cash Flow Forecast includes the encumbering of estimated priority claims by the Canada Revenue Agency and Employment and Social Development Canada relating to WEPPA. The Monitor understands a portion of those claims would have priority over the secured creditors in relation to the Company’s current assets;

- (c) Disbursements include forecast payments to the Company's legal counsel and financial advisors, and the Monitor and its legal counsel.
100. The Monitor has the funds in place to support the requested extension of the Revised SISP and stay of proceedings.
101. The Successful Bidder has an option to extend the closing of the Proposed Transaction to no later than November 30, 2022, provide they pay the Monitor, in advance, the estimated holding costs for the extension. The Cash Flow Forecast assumes the Successful Bidder will avail of this extension and pay the Monitor \$1,500,000 being the estimated holding costs to November 30, 2022.

RECOMMENDATION

102. For the reasons set out in this Fifth Report, the Monitor respectfully recommends that this Court:
- (a) Approve the activities of the Monitor and its legal council to the date of this Fifth Report;
 - (b) Approve the recommendation of the Monitor in the First Confidential Report.
 - (c) Approving the Proposed Transaction as disclosed in the First Confidential Report;
 - (d) Granting a Sealing Order of the First Confidential Report
 - (e) Grant an extension to the stay of proceedings to February 28, 2023.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 6th day of October 2022.

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

Per:  _____

Phil Clarke, CPA, CA, CIRP, LIT

Senior Vice-President

Appendix “A”

2022 01G 0709

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY AND INSOLVENCY

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

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

AMENDED AND RESTATED INITIAL ORDER

BEFORE THE HONOURABLE JUSTICE MACDONALD

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

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

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

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

SERVICE

Filed March 21, 2022

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

2

- (ii) after the Monitor's appointment unless it is established that the condition arose or the damage occurred as a result of the Monitor's gross negligence or wilful misconduct.
- (b) Nothing in sub-paragraph (a) exempts the Monitor from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- (c) Notwithstanding anything in any Environmental Legislation, but subject to subparagraph (a) hereof, where an order is made which has the effect of requiring the Monitor to remedy any environmental condition or environmental damage affecting the Property, the Monitor is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
 - (i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Monitor, if the order is in effect when the Monitor is appointed, or during the period of the stay referred to in clause (ii) below, the Monitor:
 - (A) complies with the order, or
 - (B) on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
 - (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Monitor, if the order is in effect when the Monitor is appointed, by,
 - (A) the court or body having jurisdiction under the law pursuant to which the order was made to enable the Monitor to contest the order; or
 - (B) the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or



- (iii) if the Monitor had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.
- 25. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Company and the DIP Lender with information provided by the Company in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Company is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Company may agree.
- 26. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.
- 27. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and counsel to the Company shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Company as part of the costs of these proceedings. The Company is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, and counsel for the Company on a weekly basis and, in addition, the Company is hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Company reasonable retainers to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.
- 28. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose, the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Supreme Court of Newfoundland and Labrador in Bankruptcy and Insolvency.
- 29. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Company's counsel shall be entitled to the benefit of and are hereby granted a charge (the

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

ENHANCEMENT OF MONITOR'S POWERS

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

- (a) take any and all actions and steps to manage, operate and carry on the Business, including, without in any way limiting the generality of the foregoing:
 - (i) any actions or steps the Monitor considers necessary or desirable to proceed with an orderly restructuring or liquidation of the Business;
 - (ii) permanently or temporarily ceasing, downsizing or shutting down any of the Company's operations;
 - (ii) terminating the employment of or temporarily laying off employees of the Company;
 - (iii) pursuing all avenues of refinancing the Business or Property, except the Excluded Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing;
 - (iv) preparing a Plan of Compromise and Arrangement on behalf of one or more of the Applicants;
 - (v) settling, extending or compromising any indebtedness owing to or by the Company;

- (vi) initiating, prosecuting and continuing the prosecution of any and all proceedings and defending all proceedings now pending or hereafter instituted with respect to the Company, the Business, the Property or the Monitor and to settle or compromise any such proceeding;
- (vii) taking any and all corporate governance actions for the Company; and
- (viii) providing instruction and direction to the advisors of the Company;
- (b) preserve, protect and exercise control over the Property, (with the exception of the Excluded Property), or any parts thereof, including, without in any way limiting the generality of the foregoing:
 - (i) receive, collect and exercise control over all monies and accounts held by or owing to the Company; including any proceeds of the sale of any of the Property (save and except the Excluded Property);
 - (ii) exercise all remedies of the Company in collecting monies owed or hereafter owing to the Company and to enforce any security held by the Company;
 - (iii) execute, assign, issue and endorse documents of whatever nature in respect of any of the Property (save and except the Excluded Property) for any purpose pursuant to this Order;
 - (iv) to market, sell convey, transfer, lease or assign the Property, including running a sales solicitation process, or any part or parts of the Property out of the ordinary course of business;
 - (A) without the approval of this Court, in respect of any one transaction not exceeding \$500,000 or \$2,500,000 in the aggregate;
 - (B) without the approval of this Court in respect of the sale of Fluorspar inventory; and
 - (C) with the approval of this Court in respect of any other transaction;

- (c) to report to, meet with and discuss with such affected persons as the Monitor deems appropriate on all matters relating to the Business and the Property, and to share information, subject to such terms as to confidentiality as the Monitor deems advisable;
- (d) oversee and direct the preparation and dissemination of financial and other information of the Company in these proceedings, including cash flow statements;
- (e) apply to the court for advice and direction or for any further orders in these proceedings, including, without in any way limiting the generality of the foregoing, sale approval and vesting orders and orders extending or terminating the stay of proceedings;
- (f) perform such other duties or take any steps reasonably incidental to the exercise of these powers;

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE MONITOR

31. **THIS COURT ORDERS** that the Company and all its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf shall fully co-operate with the Monitor in the exercise its powers under this Order or any other Order of the Court, including by:
- (a) advising the Monitor of the existence of any Property of which such party has knowledge of;
 - (b) providing the Monitor with immediate and continued access to any Property in such party's possession or control;
 - (c) advising the Monitor of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Company, and any computer programs, computer tapes, computer disks, or other



data storage media containing any such information ("Records") of which such party has knowledge of; and

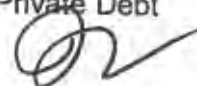
- (d) providing access to and use of the Records, including any accounting, computer, software and physical facilities relating thereto, and including providing the Monitor with instructions on the use of any computer or other system as requested by the Monitor and providing the Monitor with any and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

LIMITATION ON THE MONITOR'S LIABILITY

- 32. **THIS COURT ORDERS THAT** the Monitor is not and shall not, for any purposes, be deemed to be a director, officer, employee, receiver, receiver-manager, or liquidator of the Company.
- 33. **THIS COURT ORDERS THAT** the Monitor is not and shall not for the purposes of the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.) be deemed to be a legal representative or person to whom s. 150(3) of that Act applies.
- 34. **THIS COURT ORDERS THAT** that the rights, protections, indemnities, charges, priorities and other provisions in favour of the Monitor set out in the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, any other applicable legislation, and any other Order granted in these proceedings, all shall apply and extend to the Monitor in connection with the Monitor carrying out the provisions of this Order, amended as necessary to give effect to the terms of this Order.

DIP FINANCING

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



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

36. **THIS COURT ORDERS** that, in addition to the DIP Financing Agreement, the Company is also hereby authorized and empowered to execute and deliver such other credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively with the DIP Financing Agreement, the "Definitive Documents"), as are contemplated by the DIP Financing Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Monitor, on behalf of the Company is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Financing Agreement and the other Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.
37. **THIS COURT ORDERS** that, as security for the Company's obligations under the Definitive Documents, the DIP Lender shall be entitled to the benefit of and are hereby granted a charge (the "DIP Lender's Charge") on the Property, (save and except the Excluded Property and Excluded Inventory), which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 41 and 43 herein. Notwithstanding the foregoing, the Interim Receiver's Borrowing Charge contained in Paragraph 27 of the Interim Receivership Order, being the 1.8 Million advanced pursuant to the Interim Receivership Order, shall continue to be in full force and effect during the term of this Order. The Interim Receiver's Borrowing Charge shall rank pari passu with the DIP Lender's Charge.
38. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

2

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
 - (b) upon the occurrence of an event of default under the DIP Financing Agreement, the other Definitive Documents or the DIP Lender's Charge, upon five (5) days notice to the Monitor and the Company, the DIP Lender may exercise any rights and remedies against the Company or the Property, (save and except the Excluded Property), under or pursuant to the DIP Financing Agreement, the other Definitive Documents and the DIP Lender's Charge, including, without limitation, to cease making advances to the Company and set off and/or consolidate any amounts that may be owing by the DIP Lender against the obligations of the Company to the DIP Lender under the DIP Financing Agreement, the other Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Company and for the appointment of a trustee in bankruptcy of the Company; and
 - (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Company or the Property (save and except the Excluded Property).
39. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Company under the CCAA, or any proposal filed by the Company under the BIA, with respect to any advances made under the DIP Financing Agreement and the other Definitive Documents.
40. **THIS COURT ORDERS AND DECLARES** that this Order is subject to provisional execution and that if any of the provisions of this Order in connection with the DIP Financing Agreement, the other Definitive Documents or the DIP Lender's Charge shall subsequently be stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a "Variation") whether by subsequent order of this Court on or pending an appeal from this Order, such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP Lender, whether under this Order (as

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

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

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

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

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

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

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



44. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Company shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Company also obtains the prior written consent of the Monitor and of the applicable chargee(s) entitled to the benefit of the Charges (collectively, the "Chargees"), or further Order of this Court.
45. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Company, and notwithstanding any provision to the contrary in any Agreement:
- (a) Neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Financing Agreement or the other Definitive Documents shall create or be deemed to constitute a breach by the Company of any Agreement to which it is a party;
 - (b) None of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Company entering into the DIP Financing Agreement, the creation of the Charges, or the execution, delivery or performance of the other Definitive Documents; and
 - (c) The payments made by the Company pursuant to this Order, the DIP Financing Agreement or the other Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

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

SERVICE AND NOTICE

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

GENERAL

48. **THIS COURT ORDERS** that the Monitor, on behalf of the Company, may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
49. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from subsequently acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Company, the Business or the Property.
50. **THIS COURT ORDERS** that each of the Company and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.


COURT
OFFICER

Schedule "A"

Defined Terms

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

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

"HSBC" means HSBC Bank Canada; and

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



Appendix “B”

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;

ORDER

Before the Honourable Justice MacDonald;

THIS APPLICATION, made by Grant Thornton Limited ("GTL" or the "Monitor"), in its capacity as Court-Appointed Monitor of the Company, pursuant to the *Companies Creditors Arrangement Act* R.S.C., 1985 c. C-36 as Amended ("CCAA") and *Wage Earners Protection Program Act* S.C. 2005, c. 47, s. 1 ("WEPPA") for an Order substantially in the form filed with the Application was heard on this 10th day of June, 2022.

ON READING the affidavits of Phil Clarke sworn on the 30th day of May, 2022 (the "Clarke Affidavit") and the Exhibits thereto, and of Melissa Spearns sworn on the 27th day of May, 2022 (the "Spearns Affidavit") and the Exhibits thereto, and the Monitor's Third Report;

UPON HEARING Meghan M. King of Counsel for the Monitor, Darren D. O'Keefe of Counsel for the Company, other counsel as they may appear, no one else appearing for any party duly served as outlined in the affidavit of service dated the ___ day of _____, 2022 ,

IT IS HEREBY ORDERED:

1. THAT the time for service of the within Notice of Motion and materials filed, as set out in



the affidavit of served is hereby deemed adequate notice so that this Application is properly returnable today and hereby dispenses with further service thereof.

2. **THAT** all terms not otherwise defined herein shall have the meaning ascribed to them in the Amended and Restated Initial Order of this Court dated March 18th, 2022 (the "ARIO"), the order of this Court dated March 18th, 2022, approving the Sales, Solicitation and Investment Process (the "SISP Order"), the Clarke Affidavit, the Spearns Affidavit, and the Third Report of the Monitor filed on May 30th, 2022 (the "Monitors Third Report");

EXTENSION OF THE STAY PERIOD

3. **THIS COURT ORDERS** that the current Stay Period under the CCAA be and is hereby extended to and including September 2, 2022.

WAGE EARNER PROTECTION PROGRAM ACT

4. **THIS COURT ORDERS AND DECLARES** that pursuant to section 5(5) of WEPPA the Company and their collective former employees meet the criteria prescribed by section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222 and are a former employer, employees and individuals to whom the WEPPA applies as of March 21, 2022.

AMENDMENTS TO THE SISP AND ARIO

5. **THIS COURT ORDERS** that the amendments to the SISP Order as proposed by the Monitor attached hereto as **Exhibit "A"**, and the amendments to the ARIO as proposed by the Monitor, attached hereto as **Exhibit "B"**, are hereby approved.
6. **THIS COURT ORDERS** that in carrying out the terms of this Order, the Monitor whether in its personal capacity or in its capacity as the Monitor:

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



these CCAA proceedings, including the stay of proceedings; and

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

APPROVAL OF THE MONITORS THIRD REPORT

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

DATED at St. John's, in the Province of Newfoundland and Labrador, this 10 day of June, 2022.

 COURT
OFFICER



Exhibit "A"

2022 01G 0709

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR IN BANKRUPTCY AND INSOLVENCY

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

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

ORDER APPROVING A REVISED SALE AND INVESTMENT SOLICITATION PROCESS

[1] **CONSIDERING** the Applicant's Application for the issuance of (i) an Initial Order, (ii) an Amended and Restated Initial Order, (iii) an Order approving the DIP Financing Agreement, and (iv) an Order approving a Sale and Investment Solicitation Process (the "Application"), the affidavit of Phil Clarke dated the 8th day of March, 2022 and the exhibits in support thereof;

[2] **CONSIDERING** the submissions of counsel;

[3] **CONSIDERING** the pre-filing report prepared by Grant Thornton Limited (the "Monitor");

[4] CONSIDERING the further materials filed with this Court since March 8th, 2022, including the First, Second and Third Reports of the Monitor, and the affidavit of Phil Clarke dated the 30th day of May, 2022 and Melissa Spears dated May 25th, 2022 and the exhibits thereto;

[4][5] **CONSIDERING** the provisions of the Companies' Creditors Arrangement Act ("CCAA");

THE COURT:

[5] ~~GRANTS~~ the Application;

[6] CONFIRMS ITS GRANT of the original Order dated March 18th, 2022, in connection with the Application (defined above), with the modifications blacklined herein being approved and deemed effective as of the date of the Order to which this revised Order is attached as Exhibit "A"

DEFINITIONS

[6][7] **DECLARES** that all capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bidding Procedures (as defined below).

SERVICE

Formatted: Font: Not Bold

2

[74][8] **DECLARES** that sufficient prior notice of the presentation of the Application has been given by the Applicant to interested parties, and that further service thereof is hereby dispensed with.

[84][9] **PERMITS** the service of the present Order (this "Order") at any time and place and by any means whatsoever.

SISP

[94][10] **APPROVES** and **RATIFIES** the Revised Sale and Investment Solicitation Process ("SISP") set forth in the Procedures for the Sale and Investment Solicitation Process attached as Schedule "A" hereto (the "**Bidding Procedures**").

[104][11] **AUTHORIZES** the Applicant and the Company, to the extent the Company assists with the SISP, to implement the SISP and to take such steps and execute such documentation as may be necessary or incidental thereto, the whole in accordance with the Bidding Procedures.

[114][12] **ORDERS** that the Applicant and the Company, as well as respective affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of performing their duties under the SISP, except to the extent of such losses, claims, damages or liabilities resulting from gross negligence or willful misconduct of any such person or entity, as applicable, as determined by this Court.

GENERAL

[124][13] **ORDERS** that the Applicant and the Company, to the extent the Company assists with the SISP are authorized and permitted under applicable law to disclose and transfer to Potential Bidders and to their advisors personal information in the custody or control of the Company relating to the operation of the business, including human resources and payroll information, records pertaining to the Company's past and current employees, and information about any consumer, website visitor or other individual (collectively, "**Personal Information**"), but only to the extent necessary to negotiate, determine whether to proceed with, and attempt to complete a transaction in accordance with the SISP (a "**Transaction**"). Each Potential Bidder to whom any Personal Information is disclosed shall maintain and protect the Personal Information with security safeguards appropriate to the sensitivity of the Personal Information and as may otherwise be required by applicable federal or provincial privacy legislation and limit the use of such information to its evaluation of a Transaction, and if it does not complete a Transaction with the Applicant, shall return all such information to the Applicant, or in the alternative permanently destroy all such information.

[134][14] **ORDERS** that the Applicant may from time to time apply to this Court for advice and directions in the discharge of their respective powers and duties hereunder or under the SISP.

[144][15] **REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, in the United States of America or

2

PAGE: 3

elsewhere, to give effect to this Order and to assist the Applicant, as applicable, and their respective agents in carrying out the terms of this Order.

{+5}[16] **ORDERS** the provisional execution of this Order notwithstanding appeal and without any security or provision for costs whatsoever.

{+6}[17] **WITHOUT COSTS.**



Exhibit "B"

2022 01G 0709

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR IN BANKRUPTCY AND INSOLVENCY

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

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

AMENDED AND RESTATED INITIAL ORDER – AMENDMENT #1

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 Newspaper (a General Partnership) (in such capacity, the "Monitor"), and the Pre-Filing Report of GTL as Interim Receiver;

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

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

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 2 day of September, 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 (which includes the amount provided for in the Interim Receivership Order), as security for their professional fees and disbursements incurred at their respective standard rates and charges of the Monitor and such counsel, both before and after the making of this Order and the Amended and Restated Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 41 and 43 herein.

ENHANCEMENT OF MONITOR'S POWERS

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

- (a) take any and all actions and steps to manage, operate and carry on the Business, including, without in any way limiting the generality of the foregoing:
 - (i) any actions or steps the Monitor considers necessary or desirable to proceed with an orderly restructuring or liquidation of the Business;
 - (i) permanently or temporarily ceasing, downsizing or shutting down any of the Company's operations;
 - (ii) terminating the employment of or temporarily laying off employees of the Company;
 - (iii) pursuing all avenues of refinancing the Business or Property, except the Excluded Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing;
 - (iv) preparing a Plan of Compromise and Arrangement on behalf of one or more of the Applicants;
 - (v) settling, extending or compromising any indebtedness owing to or by the Company;



- (vi) initiating, prosecuting and continuing the prosecution of any and all proceedings and defending all proceedings now pending or hereafter instituted with respect to the Company, the Business, the Property or the Monitor and to settle or compromise any such proceeding;
 - (vii) taking any and all corporate governance actions for the Company; and
 - (viii) providing instruction and direction to the advisors of the Company;
- (b) preserve, protect and exercise control over the Property, (with the exception of the Excluded Property), or any parts thereof, including, without in any way limiting the generality of the foregoing:
- (i) receive, collect and exercise control over all monies and accounts held by or owing to the Company; including any proceeds of the sale of any of the Property (save and except the Excluded Property);
 - (ii) exercise all remedies of the Company in collecting monies owed or hereafter owing to the Company and to enforce any security held by the Company;
 - (iii) execute, assign, issue and endorse documents of whatever nature in respect of any of the Property (save and except the Excluded Property) for any purpose pursuant to this Order;
 - (iv) to market, sell convey, transfer, lease or assign the Property, including running a sales solicitation process, or any part or parts of the Property out of the ordinary course of business;
 - (A) without the approval of this Court, in respect of any one transaction not exceeding \$500,000 or \$2,500,000 in the aggregate;
 - (B) without the approval of this Court in respect of the sale of Fluorspar inventory; and
 - (C) with the approval of this Court in respect of any other transaction;



- (c) to report to, meet with and discuss with such affected persons as the Monitor deems appropriate on all matters relating to the Business and the Property, and to share information, subject to such terms as to confidentiality as the Monitor deems advisable;
- (d) oversee and direct the preparation and dissemination of financial and other information of the Company in these proceedings, including cash flow statements;
- (e) apply to the court for advice and direction or for any further orders in these proceedings, including, without in any way limiting the generality of the foregoing, sale approval and vesting orders and orders extending or terminating the stay of proceedings;
- (f) perform such other duties or take any steps reasonably incidental to the exercise of these powers;

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE MONITOR

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

- (a) advising the Monitor of the existence of any Property of which such party has knowledge of;
- (b) providing the Monitor with immediate and continued access to any Property in such party's possession or control;
- (c) advising the Monitor of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Company, and any computer programs, computer tapes, computer disks, or other



data storage media containing any such information ("**Records**") of which such party has knowledge of; and

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

LIMITATION ON THE MONITOR'S LIABILITY

- 32. **THIS COURT ORDERS THAT** the Monitor is not and shall not, for any purposes, be deemed to be a director, officer, employee, receiver, receiver-manager, or liquidator of the Company.
- 33. **THIS COURT ORDERS THAT** the Monitor is not and shall not for the purposes of the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.) be deemed to be a legal representative or person to whom s. 150(3) of that Act applies.
- 34. **THIS COURT ORDERS THAT** that the rights, protections, indemnities, charges, priorities and other provisions in favour of the Monitor set out in the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, any other applicable legislation, and any other Order granted in these proceedings, all shall apply and extend to the Monitor in connection with the Monitor carrying out the provisions of this Order, amended as necessary to give effect to the terms of this Order.

DIP FINANCING

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



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

36. **THIS COURT ORDERS** that, in addition to the DIP Financing Agreement, the Company is also hereby authorized and empowered to execute and deliver such other credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively with the DIP Financing Agreement, the "**Definitive Documents**"), as are contemplated by the DIP Financing Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Monitor, on behalf of the Company is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Financing Agreement and the other Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.
37. **THIS COURT ORDERS** that, as security for the Company's obligations under the Definitive Documents, the DIP Lender shall be entitled to the benefit of and are hereby granted a charge (the "**DIP Lender's Charge**") on the Property, (save and except the Excluded Property and Excluded Inventory), which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 41 and 43 herein. Notwithstanding the foregoing, the Interim Receiver's Borrowing Charge contained in Paragraph 27 of the Interim Receivership Order, being the 1.8 Million advanced pursuant to the Interim Receivership Order, shall continue to be in full force and effect during the term of this Order. The Interim Receiver's Borrowing Charge shall rank *pari passu* with the DIP Lender's Charge.
38. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:



- (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.



2022 01G 0709

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY AND INSOLVENCY

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

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

AMENDED AND RESTATED INITIAL ORDER – AMENDMENT #1

BEFORE THE HONOURABLE JUSTICE MACDONALD

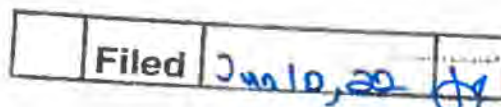
THIS APPLICATION, made by Grant Thornton Limited, in its capacity as Court-Appointed Interim Receiver of Canada Fluorspar (NL) Inc., and Canada Fluorspar Inc., (the “**Interim Receiver**” or the “**Applicant**”) pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended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

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

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

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

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 2 day of September, 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 (which includes the amount provided for in the Interim Receivership Order), as security for their professional fees and disbursements incurred at their respective standard rates and charges of the Monitor and such counsel, both before and after the making of this Order and the Amended and Restated Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 41 and 43 herein.

ENHANCEMENT OF MONITOR'S POWERS

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

- (a) take any and all actions and steps to manage, operate and carry on the Business, including, without in any way limiting the generality of the foregoing:
 - (i) any actions or steps the Monitor considers necessary or desirable to proceed with an orderly restructuring or liquidation of the Business;
 - (i) permanently or temporarily ceasing, downsizing or shutting down any of the Company's operations;
 - (ii) terminating the employment of or temporarily laying off employees of the Company;
 - (iii) pursuing all avenues of refinancing the Business or Property, except the Excluded Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing;
 - (iv) preparing a Plan of Compromise and Arrangement on behalf of one or more of the Applicants;
 - (v) settling, extending or compromising any indebtedness owing to or by the Company;



- (vi) initiating, prosecuting and continuing the prosecution of any and all proceedings and defending all proceedings now pending or hereafter instituted with respect to the Company, the Business, the Property or the Monitor and to settle or compromise any such proceeding;
 - (vii) taking any and all corporate governance actions for the Company; and
 - (viii) providing instruction and direction to the advisors of the Company;
- (b) preserve, protect and exercise control over the Property, (with the exception of the Excluded Property), or any parts thereof, including, without in any way limiting the generality of the foregoing:
- (i) receive, collect and exercise control over all monies and accounts held by or owing to the Company; including any proceeds of the sale of any of the Property (save and except the Excluded Property);
 - (ii) exercise all remedies of the Company in collecting monies owed or hereafter owing to the Company and to enforce any security held by the Company;
 - (iii) execute, assign, issue and endorse documents of whatever nature in respect of any of the Property (save and except the Excluded Property) for any purpose pursuant to this Order;
 - (iv) to market, sell convey, transfer, lease or assign the Property, including running a sales solicitation process, or any part or parts of the Property out of the ordinary course of business;
 - (A) without the approval of this Court, in respect of any one transaction not exceeding \$500,000 or \$2,500,000 in the aggregate;
 - (B) without the approval of this Court in respect of the sale of Fluorspar inventory; and
 - (C) with the approval of this Court in respect of any other transaction;



- (c) to report to, meet with and discuss with such affected persons as the Monitor deems appropriate on all matters relating to the Business and the Property, and to share information, subject to such terms as to confidentiality as the Monitor deems advisable;
- (d) oversee and direct the preparation and dissemination of financial and other information of the Company in these proceedings, including cash flow statements;
- (e) apply to the court for advice and direction or for any further orders in these proceedings, including, without in any way limiting the generality of the foregoing, sale approval and vesting orders and orders extending or terminating the stay of proceedings;
- (f) perform such other duties or take any steps reasonably incidental to the exercise of these powers;

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE MONITOR

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

- (a) advising the Monitor of the existence of any Property of which such party has knowledge of;
- (b) providing the Monitor with immediate and continued access to any Property in such party's possession or control;
- (c) advising the Monitor of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Company, and any computer programs, computer tapes, computer disks, or other



data storage media containing any such information ("**Records**") of which such party has knowledge of; and

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

LIMITATION ON THE MONITOR'S LIABILITY

- 32. **THIS COURT ORDERS THAT** the Monitor is not and shall not, for any purposes, be deemed to be a director, officer, employee, receiver, receiver-manager, or liquidator of the Company.
- 33. **THIS COURT ORDERS THAT** the Monitor is not and shall not for the purposes of the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.) be deemed to be a legal representative or person to whom s. 150(3) of that Act applies.
- 34. **THIS COURT ORDERS THAT** that the rights, protections, indemnities, charges, priorities and other provisions in favour of the Monitor set out in the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, any other applicable legislation, and any other Order granted in these proceedings, all shall apply and extend to the Monitor in connection with the Monitor carrying out the provisions of this Order, amended as necessary to give effect to the terms of this Order.

DIP FINANCING

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



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

36. **THIS COURT ORDERS** that, in addition to the DIP Financing Agreement, the Company is also hereby authorized and empowered to execute and deliver such other credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively with the DIP Financing Agreement, the "**Definitive Documents**"), as are contemplated by the DIP Financing Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Monitor, on behalf of the Company is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Financing Agreement and the other Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.
37. **THIS COURT ORDERS** that, as security for the Company's obligations under the Definitive Documents, the DIP Lender shall be entitled to the benefit of and are hereby granted a charge (the "**DIP Lender's Charge**") on the Property, (save and except the Excluded Property and Excluded Inventory), which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 41 and 43 herein. Notwithstanding the foregoing, the Interim Receiver's Borrowing Charge contained in Paragraph 27 of the Interim Receivership Order, being the 1.8 Million advanced pursuant to the Interim Receivership Order, shall continue to be in full force and effect during the term of this Order. The Interim Receiver's Borrowing Charge shall rank pari passu with the DIP Lender's Charge.
38. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:



- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
 - (b) upon the occurrence of an event of default under the DIP Financing Agreement, the other Definitive Documents or the DIP Lender's Charge, upon five (5) days notice to the Monitor and the Company, the DIP Lender may exercise any rights and remedies against the Company or the Property, (save and except the Excluded Property), under or pursuant to the DIP Financing Agreement, the other Definitive Documents and the DIP Lender's Charge, including, without limitation, to cease making advances to the Company and set off and/or consolidate any amounts that may be owing by the DIP Lender against the obligations of the Company to the DIP Lender under the DIP Financing Agreement, the other Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Company and for the appointment of a trustee in bankruptcy of the Company; and
 - (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Company or the Property (save and except the Excluded Property).
39. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Company under the CCAA, or any proposal filed by the Company under the BIA, with respect to any advances made under the DIP Financing Agreement and the other Definitive Documents.
40. **THIS COURT ORDERS AND DECLARES** that this Order is subject to provisional execution and that if any of the provisions of this Order in connection with the DIP Financing Agreement, the other Definitive Documents or the DIP Lender's Charge shall subsequently be stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a "**Variation**") whether by subsequent order of this Court on or pending an appeal from this Order, such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP Lender, whether under this Order (as



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

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

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

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

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

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

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



44. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Company shall not grant any Encumbrances over any Property that rank in priority to, or pari passu with, any of the Charges, unless the Company also obtains the prior written consent of the Monitor and of the applicable chargee(s) entitled to the benefit of the Charges (collectively, the "**Chargees**"), or further Order of this Court.
45. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Company, and notwithstanding any provision to the contrary in any Agreement:
- (a) Neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Financing Agreement or the other Definitive Documents shall create or be deemed to constitute a breach by the Company of any Agreement to which it is a party;
 - (b) None of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Company entering into the DIP Financing Agreement, the creation of the Charges, or the execution, delivery or performance of the other Definitive Documents; and
 - (c) The payments made by the Company pursuant to this Order, the DIP Financing Agreement or the other Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.



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

SERVICE AND NOTICE

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

GENERAL

48. **THIS COURT ORDERS** that the Monitor, on behalf of the Company, may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
49. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from subsequently acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Company, the Business or the Property.
50. **THIS COURT ORDERS** that each of the Company and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

 **COURT OFFICER**
Dated June 10, 2022



Schedule "A"

Defined Terms

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

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

"HSBC" means HSBC Bank Canada; and

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



Appendix “C”

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;

ORDER

Before the Honourable Justice MacDonald;

THIS APPLICATION, made by Grant Thornton Limited ("GTL" or the "Monitor"), in its capacity as Court-Appointed Monitor of the Company, pursuant to the *Companies Creditors Arrangement Act* R.S.C., 1985 c. C-36 as Amended ("CCAA") for an Order substantially in the form filed with the Application heard on this 30th day of August, 2022.

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

UPON HEARING Meghan M. King Counsel for the Monitor, Darren D. O'Keefe Counsel for the Company, other counsel as they may appear, no one else appearing for any party duly served as outlined in the affidavit of service dated the 25th day of August, 2022 ,

IT IS HEREBY ORDERED:

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



2

2. **THAT** all terms not otherwise defined herein shall have the meaning ascribed to them in the Amended and Restated Initial Order of this Court dated March 18th, 2022 (the "ARIO"), and Amendment #1 of ARIO dated June 10th, 2022 (the "Amended ARIO"), approving the Sales, Solicitation and Investment Process (the "SISP Order") and the amended SISP Order dated the 10th day of June, 2022 (the "Amended SISP Order"), the Clarke Affidavit, and the Fourth Report of the Monitor filed on August 24, 2022 (the "Monitor's Fourth Report");

EXTENSION OF THE STAY PERIOD

3. **THIS COURT ORDERS** that the current Stay Period under the CCAA be and is hereby extended to and including October 17, 2022.

AMENDMENTS TO THE SISP AND AMENDED ARIO

4. **THIS COURT ORDERS** that the amendments to the Amended SISP Order as proposed by the Monitor attached hereto as **Exhibit "A"**, and the amendments to the Amended ARIO as proposed by the Monitor, attached hereto as **Exhibit "B"**, are hereby approved.
5. **THIS COURT ORDERS** that in carrying out the terms of this Order, the Monitor whether in its personal capacity or in its capacity as the Monitor:

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

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

APPROVAL OF THE MONITOR'S FOURTH REPORT



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

DATED at St. John's, in the Province of Newfoundland and Labrador, this 30 day of August, 2022.

A handwritten signature in blue ink, reading "Julie Masluk", written over a horizontal line.

COURT
OFFICER

A small, handwritten mark in blue ink, resembling a stylized "a" or a flourish, located in the bottom right corner of the page.

Exhibit "A"

2022 01G 0709

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR IN BANKRUPTCY AND INSOLVENCY

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

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

ORDER APPROVING A REVISED SALE AND INVESTMENT SOLICITATION PROCESS – Revision #2

- [1] **CONSIDERING** the Applicant's *Application for the issuance of (i) an Initial Order, (ii) an Amended and Restated Initial Order, (iii) an Order approving the DIP Financing Agreement; and (iv) an Order approving a Sale and Investment Solicitation Process (the "Application")*, the affidavit of Phil Clarke dated the 8th day of March, 2022 and the exhibits in support thereof;
- [2] **CONSIDERING** the submissions of counsel;
- [3] **CONSIDERING** the pre-filing report prepared by Grant Thornton Limited (the "Monitor");
- [4] **CONSIDERING** the further materials filed with this Court since March 8th, 2022, including the First, Second and Third Reports of the Monitor, and the affidavit of Phil Clarke dated the 30th day of May, 2022 and Melissa Spearns dated May 26th, 2022 and the exhibits thereto;
- [5] **CONSIDERING** the further materials filed since May 31st, 2022 including the Fourth Report of the Monitor, and the affidavit of Phil Clarke dated the 24th of August, 2022 and the exhibits thereto;
- [6] **CONSIDERING** the provisions of the *Companies' Creditors Arrangement Act* ("CCAA");

THE COURT:

- [7] **CONFIRMS ITS GRANT** of the original Order dated March 18th, 2022 and its subsequent Order dated June 10th, 2022, in connection with the Application (defined above), with the modifications blacklined herein being approved and deemed effective as of the date of the Order to which this revised Order is attached as **Exhibit "A"**

DEFINITIONS



- [8] **DECLARES** that all capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bidding Procedures (as defined below).

SERVICE

- [9] **DECLARES** that sufficient prior notice of the presentation of the Application has been given by the Applicant to interested parties, and that further service thereof is hereby dispensed with.
- [10] **PERMITS** the service of the present Order (this "**Order**") at any time and place and by any means whatsoever.

SISP

- [11] **APPROVES** and **RATIFIES** the Revised Sale and Investment Solicitation Process ("**SISP**") set forth in the Procedures for the Sale and Investment Solicitation Process attached as Schedule "A" hereto (the "**Bidding Procedures**").
- [12] **AUTHORIZES** the Applicant and the Company, to the extent the Company assists with the SISP, to implement the SISP and to take such steps and execute such documentation as may be necessary or incidental thereto, the whole in accordance with the Bidding Procedures.
- [13] **ORDERS** that the Applicant and the Company, as well as respective affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of performing their duties under the SISP, except to the extent of such losses, claims, damages or liabilities resulting from gross negligence or willful misconduct of any such person or entity, as applicable, as determined by this Court.

GENERAL

- [14] **ORDERS** that the Applicant and the Company, to the extent the Company assists with the SISP are authorized and permitted under applicable law to disclose and transfer to Potential Bidders and to their advisors personal information in the custody or control of the Company relating to the operation of the business, including human resources and payroll information, records pertaining to the Company's past and current employees, and information about any consumer, website visitor or other individual (collectively, "**Personal Information**"), but only to the extent necessary to negotiate, determine whether to proceed with, and attempt to complete a transaction in accordance with the SISP (a "**Transaction**"). Each Potential Bidder to whom any Personal Information is disclosed shall maintain and protect the Personal Information with security safeguards appropriate to the sensitivity of the Personal Information and as may otherwise be required by applicable federal or provincial privacy legislation and limit the use of such information to its evaluation of a Transaction, and if it does not complete a Transaction with the Applicant, shall return all such information to the Applicant, or in the alternative permanently destroy all such information.
- [15] **ORDERS** that the Applicant may from time to time apply to this Court for advice and directions in the discharge of their respective powers and duties hereunder or under the SISP.

- [16] **REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, in the United States of America or elsewhere, to give effect to this Order and to assist the Applicant, as applicable, and their respective agents in carrying out the terms of this Order.
- [17] **ORDERS** the provisional execution of this Order notwithstanding appeal and without any security or provision for costs whatsoever.
- [18] **WITHOUT COSTS.**
-

2022 01G 0709
IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY AND INSOLVENCY

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

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

ORDER APPROVING A REVISED SALE AND INVESTMENT SOLICITATION PROCESS =
Revision #2

- [1] **CONSIDERING** the Applicant's *Application for the issuance of (i) an Initial Order, (ii) an Amended and Restated Initial Order, (iii) an Order approving the DIP Financing Agreement; and (iv) an Order approving a Sale and Investment Solicitation Process (the "Application")*, the affidavit of Phil Clarke dated the 8th day of March, 2022 and the exhibits in support thereof;
- [2] **CONSIDERING** the submissions of counsel;
- [3] **CONSIDERING** the pre-filing report prepared by Grant Thornton Limited (the "Monitor");
- [4] **CONSIDERING** the further materials filed with this Court since March 8th, 2022, including the First, Second and Third Reports of the Monitor, and the affidavit of Phil Clarke dated the 30th day of May, 2022 and Melissa Spearns dated May 26th, 2022 and the exhibits thereto;
- [5] **CONSIDERING the further materials filed since May 31st, 2022 including the Fourth Report of the Monitor, and the affidavit of Phil Clarke dated the 24th of August, 2022 and the exhibits thereto;**
- [6] ~~[5]~~ **CONSIDERING** the provisions of the *Companies' Creditors Arrangement Act* ("CCAA");

THE COURT:

- [7] ~~[6]~~ **CONFIRMS ITS GRANT** of the original Order dated March 18th, 2022 and its subsequent Order dated June 10th, 2022, in connection with the Application (defined above), with the modifications blacklined herein being approved and deemed effective as of the date of the Order to which this revised Order is attached as **Exhibit "A"**

DEFINITIONS

2

- [8] ~~[7]~~ **DECLARES** that all capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bidding Procedures (as defined below).

SERVICE

- [9] ~~[8]~~ **DECLARES** that sufficient prior notice of the presentation of the Application has been given by the Applicant to interested parties, and that further service thereof is hereby dispensed with.
- [10] ~~[9]~~ **PERMITS** the service of the present Order (this "Order") at any time and place and by any means whatsoever.

SISP

- [11] ~~[10]~~ **APPROVES** and **RATIFIES** the Revised Sale and Investment Solicitation Process ("SISP") set forth in the Procedures for the Sale and Investment Solicitation Process attached as Schedule "A" hereto (the "**Bidding Procedures**").
- [12] ~~[11]~~ **AUTHORIZES** the Applicant and the Company, to the extent the Company assists with the SISP, to implement the SISP and to take such steps and execute such documentation as may be necessary or incidental thereto, the whole in accordance with the Bidding Procedures.
- [13] ~~[12]~~ **ORDERS** that the Applicant and the Company, as well as respective affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of performing their duties under the SISP, except to the extent of such losses, claims, damages or liabilities resulting from gross negligence or willful misconduct of any such person or entity, as applicable, as determined by this Court.

GENERAL

- [14] ~~[13]~~ **ORDERS** that the Applicant and the Company, to the extent the Company assists with the SISP are authorized and permitted under applicable law to disclose and transfer to Potential Bidders and to their advisors personal information in the custody or control of the Company relating to the operation of the business, including human resources and payroll information, records pertaining to the Company's past and current employees, and information about any consumer, website visitor or other individual (collectively, "**Personal Information**"), but only to the extent necessary to negotiate, determine whether to proceed with, and attempt to complete a transaction in accordance with the SISP (a "**Transaction**"). Each Potential Bidder to whom any Personal Information is disclosed shall maintain and protect the Personal Information with security safeguards appropriate to the sensitivity of the Personal Information and as may otherwise be required by applicable federal or provincial privacy legislation and limit the use of such information to its evaluation of a Transaction, and if it does not complete a Transaction with the Applicant,

shall return all such information to the Applicant, or in the alternative permanently destroy all such information.

[15] ~~[14]~~ **ORDERS** that the Applicant may from time to time apply to this Court for advice and directions in the discharge of their respective powers and duties hereunder or under the SISP.

[16] ~~[15]~~ **REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, in the United States of America or elsewhere, to give effect to this Order and to assist the Applicant, as applicable, and their respective agents in carrying out the terms of this Order.

[17] ~~[16]~~ **ORDERS** the provisional execution of this Order notwithstanding appeal and without any security or provision for costs whatsoever.

[18] ~~[17]~~ **WITHOUT COSTS.**

d

Exhibit "B"

2022 01G 0709

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR IN BANKRUPTCY AND INSOLVENCY

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

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

AMENDED AND RESTATED INITIAL ORDER – AMENDMENT #2

BEFORE THE HONOURABLE JUSTICE MACDONALD

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

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

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

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

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

ON 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 17th day of October, 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 (which includes the amount provided for in the Interim Receivership Order), as security for their professional fees and disbursements incurred at their respective standard rates and charges of the Monitor and such counsel, both before and after the making of this Order and the Amended and Restated Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 41 and 43 herein.

ENHANCEMENT OF MONITOR'S POWERS

30. **THIS COURT ORDERS** that, without in any way limiting the powers and duties of the Monitor, the Monitor is hereby empowered and authorized, but not obligated, to do any of the following in the name and on behalf of the Company, where the Monitor considers it necessary or desirable:
- (a) take any and all actions and steps to manage, operate and carry on the Business, including, without in any way limiting the generality of the foregoing:
 - (i) any actions or steps the Monitor considers necessary or desirable to proceed with an orderly restructuring or liquidation of the Business;
 - (i) permanently or temporarily ceasing, downsizing or shutting down any of the Company's operations;
 - (ii) terminating the employment of or temporarily laying off employees of the Company;
 - (iii) pursuing all avenues of refinancing the Business or Property, except the Excluded Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing;
 - (iv) preparing a Plan of Compromise and Arrangement on behalf of one or more of the Applicants;
 - (v) settling, extending or compromising any indebtedness owing to or by the Company;

- (vi) initiating, prosecuting and continuing the prosecution of any and all proceedings and defending all proceedings now pending or hereafter instituted with respect to the Company, the Business, the Property or the Monitor and to settle or compromise any such proceeding;
 - (vii) taking any and all corporate governance actions for the Company; and
 - (viii) providing instruction and direction to the advisors of the Company;
- (b) preserve, protect and exercise control over the Property, (with the exception of the Excluded Property), or any parts thereof, including, without in any way limiting the generality of the foregoing:
- (i) receive, collect and exercise control over all monies and accounts held by or owing to the Company; including any proceeds of the sale of any of the Property (save and except the Excluded Property);
 - (ii) exercise all remedies of the Company in collecting monies owed or hereafter owing to the Company and to enforce any security held by the Company;
 - (iii) execute, assign, issue and endorse documents of whatever nature in respect of any of the Property (save and except the Excluded Property) for any purpose pursuant to this Order;
 - (iv) to market, sell convey, transfer, lease or assign the Property, including running a sales solicitation process, or any part or parts of the Property out of the ordinary course of business;
 - (A) without the approval of this Court, in respect of any one transaction not exceeding \$500,000 or \$2,500,000 in the aggregate;
 - (B) without the approval of this Court in respect of the sale of Fluorspar inventory; and
 - (C) with the approval of this Court in respect of any other transaction;

- (c) to report to, meet with and discuss with such affected persons as the Monitor deems appropriate on all matters relating to the Business and the Property, and to share information, subject to such terms as to confidentiality as the Monitor deems advisable;
- (d) oversee and direct the preparation and dissemination of financial and other information of the Company in these proceedings, including cash flow statements;
- (e) apply to the court for advice and direction or for any further orders in these proceedings, including, without in any way limiting the generality of the foregoing, sale approval and vesting orders and orders extending or terminating the stay of proceedings;
- (f) perform such other duties or take any steps reasonably incidental to the exercise of these powers;

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE MONITOR

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

- (a) advising the Monitor of the existence of any Property of which such party has knowledge of;
- (b) providing the Monitor with immediate and continued access to any Property in such party's possession or control;
- (c) advising the Monitor of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Company, and any computer programs, computer tapes, computer disks, or other

data storage media containing any such information ("**Records**") of which such party has knowledge of; and

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

LIMITATION ON THE MONITOR'S LIABILITY

- 32. **THIS COURT ORDERS THAT** the Monitor is not and shall not, for any purposes, be deemed to be a director, officer, employee, receiver, receiver-manager, or liquidator of the Company.
- 33. **THIS COURT ORDERS THAT** the Monitor is not and shall not for the purposes of the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.) be deemed to be a legal representative or person to whom s. 150(3) of that Act applies.
- 34. **THIS COURT ORDERS THAT** that the rights, protections, indemnities, charges, priorities and other provisions in favour of the Monitor set out in the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, any other applicable legislation, and any other Order granted in these proceedings, all shall apply and extend to the Monitor in connection with the Monitor carrying out the provisions of this Order, amended as necessary to give effect to the terms of this Order.

DIP FINANCING

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

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

36. **THIS COURT ORDERS** that, in addition to the DIP Financing Agreement, the Company is also hereby authorized and empowered to execute and deliver such other credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively with the DIP Financing Agreement, the "**Definitive Documents**"), as are contemplated by the DIP Financing Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Monitor, on behalf of the Company is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Financing Agreement and the other Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.
37. **THIS COURT ORDERS** that, as security for the Company's obligations under the Definitive Documents, the DIP Lender shall be entitled to the benefit of and are hereby granted a charge (the "**DIP Lender's Charge**") on the Property, (save and except the Excluded Property and Excluded Inventory), which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 41 and 43 herein. Notwithstanding the foregoing, the Interim Receiver's Borrowing Charge contained in Paragraph 27 of the Interim Receivership Order, being the 1.8 Million advanced pursuant to the Interim Receivership Order, shall continue to be in full force and effect during the term of this Order. The Interim Receiver's Borrowing Charge shall rank *pari passu* with the DIP Lender's Charge.
38. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (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.

2022 01G 0709
IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY AND INSOLVENCY

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

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

**ORDER APPROVING A REVISED SALE AND INVESTMENT SOLICITATION PROCESS –
Revision #2**

- [1] **CONSIDERING** the Applicant's *Application for the issuance of (i) an Initial Order, (ii) an Amended and Restated Initial Order, (iii) an Order approving the DIP Financing Agreement; and (iv) an Order approving a Sale and Investment Solicitation Process (the "Application")*, the affidavit of Phil Clarke dated the 8th day of March, 2022 and the exhibits in support thereof;
- [2] **CONSIDERING** the submissions of counsel;
- [3] **CONSIDERING** the pre-filing report prepared by Grant Thornton Limited (the "**Monitor**");
- [4] **CONSIDERING** the further materials filed with this Court since March 8th, 2022, including the First, Second and Third Reports of the Monitor, and the affidavit of Phil Clarke dated the 30th day of May, 2022 and Melissa Spearns dated May 26th, 2022 and the exhibits thereto;
- [5] **CONSIDERING** the further materials filed since May 31st, 2022 including the Fourth Report of the Monitor, and the affidavit of Phil Clarke dated the 24th of August, 2022 and the exhibits thereto;
- [6] **CONSIDERING** the provisions of the *Companies' Creditors Arrangement Act* ("**CCAA**");

THE COURT:

- [7] **CONFIRMS ITS GRANT** of the original Order dated March 18th, 2022 and its subsequent Order dated June 10th, 2022, in connection with the Application (defined above), with the modifications blacklined herein being approved and deemed effective as of the date of the Order to which this revised Order is attached as **Exhibit "A"**

DEFINITIONS



a

- [8] **DECLARES** that all capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bidding Procedures (as defined below).

SERVICE

- [9] **DECLARES** that sufficient prior notice of the presentation of the Application has been given by the Applicant to interested parties, and that further service thereof is hereby dispensed with.
- [10] **PERMITS** the service of the present Order (this "**Order**") at any time and place and by any means whatsoever.

SISP

- [11] **APPROVES** and **RATIFIES** the Revised Sale and Investment Solicitation Process ("**SISP**") set forth in the Procedures for the Sale and Investment Solicitation Process attached as Schedule "A" hereto (the "**Bidding Procedures**").
- [12] **AUTHORIZES** the Applicant and the Company, to the extent the Company assists with the SISP, to implement the SISP and to take such steps and execute such documentation as may be necessary or incidental thereto, the whole in accordance with the Bidding Procedures.
- [13] **ORDERS** that the Applicant and the Company, as well as respective affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of performing their duties under the SISP, except to the extent of such losses, claims, damages or liabilities resulting from gross negligence or willful misconduct of any such person or entity, as applicable, as determined by this Court.

GENERAL

- [14] **ORDERS** that the Applicant and the Company, to the extent the Company assists with the SISP are authorized and permitted under applicable law to disclose and transfer to Potential Bidders and to their advisors personal information in the custody or control of the Company relating to the operation of the business, including human resources and payroll information, records pertaining to the Company's past and current employees, and information about any consumer, website visitor or other individual (collectively, "**Personal Information**"), but only to the extent necessary to negotiate, determine whether to proceed with, and attempt to complete a transaction in accordance with the SISP (a "**Transaction**"). Each Potential Bidder to whom any Personal Information is disclosed shall maintain and protect the Personal Information with security safeguards appropriate to the sensitivity of the Personal Information and as may otherwise be required by applicable federal or provincial privacy legislation and limit the use of such information to its evaluation of a Transaction, and if it does not complete a Transaction with the Applicant, shall return all such information to the Applicant, or in the alternative permanently destroy all such information.
- [15] **ORDERS** that the Applicant may from time to time apply to this Court for advice and directions in the discharge of their respective powers and duties hereunder or under the SISP.

d

- [16] **REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, in the United States of America or elsewhere, to give effect to this Order and to assist the Applicant, as applicable, and their respective agents in carrying out the terms of this Order.
- [17] **ORDERS** the provisional execution of this Order notwithstanding appeal and without any security or provision for costs whatsoever.
- [18] **WITHOUT COSTS.**

A handwritten signature in blue ink, appearing to read "Julie Healey", is written over a horizontal line.

**COURT
OFFICER**

A small, stylized handwritten mark or signature in blue ink, possibly a flourish or a small letter, is located in the bottom right corner of the page.

Exhibit "A"

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 18, 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

<u>Event</u>	<u>Date</u>
<u>1. Solicitation Letter</u> Monitor to distribute Solicitation Letter, to potentially interested parties	By no later than March 20 2022, at 5:00 p.m. (Newfoundland Standard Time)
<u>2. CIM and VDR</u> 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
<u>3. Phase 1 Qualified Bidders & Bid Deadline</u> 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.

2

<u>Event</u>	<u>Date</u>
<u>4. Phase 1 Successful Bid</u> 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)
<u>5. Phase 2 Bid Deadline & Qualified Bidders</u> Phase 2 Bid Deadline (for delivery of definitive offers by Phase 2 Qualified Bidders in accordance with the requirement of paragraph 22 of the Bidding Procedures)	By no later than July 22, 2022, at 5:00 p.m. (Newfoundland Standard Time)
<u>6. Auction</u> Auction Commencement Date (if needed)	By no later than July 29, 2022
<u>7. Selection of final Successful Bid</u> Deadline for selection of final Successful Bid	By no later than August 5, 2022, at 5:00 p.m. (Newfoundland Standard Time)
<u>8. Definitive Documentation</u> Deadline for completion of definitive documentation in respect of Successful Bid	By no later than <u>September 14, 2022</u>
<u>9. Approval Motion – Successful Bid</u> Deadline for filing of Approval Motion in respect of Successful Bid	By no later than <u>September 23, 2022</u>
<u>10. Closing – Successful Bid</u> Anticipated deadline for closing of Successful Bid being the Target Closing Date	<u>October 7, 2022</u> or such earlier date as is achievable
<u>11. Outside Date – Closing</u> Outside Date by which the Successful Bid must close	<u>October 17, 2022</u>

2

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

a

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

or

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

a

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 33 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 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**").

a

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 32 below;

a

- (j) contemplates and reasonably demonstrates a capacity to consummate a closing of the transaction set out therein on or before October 7, 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 October 17, 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 22(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 SISF, 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 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.

d

- (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 August 5, 2022 and the definitive documentation in respect of the Successful Bid must be finalized and executed no later than September 14, 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 September 23, 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) October 17, 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 October 17, 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 36 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

Or

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 30.
- "Approval Order(s)"** shall have the meaning set forth in paragraph 30.
- "Auction"** shall have the meaning set forth in paragraph 27.
- "Backup Bid"** shall have the meaning set forth in paragraph 29.
- "Backup Bidder"** shall have the meaning set forth in paragraph 29.
- "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 21.
- "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 35.
- "Court"** shall have the meaning set forth in the preamble.
- "Deposit"** shall have the meaning set forth in paragraph 22(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 27(h)27(h).

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

"Outside Date" shall have the meaning set forth in paragraph 22(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 21.

"Phase 2 Qualified Bid" shall have the meaning set forth in paragraph 21.

"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 25.

"Successful Bidder" shall have the meaning set forth in paragraph 25.

"Target Closing Date" shall have the meaning set forth in paragraph 22(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:

O'Keefe and Company

Attention: Darren O'Keefe
Email: darren@okeefeandcompany.com

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 geoffrey.spencer@mcinnescooper.com

a

2022 01G 0709

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY AND INSOLVENCY

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

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

AMENDED AND RESTATED INITIAL ORDER – AMENDMENT #2

BEFORE THE HONOURABLE JUSTICE MACDONALD

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

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

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

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

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

ON 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 Newspaper (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 17th day of October, 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 (which includes the amount provided for in the Interim Receivership Order), as security for their professional fees and disbursements incurred at their respective standard rates and charges of the Monitor and such counsel, both before and after the making of this Order and the Amended and Restated Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 41 and 43 herein.

ENHANCEMENT OF MONITOR'S POWERS

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

- (a) take any and all actions and steps to manage, operate and carry on the Business, including, without in any way limiting the generality of the foregoing:
 - (i) any actions or steps the Monitor considers necessary or desirable to proceed with an orderly restructuring or liquidation of the Business;
 - (i) permanently or temporarily ceasing, downsizing or shutting down any of the Company's operations;
 - (ii) terminating the employment of or temporarily laying off employees of the Company;
 - (iii) pursuing all avenues of refinancing the Business or Property, except the Excluded Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing;
 - (iv) preparing a Plan of Compromise and Arrangement on behalf of one or more of the Applicants;
 - (v) settling, extending or compromising any indebtedness owing to or by the Company;

- (vi) initiating, prosecuting and continuing the prosecution of any and all proceedings and defending all proceedings now pending or hereafter instituted with respect to the Company, the Business, the Property or the Monitor and to settle or compromise any such proceeding;
 - (vii) taking any and all corporate governance actions for the Company; and
 - (viii) providing instruction and direction to the advisors of the Company;
- (b) preserve, protect and exercise control over the Property, (with the exception of the Excluded Property), or any parts thereof, including, without in any way limiting the generality of the foregoing:
- (i) receive, collect and exercise control over all monies and accounts held by or owing to the Company; including any proceeds of the sale of any of the Property (save and except the Excluded Property);
 - (ii) exercise all remedies of the Company in collecting monies owed or hereafter owing to the Company and to enforce any security held by the Company;
 - (iii) execute, assign, issue and endorse documents of whatever nature in respect of any of the Property (save and except the Excluded Property) for any purpose pursuant to this Order;
 - (iv) to market, sell convey, transfer, lease or assign the Property, including running a sales solicitation process, or any part or parts of the Property out of the ordinary course of business;
 - (A) without the approval of this Court, in respect of any one transaction not exceeding \$500,000 or \$2,500,000 in the aggregate;
 - (B) without the approval of this Court in respect of the sale of Fluorspar inventory; and
 - (C) with the approval of this Court in respect of any other transaction;

- (c) to report to, meet with and discuss with such affected persons as the Monitor deems appropriate on all matters relating to the Business and the Property, and to share information, subject to such terms as to confidentiality as the Monitor deems advisable;
- (d) oversee and direct the preparation and dissemination of financial and other information of the Company in these proceedings, including cash flow statements;
- (e) apply to the court for advice and direction or for any further orders in these proceedings, including, without in any way limiting the generality of the foregoing, sale approval and vesting orders and orders extending or terminating the stay of proceedings;
- (f) perform such other duties or take any steps reasonably incidental to the exercise of these powers;

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE MONITOR

31. **THIS COURT ORDERS** that the Company and all its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf shall fully co-operate with the Monitor in the exercise its powers under this Order or any other Order of the Court, including by:
- (a) advising the Monitor of the existence of any Property of which such party has knowledge of;
 - (b) providing the Monitor with immediate and continued access to any Property in such party's possession or control;
 - (c) advising the Monitor of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Company, and any computer programs, computer tapes, computer disks, or other

data storage media containing any such information ("Records") of which such party has knowledge of; and

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

LIMITATION ON THE MONITOR'S LIABILITY

- 32. **THIS COURT ORDERS THAT** the Monitor is not and shall not, for any purposes, be deemed to be a director, officer, employee, receiver, receiver-manager, or liquidator of the Company.
- 33. **THIS COURT ORDERS THAT** the Monitor is not and shall not for the purposes of the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.) be deemed to be a legal representative or person to whom s. 150(3) of that Act applies.
- 34. **THIS COURT ORDERS THAT** that the rights, protections, indemnities, charges, priorities and other provisions in favour of the Monitor set out in the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, any other applicable legislation, and any other Order granted in these proceedings, all shall apply and extend to the Monitor in connection with the Monitor carrying out the provisions of this Order, amended as necessary to give effect to the terms of this Order.

DIP FINANCING

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

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

36. **THIS COURT ORDERS** that, in addition to the DIP Financing Agreement, the Company is also hereby authorized and empowered to execute and deliver such other credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively with the DIP Financing Agreement, the "**Definitive Documents**"), as are contemplated by the DIP Financing Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Monitor, on behalf of the Company is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Financing Agreement and the other Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.
37. **THIS COURT ORDERS** that, as security for the Company's obligations under the Definitive Documents, the DIP Lender shall be entitled to the benefit of and are hereby granted a charge (the "**DIP Lender's Charge**") on the Property, (save and except the Excluded Property and Excluded Inventory), which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 41 and 43 herein. Notwithstanding the foregoing, the Interim Receiver's Borrowing Charge contained in Paragraph 27 of the Interim Receivership Order, being the 1.8 Million advanced pursuant to the Interim Receivership Order, shall continue to be in full force and effect during the term of this Order. The Interim Receiver's Borrowing Charge shall rank *pari passu* with the DIP Lender's Charge.
38. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
 - (b) upon the occurrence of an event of default under the DIP Financing Agreement, the other Definitive Documents or the DIP Lender's Charge, upon five (5) days notice to the Monitor and the Company, the DIP Lender may exercise any rights and remedies against the Company or the Property, (save and except the Excluded Property), under or pursuant to the DIP Financing Agreement, the other Definitive Documents and the DIP Lender's Charge, including, without limitation, to cease making advances to the Company and set off and/or consolidate any amounts that may be owing by the DIP Lender against the obligations of the Company to the DIP Lender under the DIP Financing Agreement, the other Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Company and for the appointment of a trustee in bankruptcy of the Company; and
 - (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Company or the Property (save and except the Excluded Property).
39. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Company under the CCAA, or any proposal filed by the Company under the BIA, with respect to any advances made under the DIP Financing Agreement and the other Definitive Documents.
40. **THIS COURT ORDERS AND DECLARES** that this Order is subject to provisional execution and that if any of the provisions of this Order in connection with the DIP Financing Agreement, the other Definitive Documents or the DIP Lender's Charge shall subsequently be stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a "**Variation**") whether by subsequent order of this Court on or pending an appeal from this Order, such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP Lender, whether under this Order (as



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

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

41. **THIS COURT ORDERS** that the priorities of the Administration Charge, the DIP Lender's Charge, and the Interim Receiver's Borrowing Charge on the Property (save and except the Excluded Property and Excluded Inventory), (collectively, the "**Charges**"), as among them, shall be as follows:
- First – the Administration Charge (to the maximum amount of \$250,000.00);
- Second– the DIP Lender's Charge and the Interim Receiver's Borrowing Charge, on a pari passu basis.
42. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.
43. **THIS COURT ORDERS** that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property, (save and except the Excluded Property and Excluded Inventory), and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, except for any secured creditor of the Company who did not receive notice of the application for this Order. The Company shall be entitled, on a subsequent motion on notice to those Persons likely to be affected thereby, to seek priority of the Charges ahead of any Encumbrances over which the Charges have not obtained priority pursuant to this Order.

44. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Company shall not grant any Encumbrances over any Property that rank in priority to, or pari passu with, any of the Charges, unless the Company also obtains the prior written consent of the Monitor and of the applicable chargee(s) entitled to the benefit of the Charges (collectively, the "**Chargees**"), or further Order of this Court.
45. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Company, and notwithstanding any provision to the contrary in any Agreement:
- (a) Neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Financing Agreement or the other Definitive Documents shall create or be deemed to constitute a breach by the Company of any Agreement to which it is a party;
 - (b) None of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Company entering into the DIP Financing Agreement, the creation of the Charges, or the execution, delivery or performance of the other Definitive Documents; and
 - (c) The payments made by the Company pursuant to this Order, the DIP Financing Agreement or the other Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

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

SERVICE AND NOTICE

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

GENERAL

48. **THIS COURT ORDERS** that the Monitor, on behalf of the Company, may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
49. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from subsequently acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Company, the Business or the Property.
50. **THIS COURT ORDERS** that each of the Company and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.


COURT
OFFICER

Schedule "A"

Defined Terms

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

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

"HSBC" means HSBC Bank Canada; and

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

Appendix “D”



St. Lawrence Area Trail Association
PO Box 445
St. Lawrence, NL A0E 2V0

September 20, 2022

Attention: Cass Clarke

Grant Thornton Ltd
Nova Centre, North Tower
Suite 1000, 1675 Grafton Street
Halifax, NS
B3J 0E9
T +1 902 421 1734
F +1 902 420 1068

Re: In the Matter of the Companies' Creditors Arrangement Act proceedings of Canada Fluorspar (NL) Inc., Canada Fluorspar Inc. and Newspaper (a General Partnership) ("CFI") – Property Claim of St. Lawrence Area Trail Association ("SLATA")

Mr. Clarke:

We are in receipt of SLATA's property claim dated August 26, 2022. We have fully accepted your claim as described below.

The claim has been accepted in full and all items can be retrieved from site at your own expense. The Monitor is requesting that the items be removed from site no later than October 7, 2022.

Please contact Corey Hines at 902-491-7704 or at Corey.Hines@ca.gt.com if you would like to arrange to retrieve the items as described in your claim.

Yours truly,

GRANT THORNTON LIMITED

In its Capacity as Monitor of
Canada Fluorspar (NL) Inc., Canada Fluorspar Inc. and Newspaper (a General Partnership)

A handwritten signature in blue ink, appearing to read "Phil Clarke", written over a light blue horizontal line.

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

Appendix “E”



General Auto & Industrial
PO Box 599, 195 McGettigan Blvd
Marystown, NL A0E 2M0

September 9, 2022

Attention: Junior Fancy

Grant Thornton Ltd
Nova Centre, North Tower
Suite 1000, 1675 Grafton Street
Halifax, NS
B3J 0E9
T +1 902 421 1734
F +1 902 420 1068

Re: In the Matter of the Companies' Creditors Arrangement Act proceedings of Canada Fluorspar (NL) Inc., Canada Fluorspar Inc. and Newspar (a General Partnership) ("CFI") – Property Claim of General Auto & Industrial ("NAPA – Marystown")

Mr. Fancy:

We are in receipt of NAPA – Marystown's property claim dated September 6, 2022. We have fully accepted your claim as described below.

The claim of the 14 totes has been accepted and can be retrieved from site at your convenience.

Additionally, the Monitor has been informed of 6 totes filled with diesel emission fluid and 4 totes of windshield washer fluid. CFI has been invoiced a deposit fee on these totes under the terms of service being the totes will be returned to NAPA – Marystown when empty. These totes are full and will be released to NAPA – Marystown when emptied. We trust this is agreeable.

The Monitor is currently undergoing a process of recommending to the Court to approve a sale transaction to the Successful Bidder selected, as per the Sales and Investment Solicitation Process. NAPA – Marystown can opt to leave the full totes on site to hopefully negotiate an agreement with a new purchaser.

Please contact Corey Hines at 902-491-7704 or at Corey.Hines@ca.gt.com if you would like to arrange to retrieve the consignment inventory as described above.

Yours truly,

GRANT THORNTON LIMITED

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

A handwritten signature in blue ink, appearing to be "Phil Clarke", written over a horizontal line.

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

Appendix “F”



Weir Minerals Canada Inc.
c/o Osler, Hoskin & Harcourt LLP
Brookfield Place, Suite 2700, 225 6 Ave SW
Calgary, AB T2P 1N2

Grant Thornton Ltd
Nova Centre, North Tower
Suite 1000, 1675 Grafton Street
Halifax, NS
B3J 0E9
T +1 902 421 1734
F +1 902 420 1068

September 8, 2022

Attention: Emily Paplawski

Re: In the Matter of the Companies' Creditors Arrangement Act proceedings of Canada Fluorspar (NL) Inc., Canada Fluorspar Inc. and Newspar (a General Partnership) ("CFI") – Property Claim of Weir Minerals Canada Inc. ("Weir")

Ms. Paplawski:

We are in receipt of Weir's property claim dated June 1, 2022. We have fully accepted your claim as described below.

The claim of the consignment inventory stored at CFI's warehouse has been accepted and can be retrieved from site at your convenience. Additionally, the Monitor is intending to seek approval from the Supreme Court of Newfoundland and Labrador of a sales transaction to the Successful Bidder as per the Sales and Investment Solicitation Process. Weir can opt to leave the consignment inventory on site to hopefully negotiate an agreement with a new purchaser.

The Monitor has been informed by the employees of CFI that most of the items listed on Weir's property claim have been located. Certain items were unable to be located due to the boxes being damaged or mislabeled.

Additionally, on June 27, 2022, the Monitor was informed that a part (PDM Part # TRIO17009428) was mistakenly delivered to CFI. CFI has no use for this part and can be retrieved at anytime.

Please contact Corey Hines at 902-491-7704 or at Corey.Hines@ca.gt.com if you would like to arrange to retrieve the consignment inventory or part as described above.

Yours truly,

GRANT THORNTON LIMITED

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

A handwritten signature in blue ink, appearing to read "Phil Clarke", is written over a horizontal line.

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

Appendix “G”



General Auto and Industrial (NAPA Auto Parts 6305)
c/o Picco, White, McCarthy
195-197 McGettigan Blvd
PO Box 1176
Marystown, NL A0E 2M0

Grant Thornton Ltd
Nova Centre, North Tower
Suite 1000, 1675 Grafton Street
Halifax, NS
B3J 0E9
T +1 902 421 1734
F +1 902 420 1068

September 8, 2022

Attention: Jennifer McCarthy

Re: In the Matter of the Companies' Creditors Arrangement Act proceedings of Canada Fluorspar (NL) Inc., Canada Fluorspar Inc. and Newspaper (a General Partnership) ("CFI") – Property Claim of General Auto and Industrial ("NAPA – Marystown")

Ms. McCarthy:

We are in receipt of NAPA – Marystown's property claim dated April 29, 2022. We have fully accepted your claim as described below.

The claim of the consignment inventory stored at CFI has been accepted and can be retrieved from site at your convenience. Additionally, the Monitor is intending to seek approval from the Supreme Court of Newfoundland and Labrador of a sales transaction to the Successful Bidder as per the Sales and Investment Solicitation Process. NAPA – Marystown can opt to leave the consignment inventory on site to hopefully negotiate an agreement with a new purchaser.

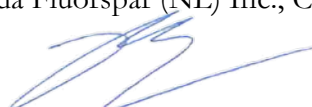
The Monitor has been informed by the employees of CFI that most of the items listed on NAPA – Marystown's property claim have been located. Certain items were unable to be located due to the boxes being damaged or mislabeled.

Please contact Corey Hines at 902-491-7704 or at Corey.Hines@ca.gt.com if you would like to arrange to retrieve the consignment inventory as described above.

Yours truly,

GRANT THORNTON LIMITED

In its Capacity as Monitor of
Canada Fluorspar (NL) Inc., Canada Fluorspar Inc. and Newspaper (a General Partnership)

Per: 

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

Appendix “H”



Atlantic Explosives Limited
63 Parker Hill Road
Upper Musquodoboit, NS B0N 2M0

September 8, 2022

Attention: Brian Wilson

Grant Thornton Ltd
Nova Centre, North Tower
Suite 1000, 1675 Grafton Street
Halifax, NS
B3J 0E9
T +1 902 421 1734
F +1 902 420 1068

Re: In the Matter of the Companies' Creditors Arrangement Act proceedings of Canada Fluorspar (NL) Inc., Canada Fluorspar Inc. and Newspar (a General Partnership) ("CFI") – Property Acknowledgment of Atlantic Explosives Limited ("AEL")

Mr. Wilson:

This letter is to inform you that CFI and the Monitor, Grant Thornton Limited, hereby acknowledge the property owned by AEL stored on site.

The property is described as two above ground magazines, white in colour. It is both CFI and the Monitor's understanding that AEL owns the magazines, but CFI owns the explosives contained within.

To date, the Monitor has not received a completed Property Reclamation form for the magazines. If AEL wishes to remove this property, we would require a Property Reclamation form to be filled out.

Please contact Corey Hines at 902-491-7704 or at Corey.Hines@ca.gt.com if you have any questions.

Yours truly,

GRANT THORNTON LIMITED

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

Per: 

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

Appendix “I”



Brenco High Voltage Solutions
PO Box 4045 RPO Pearlgate
Mount Pearl, NL A1N 0A1

Grant Thornton Ltd
Nova Centre, North Tower
Suite 1000, 1675 Grafton Street
Halifax, NS
B3J 0E9
T +1 902 421 1734
F +1 902 420 1068

September 8, 2022

Attention: Brendan Brenton

Re: In the Matter of the Companies' Creditors Arrangement Act proceedings of Canada Fluorspar (NL) Inc., Canada Fluorspar Inc. and Newspar (a General Partnership) ("CFI") – Property Acknowledgment of Brenco high Voltage Solutions ("Brenco")

Mr. Brenton:

This letter is to inform you that CFI and the Monitor, Grant Thornton Limited, hereby acknowledge the property owned by Brenco stored on site.

The property is described as a line truck (VIN# 1FVHBXBS01HJ46927), a utility trailer and 7 light powerline poles. We understand that in discussions with the Monitor, you have agreed this is the only Brenco equipment onsite.

To date, the Monitor has not received a completed Property Reclamation form for the property. If Brenco wishes to remove this property, we would require a Property Reclamation form to be filled out.

Please contact Corey Hines at 902-491-7704 or at Corey.Hines@ca.gt.com if you have any questions.

Yours truly,

GRANT THORNTON LIMITED

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

A blue ink signature of Phil Clarke, consisting of a stylized 'P' and 'C' followed by a horizontal line.

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

Appendix “J”



August 8, 2022

Phil Clarke
Monitor
Canada Fluorspar (NL) Inc.
Box 337
St Lawrence, NL A0E 2V0

Dear Phil Clarke:

**Subject: Final change to the goods and services tax / harmonized sales tax
(GST/HST) return for the audit period March 1, 2022 to March 11, 2022
Account number: 89811 4087 RT0001**

We have completed our audit of the GST/HST return of Canada Fluorspar (NL) Inc. (the “registrant”) for the above period. We did not make changes to our proposed adjustment after reviewing your representations and documents dated July 18, 2022.

We reviewed the representation that was provided. We will address each argument below.

Issue #1 “The use of paragraph 296(1)(b) is not appropriate”

As you stated in your representation, GST/HST policy statement P-112R states “in circumstances of potential revenue loss, the Minister may exercise its authority under paragraph 296(1)(b) of the ETA and assess a purchaser who is insolvent or bankrupt in respect of the GST/HST not paid to a supplier.” The policy states a purchaser who is insolvent. The Companies’ Creditors Arrangement Act (CCAA) states that this Act applies in respect of a debtor company, it then defines a debtor company as a company that is bankrupt or insolvent. When the debtor company seeks protection under the CCAA it is determined that they are insolvent. Our use of 296(1)(b) is considered to be correct as this company, although not bankrupt, is insolvent.

Issue #2 “Reporting period under audit is not valid”

We determined that the date that the registrant received protection under CCAA on March 11, 2022 is an insolvency date. In order to maintain a separation of transactions prior to the insolvency date and after the insolvency date we have created a split period to ensure that the proper reporting is completed for each period.

Issue #3 “Proposed amount to be assessed is incorrect”

In our proposal letter dated June 1, 2022, we indicated that we only had the combined list of creditors and requested unsecured creditor listings for each registrant. We did not receive this documentation even though we extended the deadline by 30 days to provide representation from July 4, 2022 to July 18, 2022. The insolvency website “www.grantthornton.ca/service/advisory/creditor-updates/#Canada-Fluorspar-NL-Inc-and-Canada-Fluorspar-Inc” was reviewed regularly to update any changes to the creditor listing, however, as of the date of this letter the latest update to the creditor listing was March 15, 2022. As we have not received the required documentation to allocate accordingly, we will assess the full amount to this registrant as stated in the proposal.

Under section 165 of the Excise Tax Act, every recipient of a taxable supply made in Canada is required to pay the GST/HST payable for that supply. Under paragraph 296(1)(b) of the Act, we increased the registrant’s tax payable by the amount of GST/HST owed on taxable supplies that they received before March 11, 2022, where the tax was not paid to their suppliers.

Period ending	Description	Final change
2022-03-11	Increase to tax payable under 296(1)(b)	\$ 4,020,621.71

The final amount of **\$4,020,621.71** is based on calculations that we provided with the proposal letter dated June 1, 2022. Our calculations are based on the list of creditors dated March 15, 2022, which was the most recent list available to us.

A notice of (re)assessment will be sent to you separately.

You have the right to object if you disagree with a (re)assessment. For more information on how to file an objection, go to canada.ca/cra-complaints-disputes. The time limit for filing an objection is 90 days from the date of your notice of (re)assessment.

The completion of our audit should not be considered as permission to destroy any books and records. Go to canada.ca/taxes-records for more information about keeping records.

We did not audit the full scope of your operation. We did not review the completeness or accuracy of your sales and other revenue in the above period. We did not review the completeness or accuracy of any GST/HST collected or that became collectible in the above period. We did not verify the existence or eligibility of any input tax credits (ITCs) claimed in the above period.

10 – 9700 Jasper Avenue
Edmonton AB
T5J 4C8

Phone: 587-338-8789
Fax: 403-292-5731
Internet: canada.ca/taxes

A future audit might cover the same period. Changes are generally not made more than four years after the later of when a return was required to be filed or when the return was actually filed.

For general information on examinations and audits, search our publications at **canada.ca/cra-forms** for Pamphlet RC4188, What You Should Know About Audits. To help you understand your rights as a taxpayer, we recommend you review Guide RC17, Taxpayer Bill of Rights, which can be found at **canada.ca/taxpayer-rights**.

We recommend that you explore our e-services for businesses. These services will allow you, your employees, or your representatives to interact electronically with us. Go to **canada.ca/taxes-business-online** to see which service is right for you and how to sign up.

If you have any questions or concerns, please call me at **587-338-8789**. My team leader, Rachael Simpson, can be reached at 587-341-7644 if I am not available.

Sincerely,

Carla Navarro

Carla Navarro
GST/HST Desk Audit Program
Alberta Tax Services Office

Appendix “K”

June 8th, 2022

Canada Fluorspar (NL) Inc.
C/O Darrin Kitchen
595 Old Sackville Road
Lower Sackville, NS B2K 2K4

File Number 79117741

Dear Darrin Kitchen:

Subject: Part XIII, Regulation 105 and Regulation 102 tax audit for the years 2016 to 2020
Account 89811 4087 RC0001

Your income tax returns from January 1, 2016 to December 31, 2020 were selected for audit.

Subsection 230(1) of the *Income Tax Act* (the Act) states that every person carrying on business and every person required to pay or collect taxes or other amounts must keep books and records with information to allow the Canada Revenue Agency (CRA) to determine the person's tax liabilities and obligations under this Act.

Under subsection 231.1(1) of the Act, officers of the CRA may inspect, audit, and examine your books and records.

Please send us all of the following documents along with any other important information to complete our audit for the 2016 - 2020 tax years mentioned above:

- general ledger for the years 2016-2020
- organization chart;
- list of all employees and subcontractors, along with their addresses, Social Insurance Numbers and/or their Temporary Tax Numbers;
- list of all payments made to any non-resident individuals, businesses and/or corporations for work completed in Canada;
- Royalty Contracts/Agreements.
- There are indications of payments made to the following vendors. Please include all invoices, Purchase Orders and agreements with these vendors:
 - AnG Africa Procurement (Pty) Ltd.
 - Lindsay Gorrill
 - Peter Kiewit Infrastructure Co.
 - Immersive Technologies
- Explanation of the difference in amount claimed as salaries expense on the T2 returns and amounts reported on T4 slips.

The length of the audit will depend on the condition of your accounting records, the size and complexity of your business, and your co-operation. We will keep you informed of the progress of the audit throughout the process.

We will inform you of any proposed changes and give you 30 days to send a response along with your documents. If you disagree with any points, we will be available to discuss them with you.

If your accounting books and records are in electronic format, you or your authorized representative can submit them electronically through the CRA's **My Account**, **My Business Account**, or **Represent a Client** portals. These services offer a secure, quick and easy way to manage your tax information online.

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

To help you prepare for the audit, please read Pamphlet RC4188, *What you should know about audits*, at <https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/rc4188-what-you-should-know-about-audits.html>. You can also read (or: refer to) the *Taxpayer Bill of Rights*, a set of 16 rights, a set of 16 rights confirming that the CRA will serve taxpayers with a high degree of accuracy, professionalism, courtesy, and fairness. For more information, go to <https://www.canada.ca/en/revenue-agency/corporate/about-canada-revenue-agency-cra/taxpayer-bill-rights.html>

If you want to use the services of your representative, you can authorize them online using the "Authorize my representative" service in **My Account** or **My Business Account**. This will grant your representative instant access to your information and the online services to easily manage your account. You can also fill in Form AUT-01, *Authorize a Representative for Access by Phone and Mail*, and have it available when we meet. This will allow your representative to discuss your information with us during the audit.

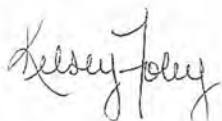
You can find more information about non-resident tax on our website at <https://www.canada.ca/en/revenue-agency/services/tax/international-non-residents/individuals-leaving-entering-canada-non-residents/non-residents-canada.html>.

You can get our forms and publications at <https://www.canada.ca/en/revenue-agency/services/forms-publications.html> by typing the publication number or name in the search box. You may also call us at the numbers shown on our website at <https://www.canada.ca/en/revenue-agency/corporate/contact-information.html>.

Please provide the documents we asked for by July 8th, 2022. If you have questions, please call me at 709-691-9234. You can also reach my team leader, *Kimberly Sheppard* at 709-730-8324.

Your prompt reply is appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Kelsey Foley".

Kelsey Foley
Non-Resident Audit Section
NL Tax Services Office

Fax: 1-709-772-5136
Address: 165 Duckworth Street
St. John's, NL A1B 4R5
Website: <https://www.canada.ca/en/revenue-agency.html>

Appendix “L”

MCB 15 22 1415

2022 01G 0709
IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY AND INSOLVENCY

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

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

ORDER APPROVING A SALE AND INVESTMENT SOLICITATION PROCESS

- [1] **CONSIDERING** the Applicant's *Application for the issuance of (i) an Initial Order, (ii) an Amended and Restated Initial Order, (iii) an Order approving the DIP Financing Agreement ;and (iv) an Order approving a Sale and Investment Solicitation Process (the "Application")*, the affidavit of Phil Clarke dated the 8th day of March, 2022 and the exhibits in support thereof;
- [2] **CONSIDERING** the submissions of counsel;
- [3] **CONSIDERING** the pre-filing report prepared by Grant Thornton Limited (the "**Monitor**");
- [4] **CONSIDERING** the provisions of the *Companies' Creditors Arrangement Act* ("**CCAA**");

THE COURT:

- [5] **GRANTS** the Application.

DEFINITIONS

- [6] **DECLARES** that all capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bidding Procedures (as defined below).

SERVICE

- [7] **DECLARES** that sufficient prior notice of the presentation of the Application has been given by the Applicant to interested parties, and that further service thereof is hereby dispensed with.
- [8] **PERMITS** the service of the present Order (this "**Order**") at any time and place and by any means whatsoever.


Filed Mar. 21/22 KA

SISP

- [9] **APPROVES** and **RATIFIES** the Sale and Investment Solicitation Process ("**SISP**") set forth in the Procedures for the Sale and Investment Solicitation Process attached as Schedule "A" hereto (the "**Bidding Procedures**").
- [10] **AUTHORIZES** the Applicant and the Company, to the extent the Company assists with the SISP, to implement the SISP and to take such steps and execute such documentation as may be necessary or incidental thereto, the whole in accordance with the Bidding Procedures.
- [11] **ORDERS** that the Applicant and the Company, as well as respective affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of performing their duties under the SISP, except to the extent of such losses, claims, damages or liabilities resulting from gross negligence or willful misconduct of any such person or entity, as applicable, as determined by this Court.

GENERAL

- [12] **ORDERS** that the Applicant and the Company, to the extent the Company assists with the SISP are authorized and permitted under applicable law to disclose and transfer to Potential Bidders and to their advisors personal information in the custody or control of the Company relating to the operation of the business, including human resources and payroll information, records pertaining to the Company's past and current employees, and information about any consumer, website visitor or other individual (collectively, "**Personal Information**"), but only to the extent necessary to negotiate, determine whether to proceed with, and attempt to complete a transaction in accordance with the SISP (a "**Transaction**"). Each Potential Bidder to whom any Personal Information is disclosed shall maintain and protect the Personal Information with security safeguards appropriate to the sensitivity of the Personal Information and as may otherwise be required by applicable federal or provincial privacy legislation and limit the use of such information to its evaluation of a Transaction, and if it does not complete a Transaction with the Applicant, shall return all such information to the Applicant, or in the alternative permanently destroy all such information.
- [13] **ORDERS** that the Applicant may from time to time apply to this Court for advice and directions in the discharge of their respective powers and duties hereunder or under the SISP.
- [14] **REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, in the United States of America or elsewhere, to give effect to this Order and to assist the Applicant, as applicable, and their respective agents in carrying out the terms of this Order.



[15] **ORDERS** the provisional execution of this Order notwithstanding appeal and without any security or provision for costs whatsoever.

[16] **WITHOUT COSTS.**

C. Foley

COURT
OFFICER

or

Schedule "A"

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

<u>Event</u>	<u>Date</u>
<u>1. Solicitation Letter</u> Monitor to distribute Solicitation Letter, to potentially interested parties	By no later than March 20 2022, at 5:00 p.m. (Newfoundland Standard Time)
<u>2. CIM and VDR</u> 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
<u>3. Phase 1 Qualified Bidders & Bid Deadline</u> 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.



<u>Event</u>	<u>Date</u>
<u>4. Phase 1 Successful Bid</u> 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)
<u>5. Phase 2 Bid Deadline & Qualified Bidders</u> Phase 2 Bid Deadline (for delivery of definitive offers by Phase 2 Qualified Bidders in accordance with the requirement of paragraph 22 of the Bidding Procedures)	By no later than June 12, 2022, at 5:00 p.m. (Newfoundland Standard Time)
<u>6. Auction</u> Auction Commencement Date (if needed)	By no later than June 19, 2022
<u>7. Selection of final Successful Bid</u> Deadline for selection of final Successful Bid	By no later than June 19, 2022, at 5:00 p.m. (Newfoundland Standard Time)
<u>8. Definitive Documentation</u> Deadline for completion of definitive documentation in respect of Successful Bid	By no later than June 26, 2022
<u>9. Approval Motion – Successful Bid</u> Deadline for filing of Approval Motion in respect of Successful Bid	By no later than July 3, 2022
<u>10. Closing – Successful Bid</u> Anticipated deadline for closing of Successful Bid being the Target Closing Date	July 10, 2022 or such earlier date as is achievable
<u>11. Outside Date – Closing</u> Outside Date by which the Successful Bid must close	July 10, 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 33 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, 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 32 below;



- (j) contemplates and reasonably demonstrates a capacity to consummate a closing of the transaction set out therein on or before July 10 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, 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 22(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, 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, 2022 and the definitive documentation in respect of the Successful Bid must be finalized and executed no later than June 26, 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, 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, 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, 2022.

2

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

Q

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 36 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 30.
- "Approval Order(s)" shall have the meaning set forth in paragraph 30.
- "Auction" shall have the meaning set forth in paragraph 27.
- "Backup Bid" shall have the meaning set forth in paragraph 29.
- "Backup Bidder" shall have the meaning set forth in paragraph 29.
- "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 21.
- "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 35.
- "Court" shall have the meaning set forth in the preamble.
- "Deposit" shall have the meaning set forth in paragraph 22(i).
- "DIP" means the DIP Financing Agreement dated March 7, 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 27(h)27(h).
- "Opportunity" shall have the meaning set forth in paragraph 2.
- "Outside Date" shall have the meaning set forth in paragraph 22(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 21.
- "Phase 2 Qualified Bid" shall have the meaning set forth in paragraph 21.
- "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 25.
- "Successful Bidder" shall have the meaning set forth in paragraph 25.
- "Target Closing Date" shall have the meaning set forth in paragraph 22(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

Attention: Darren O'Keefe and Allison Philpott

Email: dokeefe@coxandpalmer.com and aphilpott@coxandpalmer.com

TO THE MONITOR:

Grant Thornton Limited

Attention: Phil Clarke and Sean MacNeil

Email: phil.clarke@ca.gt.com and sean.macneil@ca.gt.com

with a copy to:

McInnes Cooper

Attention: Meghan King and Geoff Spencer

Email: meghan.king@mcinnescooper.com and geoffrey.spencer@mcinnescooper.com



Appendix “M”



Sale/Investment Opportunity

March 20, 2022

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

Key Features

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

All enquiries should be directed to

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

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

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





Company Overview

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



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

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

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

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

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

Industry Highlights

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

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

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



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

Disclaimer

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

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

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

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

Appendix “N”

Remote work unlocks reverse brain drain at Canadian startups

Hiring American workers will help firms grow faster and expose us to business practices happening south of the border

JONATHAN METRICK

OPINION

Chief growth officer at Portage Ventures

It was a conventional afternoon in San Francisco: the sun shining over the Bay Bridge and two sneaker-clad execs discussing the latest fintech trends. But their conversation was anything but conventional. These two execs were brainstorming ways to accelerate growth at a Canadian-based startup.

My conversation was with Alex Otrezov, an alumnus of U.S.-based tech leaders Uber and Expedia, and now the chief marketing officer at Koho Financial Inc., one of Canada's rapidly growing fintechs.

While Koho is based in Canada, Mr. Otrezov manages the firm's marketing from San Francisco. He's part of a growing trend of executives being hired in the United States being hired by Canadian startups.

There is a certain irony in this new phenomenon, since Canadians are used to constant carping about the brain drain of talented Canucks leaving for greener pastures in America. Statistics Canada estimates thousands of Canadians move south of the border each year.

I am part of this trend, having grown up in Toronto before seeking job opportunities in the U.S. after finishing school. Living in New York, I've met many Canadian expats who moved to the U.S. for career advancement.

But like so many pre-COVID-19 norms, the pandemic has thrown this conventional wisdom into question. Extended lockdowns have forced companies to embrace remote work forces across all levels of seniority. Canadian startups have leaned into this trend by seizing the opportunity to hire remote executives – increasingly from the rich, deep talent pool in the U.S.

The trend arrives at a crucial time as Canadian companies are increasingly facing a labour shortage and costly competition for tech talent. Enterprising companies are looking beyond the nation's borders to fill gaps in the labour market.

And why shouldn't they? Hiring experienced talent with exposure to larger markets and bigger budgets is beneficial for Canadian companies, and their employees. Seasoned American talent brings new ideas, new operating models and complementary networks that can help ambitious companies scale. A reverse Canadian brain drain.

I see this trend playing out in real time. Recently, LinkedIn published a list of Top Startups in Canada for 2021. The study ranks startups headquartered in Canada that have seen the largest increase in employment, job applications and ability to attract top talent.

I work closely with companies such as Wealthsimple Inc., Koho and Borrowell Inc. (No. 1, 6 and 7 on the list), all of which have hired at least one senior executive based in the U.S. since the start of the pandemic.

In fact, of the top 10 Canadian startups in the LinkedIn report, half have hired senior executives in the U.S. since March, 2020. This amount grows to 70 per cent of the 10 largest startups with more than 100 employees.

The senior roles being filled by U.S.-based employees range from chief corporate officers for finance, technology, marketing and product – among the most difficult positions to fill in today's competitive job market.

As the CMO at Koho, Mr. Otrezov is just one example of a highly experienced, U.S.-based executive who is helping to build a rapidly growing startup without uprooting his life to relocate. It's a win-win.

"While Canadians are unique, they use much of the same technology and media as Americans do," he told me. "I can apply many of the growth strategies I learned at Uber in the U.S. to build Koho's business in Canada."

All businesses can draw inspiration from the unconventional conversations Canadian startups are now having south of the border. Remote work has unlocked a rare opportunity for Canadian companies to access sought-after talent, no matter where those individuals live.

More Canadian companies should expand their horizons and consider filling competitive roles with U.S.-based talent. Not only will this help firms grow faster, but it will also expose Canadian workers to the innovative business practices happening south of the border, without forcing them to leave the country.

It would also be an important step toward slowing, and potentially reversing, the perennial brain drain to the United States.

GM CANADA NAMES NEW PRESIDENT

OSHAWA, ONT. **General Motors** has named Marissa West its new president and general manager of GM Canada.

Ms. West is currently executive chief engineer for GM's mid-size and medium duty truck division.

Before that, she was director of GM's Global Noise & Vibration and Vehicle Dynamics Center.

Ms. West will replace current GM Canada president Scott Bell, who will be moving back to the U.S. to serve as the leader of GM's Chevrolet division.

Mr. Bell has been head of GM Canada since September, 2019.

GM says the transition will begin immediately.

THE CANADIAN PRESS

VERMILION SIGNS DEAL TO BUY LEUCROTTA

CALGARY Shares in Calgary-based **Leucrotta Exploration Inc.** closed up 50 per cent on Monday after the announcement that **Vermilion Energy Inc.** will acquire the junior energy company in a \$477-million deal.

Shares in Leucrotta – a Montney-focused oil and natural gas exploration and development company with property in northeast British Columbia and northwest Alberta – were trading at \$1.95, up from \$1.30 at Friday's close.

Calgary-based Vermilion – an international oil and gas producer with assets in North America, Europe and Australia – announced the deal Monday morning, saying Leucrotta's assets will provide "decades of inventory" to the company's Western Canadian assets. THE CANADIAN PRESS

Bank of Japan offers to buy unlimited bonds

LEIKA KIHARA TOKYO

The **Bank of Japan** desperately defended its yield target on Monday by making two offers in a single day to buy an unlimited amount of government bonds, as it struggled against the global tide toward higher interest rates.

The central bank's efforts to defend its ultraloose policy pushed the yen to a six-year low of 123.25 to the U.S. dollar on Monday, pinching Japan's economy by inflating already surging fuel and raw material imports.

"The power of the BOJ's unlimited bond-buy offer is clearly waning," said Takahide Kiuchi, a former central bank board member who is now an economist at Nomura Research Institute.

"Markets may more forcefully test the BOJ's resolve to defend the 0.25-per-cent ceiling, which may prompt the bank to modify its approach and allow the 10-year yield to rise more."

The yield on the benchmark 10-year Japanese government bond (JGB) hit a fresh six-year high of 0.250 per cent on Monday, even after the BOJ stepped into the market with an offer to buy unlimited amount of JGBs to defend the implicit 0.25-per-cent cap set around its yield target.

After the morning offer failed to push down yields, the BOJ made a second offer in the afternoon to buy unlimited



The Bank of Japan's efforts to defend its ultraloose policy pushed the yen to a six-year low of 123.25 to the U.S. dollar on Monday.

KIM KYUNG HOON/REUTERS

amounts of JGBs with maturities of more than five years and up to 10 years.

While the first offer drew no bids, the BOJ accepted bids to buy 64.5-billion yen (\$652-million) in JGBs in the second offer.

The two offers, which were the first since Feb. 10, underscored the BOJ's resolve to keep rates ultra-low in contrast to the Federal Reserve's aggressive rate hike plans.

"Markets are putting the BOJ to test, so the central bank has no choice but to keep offering unlimited bond buying," said Takafumi Yamawaki, head of Japan fixed income research at JPMorgan Securities. "If yields are allowed to

move above 0.25 per cent, investors will think the BOJ has tolerated a rise above that level. That makes it harder for the BOJ to carry on with yield curve control."

Under yield curve control, the BOJ pledges to guide the 10-year JGB yield around 0 per cent as part of efforts to stimulate the economy by keeping borrowing costs low.

The 10-year JGB yield has been creeping up in tandem with a rise in U.S. long-term interest rates, as investors have priced in the prospect of aggressive rate hikes by the Federal Reserve.

REUTERS

TENDERS

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"))

[CFI IS A FLUORSPAR MINE LOCATED IN ST. LAWRENCE, NEWFOUNDLAND]

INVITATION FOR INVESTMENT/ PURCHASE

On March 11, 2022, the Court granted an initial order pursuant to the Companies Creditors Arrangement Act (the "CCAA") over Canada Fluorspar (NL) Inc., Canada Fluorspar Inc., and Newspaper (a General Partnership) (the "Initial Order"). Grant Thornton Limited was appointed monitor of the Companies (the "Monitor").

On March 18, 2022, the Initial Order was amended and restated by the Court. Furthermore, at said hearing the Court granted an order (the "Bidding Procedures Order"), authorizing the Company to undertake a sale and investment solicitation process ("SISP") for the sale of CFI's business, property, assets and undertakings (collectively, the "Business").

GRANT THORNTON LIMITED, in its capacity as Monitor is hereby soliciting offer for CFI's Business. Information regarding the SISP can be obtained visiting the Monitor's website: www.GrantThornton.ca/CFI or by contacting Jason Kanji of the Monitor's office at (416) 777-6136 or Jason.Kanji@ca.gt.com.

Please note that the non-binding Letter of Intent is due no later than at 5:00 PM Newfoundland Standard Time on April 17, 2022.



Grant Thornton

COMMERCIAL REAL ESTATE

Urban Retail Buiding | For Sale

CBRE

231-231A Roncesvalles Ave Toronto, ON

- + Rare opportunity to own carefree investment in the heart of Roncesvalles Village
- + Features two renovated retail units of approximately 2,480 sq. ft. and a full basement
- + Stable NOI with near term upside
- + Potential to increase density on site



Jackson Turner*
jackson.turner@cbre.com
+1 416 815 2394

*Broker

CBRE Limited, Real Estate Brokerage

Accelerating success.

Colliers

For Sale



Stayner, Ontario

- 112 acre farm zoned RURAL
- Flat, mostly dry and useable
- Located 1 parcel from the settlement area boundary

collierscanada.com/P-CAN2007327

Glenn Forrest*
Senior Vice President
+1 416 620 2823
Glenn.Forrest@colliers.com

*Sales Representative **Broker

Colliers Macaulay Nicolls Inc.

www.collierscanada.com/toronto

FOR SALE

14.23 Acre Employment Land Opportunity

SUNRAY STREET | WHITBY, ONTARIO

- ▶ 14.23 ac zoned site with the potential for over 200,000 sf of industrial/warehouse space
- ▶ Less than 1km from Hwy 401, within an amenity rich location with restaurants & retail uses
- ▶ 8 minute drive to the Whitby GO Station

Please contact: **Daniel Hubert***

daniel.hubert@cushwake.com

Dan Rogers**

dan.rogers@cushwake.com

James Mildon*

james.mildon@cushwake.com

** Broker *Sales Representative

CUSHMAN & WAKEFIELD
416 862 1800

Cushman & Wakefield ULC, Brokerage



Sign up for Globe Newsletters at tgam.ca/newsletters

DIVIDENDS

NOTICE

As previously declared on March 24, 2022, Terra Firma Capital Corporation (TSX-V: TII) will be paying a cash dividend of \$0.06 per common share on April 15, 2022, to shareholders of record as of the close of business on March 31, 2022.



Report on Business

TO SUBSCRIBE 1-866-999-9237 | TGAM.CA/SUBSCRIBE

“RUSSIA EARNS US\$1 BILLION A DAY FROM ITS ENERGY EXPORTS AND THIS KEEPS ITS BLOODY REGIME AFLOAT. IF THE INTERNATIONAL COMMUNITY WANTS TO IMPOSE CRUSHING SANCTIONS ON RUSSIA, THIS MUST INCLUDE A FULL EMBARGO OF RUSSIAN GAS, OIL, AND COAL. — YURIY VITRENKO

UKRAINE UNDER ATTACK

‘Every night is a nightmare’

ONE-ON-ONE WITH UKRAINE’S GAS CHIEF



DIANE FRANCIS
Comment

I’ve worked with Yuriy Vitrenko, trying to get sanctions against Russia’s pipeline to Germany for years without success. He is a member of Ukrainian President Volodymyr Zelenskyy’s inner circle, and chairman of Ukraine’s gigantic energy conglomerate Naftogaz, which is the country’s largest corporation. He agreed to a wide-ranging interview from Kyiv via Zoom on the weekend to talk about the war, Vladimir

Putin’s mentality, upcoming negotiations and what more the West can do to help Ukraine. Vitrenko travels these days with a large security contingent and moves constantly around the country because of his company’s far-flung operations. “Today in the morning I was in the Kyiv city centre to meet with aides to the president. Then I will travel to Western Ukraine where we have many sites and where (U.S. President Joe) Biden is 50 kilometres away (in Poland). Yes, we have security precautions but we’re not afraid,” he said. “But every night is a nightmare. Every night you are under constant risk.” For weeks, Russia has bombed Naftogaz infrastructure that serves Ukrainians, but has carefully avoided damaging the portion of the Naftogaz-owned pipeline



EFREM LUKATSKY / THE ASSOCIATED PRESS FILES

Countries must step up financial sanctions against Russia because the ones in place now don’t go far enough, says Yuriy Vitrenko, a member of Ukrainian President Volodymyr Zelenskyy’s inner circle.

system that delivers Russian natural gas to Europe. Vitrenko said, however, that while Ukraine is committed to continuing to provide natural gas transit services for Russia, it would be ready to lose transit revenues in order to stop the war. This is why he is disappointed that Russia’s biggest EU customers have said they are not yet ready to stop buying oil and gas from the Kremlin. “Russia earns US\$1 billion a day from its energy exports and this keeps its bloody regime afloat,” he said. “If the international community wants to impose crushing sanctions on Russia, this must include a full embargo of Russian gas, oil, and coal exports.”

Vitrenko added that countries with large reserves of oil and gas, such as Canada and Norway, must join the U.S., which is committed to expanded oil production and more pipelines at home in order to replace Russian energy by shipping more oil and liquefied natural gas to Europe. Ottawa stopped all oil imports from Russia and has just agreed to increase oil production by 200,000 barrels a day. But much more can be done and should be. “Canada and others should produce as much gas and oil as they can to increase exports to Europe, and Europe should also transition more quickly to renewables,” Vitrenko said. “The free world cannot depend on rogue regimes for its energy needs. It was suicidal of Germany to shut down its nuclear and coal plants in order to rely more and more on Russia.” In addition, countries must step up financial sanctions because the current ones don’t go far enough, the Naftogaz chairman said. Only 30 per cent of Russia’s banks are blocked from using the SWIFT transfer system and restrictions must shut down Russia’s entire financial system, he said. And NATO must provide more

weapons to help Ukraine defend itself and close its skies to missiles and bombing attacks — which will fortify its negotiating position in talks that are to resume this week in Turkey, he said. The European Union has agreed to phase out Russian energy imports, but this will take years. In the meantime, Vitrenko is urging countries to cut down on consumption by imposing such energy conservation measures as restrictions on car usage, speed limits, incentivizing permanent remote work, lowering thermostats, and rationing industrial power. “If the EU is not ready, then a mechanism of escrow accounts must be put in place so that gas and oil can still flow to Europe from Russia but Putin cannot get the money. The money would be held until Russia withdraws its military from Ukraine. This is a mechanism used in Iran,” he said. Vitrenko remains optimistic. “I believe that Ukraine will win. It won’t be in a straightforward way: Putin’s regime will lose. History shows that when a populist autocrat chooses to play this “Nazi” card, it’s not sustainable. And the Russian military is so rotten with corruption that their tanks,

equipment, food, everything is substandard. Corruption helps us a lot.” In the current context, and based on his experience with Putin, Vitrenko sketched out what must happen to end the war. “We need to be stronger militarily and be able to say to him, ‘you cannot win in Ukraine.’ We must be able to say that with sanctions, ‘Russia will lose money every day and it will lead to the collapse of your regime.’ He doesn’t care about his economy or about ordinary Russians but he cares about his regime. In addition, he must also feel he can no longer project supremacy and have prestige on the global scene. That’s why it’s important to block Russia from all global sports, culture events and institutions” as well as remove it from the G20 and the United Nations Security Council. Continued military support from NATO is essential to continuing Ukraine’s success on the ground, Vitrenko said. He also believes that Putin will make a deal, and speaks from experience. Vitrenko successfully negotiated a \$3-billion settlement one-on-one with Putin concerning a gas dispute at the Normandy Format summit in Paris in 2019. “I must say that he didn’t look like he was crazy. He looked like a person with very different values. When you deal with normal businessmen, the principle of reciprocity is important — seeking a win-win solution and finding a common ground. But when you negotiate with Putin it’s all about your relative strengths. He’s threatening you and you have to threaten him or say you are not afraid.” Vitrenko certainly warned the West about what could happen, thanks to Russia’s huge energy export income and ambitions. “I’m angry that Germany and other countries, the whole world, did not do enough in 2014 when Putin first invaded Ukraine. Should the sanctions now imposed have been imposed then, we would not have all this horror at the moment.”

Financial Post
Read and sign up for
Diane Francis’ newsletter
on geopolitics at
diane francis.substack.com

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”))

[CFI IS A FLUORSPAR MINE LOCATED IN ST. LAWRENCE, NEWFOUNDLAND]

INVITATION FOR INVESTMENT/ PURCHASE

On March 11, 2022, the Court granted an initial order pursuant to the Companies Creditors Arrangement Act (the “CCAA”) over Canada Fluorspar (NL) Inc., Canada Fluorspar Inc., and Newspar (a General Partnership) (the “Initial Order”). Grant Thornton Limited was appointed monitor of the Companies (the “Monitor”).

On March 18, 2022, the Initial Order was amended and restated by the Court. Furthermore, at said hearing the Court granted an order (the “Bidding Procedures Order”), authorizing the Company to undertake a sale and investment solicitation process (“SISP”) for the sale of CFI’s business, property, assets and undertakings (collectively, the “Business”).

GRANT THORNTON LIMITED, in its capacity as Monitor is hereby soliciting offer for CFI’s Business. Information regarding the SISP can be obtained visiting the Monitor’s website: www.GrantThornton.ca/CFI or by contacting Jason Kanji of the Monitor’s office at (416) 777-6136 or Jason.Kanji@ca.gt.com.

Please note that the non-binding Letter of Intent is due no later than at 5:00 PM Newfoundland Standard Time on April 17, 2022.

Grant Thornton

IN THE MATTER OF THE RECEIVERSHIP OF CURA-CAN HEALTH CORP. AND THE CLINIC

KPMG Inc. (“KPMG”), as receiver and manager (the “Receiver”) of all of Cura-Can Health Corp. and The Clinic Network Canada Inc. (together, the “Company”) current and future assets, undertakings and properties, is currently seeking proposals in relation to the purchase of the assets of the Company. Assets include, but are not limited to, holdings of the following:

- Majority equity interest in Pathway Health Corp.;
- Minority equity interest in Sunniva Inc.;
- and
- Minority equity interest in Glamster Canada Inc.

The bid deadline for submission of proposals for all assets of the Company is set for April 22, 2022.

Additional information can be obtained by contacting our office at the following:

Attention: Joe Sithole
3100, 205 5 Avenue SW
Calgary, AB T2P 4B9

Telephone: (403) 691-8070
Email: jsithole@kpmg.ca

THE BANK OF NOVA SCOTIA

NOTICE OF 190TH ANNUAL MEETING OF SHAREHOLDERS

The Annual Meeting of Shareholders of The Bank of Nova Scotia will be held on Tuesday, April 5, 2022 at 9:00 a.m. (Eastern) at the Scotiabank Centre, Scotia Plaza, 40 King Street West, 2nd Floor, Toronto, Ontario. A simultaneous webcast of the meeting will also be offered. Please visit scotiabank.com/annualmeeting regularly for updates.

By order of the Board of Directors

Julie A. Walsh
Senior Vice President, Corporate Secretary and Chief Corporate Governance Officer

February 8, 2022

™ Trademark of The Bank of Nova Scotia.

THE TORONTO-DOMINION BANK NOTICE OF ANNUAL MEETING OF COMMON SHAREHOLDERS

The Annual Meeting of Common Shareholders of the Bank will be held on Thursday, April 14, 2022 at 9:30 a.m. (Eastern). The meeting will be held virtually via live webcast online and via live audio-only access by telephone. In addition, if circumstances permit, the bank may add an in-person component at the Design Exchange, TD Centre, 234 Bay Street, Toronto, Ontario. Any changes to the format of the meeting will be posted on www.tsxtrust.com, at www.td.com or at www.sedar.com.

By Order of the Board of Directors

Gwen Hughes
Associate Vice President and Corporate Secretary
Toronto, Ontario
February 14, 2022

We remind shareholders that they can vote their shares in advance of the Annual Meeting. Instructions are included in the Bank’s Management Proxy Circular. Shareholders are encouraged to visit the Bank’s website for updates: www.td.com/annual-meeting/2022.

NOTICE TO BERNARD D. SMITH OR HIS BENEFICIARIES

Bernard D. Smith of Toronto, in the Province of Ontario, or his beneficiaries, may contact us on or before January 31, 2022. Government identification or proof of beneficiary status required. Carlson & Kociper PC at 647 244 5118 or michael@carlsonkociper.com

NOTICE OF BANKRUPTCY & FIRST MEETING OF CREDITORS (s.102(4))

IN THE MATTER OF THE BANKRUPTCY OF RYMAR MECHANICAL LTD. OF THE TOWN OF WILLOW BEACH PROVINCE OF ONTARIO

Notice is given that RYMAR MECHANICAL LTD. filed an Assignment in Bankruptcy on March 17, 2022. The First Meeting of Creditors will be held on April 4th, 2022 at 5:00PM EST. The meeting to be held via Zoom:

<https://us06web.zoom.us/j/87818873236?pwd=U2F5UUR2L2ZhdllVXcDNjVkhKWWV0dz09>
Meeting ID: 867 4417 3388
Meeting Passcode: 891457

78 Wellington St. E.
Aurora, Ontario, L4G 1H8
Phone: 905-503-3328
Fax: 905-503-2338
Email: info@russocanhelp.com

JUSTICE

RNC officer guilty of firearm offence after pointing taser at colleagues

Const. Bernard Morgan given conditional discharge and 50 hours of community service

TARA BRADBURY
JUSTICE REPORTER
✉ tara.bradbury@thetelegram.com
🐦 @tara_bradbury

A Royal Newfoundland Constabulary officer who turned on his taser and pointed it at his colleagues as he was telling them a story about a recent call was sentenced in provincial court Monday, March 28, for carelessly using a firearm. Accepting a joint submission from Crown and defence, Judge David Orr gave Const. Bernard Morgan a 12-month probation period and a conditional discharge for the criminal offence and ordered him to complete 50 hours of community service.

A conditional discharge means Morgan will not have a criminal record three years after the successful completion of his probation. Morgan had completed a call for service and stopped into the telephone reporting centre at RNC headquarters in St. John's to speak with a colleague late in the morning on March 2, 2021, according to an agreed statement of facts. Sitting in a chair and with five other officers present, Morgan had recounted the incident and described how he had drawn his taser in preparation to use it before the subject of the call complied with his demands.

As Morgan told the story, he drew the taser and turned it on, pointing it in the direction of three colleagues. One of them told Morgan his actions could be criminal and he subsequently holstered the weapon. The incident was reported to the RNC's professional



Royal Newfoundland Constabulary officer Const. Bernard Morgan. **FILE PHOTO**

"It's difficult to fathom any circumstance where one, much less multiple police officers observing a lay-person brandishing a firearm would simply direct the individual to put the firearm away on the suggestion that there could be potential criminal liability and allow that person to carry on."
Prosecutor Brandon Gillespie

standards section and the province's Serious Incident Response Team (SIRT-NL) was engaged to investigate, and later charged Morgan. The taser is a prohibited firearm as defined by the Criminal Code of Canada. Surveillance footage captured Morgan with the

taser in his hand, and data downloaded from the device indicated it had been turned on for 10 seconds. The officers Morgan had pointed the taser at told investigators they believed he had no intention of discharging it. One described being blinded by the light of the laser;

another said Morgan had responded to the suggestion that his actions could be considered criminal with, "That's OK, we're all friends here." Morgan acknowledged his bad judgment to investigators and said his taser's red light dot had been visible on his colleagues as he told them, "You see how that dot makes them co-operate." He said he had not intended to deploy the device, hadn't perceived the activation of the laser as an application of force, and had put it away when told of the potential criminal implications.

PUBLIC EXPECTATIONS
"The public expects that a police officer who is entrusted with potentially dangerous and deadly firearms, weapons or devices will conduct themselves with the highest standards of safety while in care and control of these devices," prosecutor Brandon Gillespie told the court. Further, Gillespie submitted, the public expects police officers will be subject to the same consequences as civilians for breaking the law — heavier ones when they commit criminal offences, given their privilege, power and training. Though Morgan had been quick to admit his actions, Gillespie said one might wonder why he never thought it was inappropriate to activate his taser and point it at others to illustrate a story. "It's important to note this situation likely would have unfolded much differently had the individual who pointed the (taser) not been a police officer," Gillespie said. "It's difficult to fathom any

circumstance where one, much less multiple police officers observing a lay-person brandishing a firearm would simply direct the individual to put the firearm away on the suggestion that there could be potential criminal liability and allow that person to carry on." Gillespie presented the court with a November 2021 decision from the RNC's Public Complaints Commission, which determined Morgan had used excessive force during an unrelated incident involving the arrest of a father and son in 2017. The commission hasn't yet ruled on a penalty, Gillespie said. Defence lawyer Randy Piercey submitted letters of support for Morgan from two colleagues and a Crown attorney, as well as a letter of apology from Morgan to the RNC chief and affected officers. Morgan has already been internally disciplined, Piercey said. Since Morgan had admitted wrongdoing, the RNC was able to proceed with that process instead of waiting for the court outcome, he said. "It was a stupid act that ended very, very quickly," Piercey said in his brief submissions. "I do accept that there has to be some consequence to him for this because it was a stupid thing to do, but he wasn't being evil, he was being careless." Morgan, who had been placed on administrative duty as a result of the incident, is now stationed in Labrador, from where he appeared in court by video Monday. The RNC has not yet responded to a request from The Telegram for comment.

Residents unaware of their options: pharmacist

FROM A1: GROUP

Pharmacist Kara O'Keefe has a good handle on the health-care situation on Bell Island. It was her Facebook post in August 2021 that tipped The Telegram to the fact the doctors were leaving. "We have no family physicians who are working on Bell Island as of right now," O'Keefe confirmed Monday, March 28. "We have emergency room physicians who will come and answer 24-hour calls, but we do not have any family physicians." The ER doctors are part of the St. John's hospitals, and only do one shift at a time. There is, however, a nurse practitioner at the health centre who's been there for several years. "She's doing her best to take on what she can, but of course that's an impossible feat for one person," said O'Keefe. Patients can also opt for a virtual consult either by calling the health line, 811, or calling the health centre.

NOWHERE TO TURN

O'Keefe says a big problem is that many residents don't even realize what options are open to them. "Patients are very frustrated because they feel that Eastern Health has not done a good enough job explaining to people how to go about getting care, and I would tend to agree with that," she said. She and her staff can extend and even prescribe some medicines, but their scope is limited, and they spend a lot of



Pat Craig. **CONTRIBUTED**



Kara O'Keefe. **CONTRIBUTED**

"Patients are very frustrated because they feel that Eastern Health has not done a good enough job explaining to people how to go about getting care, and I would tend to agree with that."
Pharmacist Kara O'Keefe

time explaining where people can turn. "I don't mind doing that. I'm a community pharmacist so it's my job to help people to find care and to provide them with information," she said. "But at the end of the day, it's Eastern Health's responsibility and the provincial government's responsibility to inform people how they can go about getting care." She feels particularly bad for seniors, many of whom don't want to impose on anyone. "If nobody explicitly explains to them how they can go about getting care in a way they had normally done so, then they don't

want to bother you," she says. That means they could be going without important medications, such as blood pressure pills. Craig says the rotating ER shifts are not a sufficient replacement for family doctors. "We would feel more comfortable with a full-time doctor (to provide) continuity of service," he said. As for Healthy Bell Island, Craig says the group will set up a Facebook page, and plans to send out a regular newsletter.

Peter Jackson is a Local Journalism Initiative reporter covering health for The Telegram.

In brief

Two overdue long-term care homes set to open

Two overdue long-term care homes are opening in central Newfoundland after nearly a year of delays to address thousands of deficiencies discovered with the buildings last year. In a March 28 news release, the province announced that construction has finished on the two long-delayed homes, in Gander and Grand-Falls-Windsor, and residents are expected to move in next

month. The facilities were originally scheduled to open last May, but the projects were delayed after a lengthy list of deficiencies, including some that could have presented serious health and safety risks to residents, were found with the buildings. In early March, the province announced the problems had been addressed, and the cost for the additional work was covered under the existing contract with N.L. Health-care Partners.

NEWSLETTERS

The news you want, right in your inbox.

From daily headlines to editorial cartoons, we have a newsletter for every interest. Visit saltwire.com/newsletters

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")
[CFI IS A FLUORSPAR MINE LOCATED IN ST. LAWRENCE, NEWFOUNDLAND]
INVITATION FOR INVESTMENT/ PURCHASE
On March 11, 2022, the Court granted an initial order pursuant to the Companies Creditors Arrangement Act (the "CCAA") over Canada Fluorspar (NL) Inc., Canada Fluorspar Inc., and Newspar (a General Partnership) (the "Initial Order"). Grant Thornton Limited was appointed monitor of the Companies (the "Monitor").
On March 18, 2022, the Initial Order was amended and restated by the Court. Furthermore, at said hearing the Court granted an order (the "Bidding Procedures Order"), authorizing the Company to undertake a sale and investment solicitation process ("SISP") for the sale of CFI's business, property, assets and undertakings (collectively, the "Business").
GRANT THORNTON LIMITED, in its capacity as Monitor is hereby soliciting offer for CFI's Business. Information regarding the SISP can be obtained visiting the Monitor's website: www.GrantThornton.ca/CFI or by contacting Jason Kanji of the Monitor's office at (416) 777-6136 or Jason.Kanji@ca.gt.com.
Please note that the non-binding Letter of Intent is due no later than at 5:00 PM Newfoundland Standard Time on April 17, 2022.

Grant Thornton

Sale of Canada Fluorspar Inc. media notice



NEWS PROVIDED BY
Grant Thornton LLP →
Apr 11, 2022, 16:00 ET

SAINT LAWRENCE, NF, April 11, 2022 /CNW/ - The Supreme Court of Newfoundland and Labrador (the "Court") granted an initial order (the "Initial Order") pursuant to the Companies Creditors Arrangement Act (the "CCAA") over Canada Fluorspar (NL) Inc. (CFI), Canada Fluorspar Inc., and Newspar (a General Partnership) (together, the "Companies") on March 11, 2022. Grant Thornton Limited was appointed monitor of the Companies (the "Monitor").

On March 18, 2022, the Initial Order was amended and restated by the Court. Furthermore, at said hearing, the Court granted an order (the "Bidding Procedures Order"), authorizing the Companies to undertake a sale and investment solicitation process ("SISP") for the sale of CFI's business, property, assets and undertakings (collectively, the "Business").

Grant Thornton Limited, in its capacity as Monitor, is hereby soliciting offers for CFI's Business. Information regarding the SISP can be obtained by visiting the Monitor's website: www.GrantThornton.ca/CFI or by contacting Jason Kanji of the Monitor's office at (416) 777-6136 or Jason.Kanji@ca.gt.com.

**Please note that the non-binding Letter of Intent is due no later than at 5:00 PM
Newfoundland Standard Time on April 17, 2022.**

Grant Thornton Limited, Licensed Insolvency Trustees, is one of the largest bankruptcy, insolvency, and restructuring service firms in Canada. The debt professionals at Grant Thornton are passionate about making a difference for their clients, colleagues, and communities. Grant Thornton Limited is a Canadian member of Grant Thornton International Ltd. We have offices conveniently located across Canada, and offer a full range of debt help services for the audit, tax and advisory firm, Grant Thornton LLP.

About Grant Thornton LLP

Grant Thornton LLP is a leading Canadian accounting and advisory firm providing accounting, audit, tax and advisory services to private and public organizations. We help dynamic organizations unlock their potential for growth by providing meaningful, actionable advice through a broad range of services. Grant Thornton LLP is a Canadian member of Grant Thornton International Ltd, whose member and correspondent firms operate in over 130 countries worldwide. A listing of Grant Thornton offices and contact information can be found at: www.GrantThornton.ca.

SOURCE Grant Thornton LLP

For further information: Grant Thornton LLP, Lindsay Barnes, Senior Manager, Media Relations, T +1 905 999 6448, E Lindsay.Barnes@ca.gt.com

Appendix “O”

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 EXTENSION

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).

Appendix “P”

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 EXTENSION

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.

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



Grant Thornton

May 25, 2022

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

No other changes to the SISF 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.

Appendix “Q”

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;

ORDER

Before the Honourable Justice MacDonald;

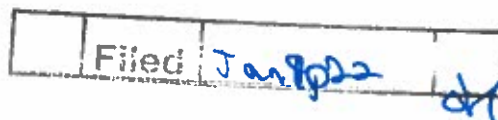
THIS APPLICATION, made by Grant Thornton Limited ("GTL" or the "Monitor"), in its capacity as Court-Appointed Monitor of the Company, pursuant to the *Companies Creditors Arrangement Act* R.S.C., 1985 c. C-36 as Amended ("CCAA") and *Wage Earners Protection Program Act* S.C. 2005, c. 47, s. 1 ("WEPPA") for an Order substantially in the form filed with the Application was heard on this 10th day of June, 2022.

ON READING the affidavits of Phil Clarke sworn on the 30th day of May, 2022 (the "Clarke Affidavit") and the Exhibits thereto, and of Melissa Spearns sworn on the 27th day of May, 2022 (the "Spearns Affidavit") and the Exhibits thereto, and the Monitor's Third Report;

UPON HEARING Meghan M. King of Counsel for the Monitor, Darren D. O'Keefe of Counsel for the Company, other counsel as they may appear, no one else appearing for any party duly served as outlined in the affidavit of service dated the __ day of _____, 2022 ,

IT IS HEREBY ORDERED:

1. THAT the time for service of the within Notice of Motion and materials filed, as set out in



the affidavit of served is hereby deemed adequate notice so that this Application is properly returnable today and hereby dispenses with further service thereof.

2. **THAT** all terms not otherwise defined herein shall have the meaning ascribed to them in the Amended and Restated Initial Order of this Court dated March 18th, 2022 (the "ARIO"), the order of this Court dated March 18th, 2022, approving the Sales, Solicitation and Investment Process (the "SISP Order"), the Clarke Affidavit, the Spearns Affidavit, and the Third Report of the Monitor filed on May 30th, 2022 (the "Monitors Third Report");

EXTENSION OF THE STAY PERIOD

3. **THIS COURT ORDERS** that the current Stay Period under the CCAA be and is hereby extended to and including September 2, 2022.

WAGE EARNER PROTECTION PROGRAM ACT

4. **THIS COURT ORDERS AND DECLARES** that pursuant to section 5(5) of WEPPA the Company and their collective former employees meet the criteria prescribed by section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222 and are a former employer, employees and individuals to whom the WEPPA applies as of March 21, 2022.

AMENDMENTS TO THE SISP AND ARIO

5. **THIS COURT ORDERS** that the amendments to the SISP Order as proposed by the Monitor attached hereto as **Exhibit "A"**, and the amendments to the ARIO as proposed by the Monitor, attached hereto as **Exhibit "B"**, are hereby approved.
6. **THIS COURT ORDERS** that in carrying out the terms of this Order, the Monitor whether in its personal capacity or in its capacity as the Monitor:

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



these CCAA proceedings, including the stay of proceedings; and

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

APPROVAL OF THE MONITOR'S THIRD REPORT

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

DATED at St. John's, in the Province of Newfoundland and Labrador, this 10 day of June, 2022.

 COURT
OFFICER



Exhibit "A"

2022 01G 0709
IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY AND INSOLVENCY

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

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

ORDER APPROVING A REVISED SALE AND INVESTMENT SOLICITATION PROCESS

[1] **CONSIDERING** the Applicant's Application for the issuance of (i) an Initial Order, (ii) an Amended and Restated Initial Order, (iii) an Order approving the DIP Financing Agreement, and (iv) an Order approving a Sale and Investment Solicitation Process (the "Application"), the affidavit of Phil Clarke dated the 8th day of March, 2022 and the exhibits in support thereof;

[2] **CONSIDERING** the submissions of counsel;

Formatted: Font: Not Bold

[3] **CONSIDERING** the pre-filing report prepared by Grant Thornton Limited (the "Monitor");

[4] CONSIDERING the further materials filed with this Court since March 8th, 2022, including the First, Second and Third Reports of the Monitor, and the affidavit of Phil Clarke dated the 30th day of May, 2022 and Melissa Spears dated May 26th, 2022 and the exhibits thereto;

[4][5] **CONSIDERING** the provisions of the Companies' Creditors Arrangement Act ("CCAA");

THE COURT:

[5] GRANTS the Application.

[6] CONFIRMS ITS GRANT of the original Order dated March 18th, 2022, in connection with the Application (defined above), with the modifications blacklined herein being approved and deemed effective as of the date of the Order to which this revised Order is attached as Exhibit "A"

DEFINITIONS

[6][7] **DECLARES** that all capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bidding Procedures (as defined below).

SERVICE

2

~~{7}~~~~[8]~~ **DECLARES** that sufficient prior notice of the presentation of the Application has been given by the Applicant to interested parties, and that further service thereof is hereby dispensed with.

~~{8}~~~~[9]~~ **PERMITS** the service of the present Order (this "Order") at any time and place and by any means whatsoever.

SISP

~~{9}~~~~[10]~~ **APPROVES** and **RATIFIES** the Revised Sale and Investment Solicitation Process ("SISP") set forth in the Procedures for the Sale and Investment Solicitation Process attached as Schedule "A" hereto (the "**Bidding Procedures**").

~~{10}~~~~[11]~~ **AUTHORIZES** the Applicant and the Company, to the extent the Company assists with the SISP, to implement the SISP and to take such steps and execute such documentation as may be necessary or incidental thereto, the whole in accordance with the Bidding Procedures.

~~{11}~~~~[12]~~ **ORDERS** that the Applicant and the Company, as well as respective affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of performing their duties under the SISP, except to the extent of such losses, claims, damages or liabilities resulting from gross negligence or willful misconduct of any such person or entity, as applicable, as determined by this Court.

GENERAL

~~{12}~~~~[13]~~ **ORDERS** that the Applicant and the Company, to the extent the Company assists with the SISP are authorized and permitted under applicable law to disclose and transfer to Potential Bidders and to their advisors personal information in the custody or control of the Company relating to the operation of the business, including human resources and payroll information, records pertaining to the Company's past and current employees, and information about any consumer, website visitor or other individual (collectively, "**Personal Information**"), but only to the extent necessary to negotiate, determine whether to proceed with, and attempt to complete a transaction in accordance with the SISP (a "**Transaction**"). Each Potential Bidder to whom any Personal Information is disclosed shall maintain and protect the Personal Information with security safeguards appropriate to the sensitivity of the Personal Information and as may otherwise be required by applicable federal or provincial privacy legislation and limit the use of such information to its evaluation of a Transaction, and if it does not complete a Transaction with the Applicant, shall return all such information to the Applicant, or in the alternative permanently destroy all such information.

~~{13}~~~~[14]~~ **ORDERS** that the Applicant may from time to time apply to this Court for advice and directions in the discharge of their respective powers and duties hereunder or under the SISP.

~~{14}~~~~[15]~~ **REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, in the United States of America or

2

PAGE: 3

elsewhere, to give effect to this Order and to assist the Applicant, as applicable, and their respective agents in carrying out the terms of this Order.

{+5}[16] **ORDERS** the provisional execution of this Order notwithstanding appeal and without any security or provision for costs whatsoever.

{+6}[17] **WITHOUT COSTS.**



Exhibit "B"

2022 01G 0709

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR IN BANKRUPTCY AND INSOLVENCY

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

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

AMENDED AND RESTATED INITIAL ORDER – AMENDMENT #1

BEFORE THE HONOURABLE JUSTICE MACDONALD

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

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

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

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

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 2 day of September, 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 (which includes the amount provided for in the Interim Receivership Order), as security for their professional fees and disbursements incurred at their respective standard rates and charges of the Monitor and such counsel, both before and after the making of this Order and the Amended and Restated Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 41 and 43 herein.

ENHANCEMENT OF MONITOR'S POWERS

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

- (a) take any and all actions and steps to manage, operate and carry on the Business, including, without in any way limiting the generality of the foregoing:
 - (i) any actions or steps the Monitor considers necessary or desirable to proceed with an orderly restructuring or liquidation of the Business;
 - (i) permanently or temporarily ceasing, downsizing or shutting down any of the Company's operations;
 - (ii) terminating the employment of or temporarily laying off employees of the Company;
 - (iii) pursuing all avenues of refinancing the Business or Property, except the Excluded Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing;
 - (iv) preparing a Plan of Compromise and Arrangement on behalf of one or more of the Applicants;
 - (v) settling, extending or compromising any indebtedness owing to or by the Company;



- (vi) initiating, prosecuting and continuing the prosecution of any and all proceedings and defending all proceedings now pending or hereafter instituted with respect to the Company, the Business, the Property or the Monitor and to settle or compromise any such proceeding;
 - (vii) taking any and all corporate governance actions for the Company; and
 - (viii) providing instruction and direction to the advisors of the Company;
- (b) preserve, protect and exercise control over the Property, (with the exception of the Excluded Property), or any parts thereof, including, without in any way limiting the generality of the foregoing:
- (i) receive, collect and exercise control over all monies and accounts held by or owing to the Company; including any proceeds of the sale of any of the Property (save and except the Excluded Property);
 - (ii) exercise all remedies of the Company in collecting monies owed or hereafter owing to the Company and to enforce any security held by the Company;
 - (iii) execute, assign, issue and endorse documents of whatever nature in respect of any of the Property (save and except the Excluded Property) for any purpose pursuant to this Order;
 - (iv) to market, sell convey, transfer, lease or assign the Property, including running a sales solicitation process, or any part or parts of the Property out of the ordinary course of business;
 - (A) without the approval of this Court, in respect of any one transaction not exceeding \$500,000 or \$2,500,000 in the aggregate;
 - (B) without the approval of this Court in respect of the sale of Fluorspar inventory; and
 - (C) with the approval of this Court in respect of any other transaction;



- (c) to report to, meet with and discuss with such affected persons as the Monitor deems appropriate on all matters relating to the Business and the Property, and to share information, subject to such terms as to confidentiality as the Monitor deems advisable;
- (d) oversee and direct the preparation and dissemination of financial and other information of the Company in these proceedings, including cash flow statements;
- (e) apply to the court for advice and direction or for any further orders in these proceedings, including, without in any way limiting the generality of the foregoing, sale approval and vesting orders and orders extending or terminating the stay of proceedings;
- (f) perform such other duties or take any steps reasonably incidental to the exercise of these powers;

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE MONITOR

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

- (a) advising the Monitor of the existence of any Property of which such party has knowledge of;
- (b) providing the Monitor with immediate and continued access to any Property in such party's possession or control;
- (c) advising the Monitor of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Company, and any computer programs, computer tapes, computer disks, or other

data storage media containing any such information ("**Records**") of which such party has knowledge of; and

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

LIMITATION ON THE MONITOR'S LIABILITY

- 32. **THIS COURT ORDERS THAT** the Monitor is not and shall not, for any purposes, be deemed to be a director, officer, employee, receiver, receiver-manager, or liquidator of the Company.
- 33. **THIS COURT ORDERS THAT** the Monitor is not and shall not for the purposes of the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.) be deemed to be a legal representative or person to whom s. 150(3) of that Act applies.
- 34. **THIS COURT ORDERS THAT** that the rights, protections, indemnities, charges, priorities and other provisions in favour of the Monitor set out in the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, any other applicable legislation, and any other Order granted in these proceedings, all shall apply and extend to the Monitor in connection with the Monitor carrying out the provisions of this Order, amended as necessary to give effect to the terms of this Order.

DIP FINANCING

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



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

36. **THIS COURT ORDERS** that, in addition to the DIP Financing Agreement, the Company is also hereby authorized and empowered to execute and deliver such other credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively with the DIP Financing Agreement, the "**Definitive Documents**"), as are contemplated by the DIP Financing Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Monitor, on behalf of the Company is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Financing Agreement and the other Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.
37. **THIS COURT ORDERS** that, as security for the Company's obligations under the Definitive Documents, the DIP Lender shall be entitled to the benefit of and are hereby granted a charge (the "**DIP Lender's Charge**") on the Property, (save and except the Excluded Property and Excluded Inventory), which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 41 and 43 herein. Notwithstanding the foregoing, the Interim Receiver's Borrowing Charge contained in Paragraph 27 of the Interim Receivership Order, being the 1.8 Million advanced pursuant to the Interim Receivership Order, shall continue to be in full force and effect during the term of this Order. The Interim Receiver's Borrowing Charge shall rank *pari passu* with the DIP Lender's Charge.
38. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:



- (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.



2022 01G 0709

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY AND INSOLVENCY

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

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

AMENDED AND RESTATED INITIAL ORDER – AMENDMENT #1

BEFORE THE HONOURABLE JUSTICE MACDONALD

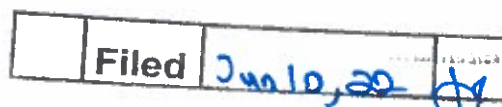
THIS APPLICATION, made by Grant Thornton Limited, in its capacity as Court-Appointed Interim Receiver of Canada Fluorspar (NL) Inc., and Canada Fluorspar Inc., (the “Interim Receiver” or the “Applicant”) pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “CCAA”)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

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

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

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

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 2 day of September, 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 (which includes the amount provided for in the Interim Receivership Order), as security for their professional fees and disbursements incurred at their respective standard rates and charges of the Monitor and such counsel, both before and after the making of this Order and the Amended and Restated Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 41 and 43 herein.

ENHANCEMENT OF MONITOR'S POWERS

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

- (a) take any and all actions and steps to manage, operate and carry on the Business, including, without in any way limiting the generality of the foregoing:
 - (i) any actions or steps the Monitor considers necessary or desirable to proceed with an orderly restructuring or liquidation of the Business;
 - (i) permanently or temporarily ceasing, downsizing or shutting down any of the Company's operations;
 - (ii) terminating the employment of or temporarily laying off employees of the Company;
 - (iii) pursuing all avenues of refinancing the Business or Property, except the Excluded Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing;
 - (iv) preparing a Plan of Compromise and Arrangement on behalf of one or more of the Applicants;
 - (v) settling, extending or compromising any indebtedness owing to or by the Company;



- (vi) initiating, prosecuting and continuing the prosecution of any and all proceedings and defending all proceedings now pending or hereafter instituted with respect to the Company, the Business, the Property or the Monitor and to settle or compromise any such proceeding;
 - (vii) taking any and all corporate governance actions for the Company; and
 - (viii) providing instruction and direction to the advisors of the Company;
- (b) preserve, protect and exercise control over the Property, (with the exception of the Excluded Property), or any parts thereof, including, without in any way limiting the generality of the foregoing:
- (i) receive, collect and exercise control over all monies and accounts held by or owing to the Company; including any proceeds of the sale of any of the Property (save and except the Excluded Property);
 - (ii) exercise all remedies of the Company in collecting monies owed or hereafter owing to the Company and to enforce any security held by the Company;
 - (iii) execute, assign, issue and endorse documents of whatever nature in respect of any of the Property (save and except the Excluded Property) for any purpose pursuant to this Order;
 - (iv) to market, sell convey, transfer, lease or assign the Property, including running a sales solicitation process, or any part or parts of the Property out of the ordinary course of business;
 - (A) without the approval of this Court, in respect of any one transaction not exceeding \$500,000 or \$2,500,000 in the aggregate;
 - (B) without the approval of this Court in respect of the sale of Fluorspar inventory; and
 - (C) with the approval of this Court in respect of any other transaction;



- (c) to report to, meet with and discuss with such affected persons as the Monitor deems appropriate on all matters relating to the Business and the Property, and to share information, subject to such terms as to confidentiality as the Monitor deems advisable;
- (d) oversee and direct the preparation and dissemination of financial and other information of the Company in these proceedings, including cash flow statements;
- (e) apply to the court for advice and direction or for any further orders in these proceedings, including, without in any way limiting the generality of the foregoing, sale approval and vesting orders and orders extending or terminating the stay of proceedings;
- (f) perform such other duties or take any steps reasonably incidental to the exercise of these powers;

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE MONITOR

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

- (a) advising the Monitor of the existence of any Property of which such party has knowledge of;
- (b) providing the Monitor with immediate and continued access to any Property in such party's possession or control;
- (c) advising the Monitor of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Company, and any computer programs, computer tapes, computer disks, or other



data storage media containing any such information ("**Records**") of which such party has knowledge of; and

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

LIMITATION ON THE MONITOR'S LIABILITY

32. **THIS COURT ORDERS THAT** the Monitor is not and shall not, for any purposes, be deemed to be a director, officer, employee, receiver, receiver-manager, or liquidator of the Company.
33. **THIS COURT ORDERS THAT** the Monitor is not and shall not for the purposes of the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.) be deemed to be a legal representative or person to whom s. 150(3) of that Act applies.
34. **THIS COURT ORDERS THAT** that the rights, protections, indemnities, charges, priorities and other provisions in favour of the Monitor set out in the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, any other applicable legislation, and any other Order granted in these proceedings, all shall apply and extend to the Monitor in connection with the Monitor carrying out the provisions of this Order, amended as necessary to give effect to the terms of this Order.

DIP FINANCING

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



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

36. **THIS COURT ORDERS** that, in addition to the DIP Financing Agreement, the Company is also hereby authorized and empowered to execute and deliver such other credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively with the DIP Financing Agreement, the “**Definitive Documents**”), as are contemplated by the DIP Financing Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Monitor, on behalf of the Company is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Financing Agreement and the other Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.
37. **THIS COURT ORDERS** that, as security for the Company’s obligations under the Definitive Documents, the DIP Lender shall be entitled to the benefit of and are hereby granted a charge (the “**DIP Lender’s Charge**”) on the Property, (save and except the Excluded Property and Excluded Inventory), which DIP Lender’s Charge shall not secure an obligation that exists before this Order is made. The DIP Lender’s Charge shall have the priority set out in paragraphs 41 and 43 herein. Notwithstanding the foregoing, the Interim Receiver’s Borrowing Charge contained in Paragraph 27 of the Interim Receivership Order, being the 1.8 Million advanced pursuant to the Interim Receivership Order, shall continue to be in full force and effect during the term of this Order. The Interim Receiver’s Borrowing Charge shall rank pari passu with the DIP Lender’s Charge.
38. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:



- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
 - (b) upon the occurrence of an event of default under the DIP Financing Agreement, the other Definitive Documents or the DIP Lender's Charge, upon five (5) days notice to the Monitor and the Company, the DIP Lender may exercise any rights and remedies against the Company or the Property, (save and except the Excluded Property), under or pursuant to the DIP Financing Agreement, the other Definitive Documents and the DIP Lender's Charge, including, without limitation, to cease making advances to the Company and set off and/or consolidate any amounts that may be owing by the DIP Lender against the obligations of the Company to the DIP Lender under the DIP Financing Agreement, the other Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Company and for the appointment of a trustee in bankruptcy of the Company; and
 - (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Company or the Property (save and except the Excluded Property).
39. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Company under the CCAA, or any proposal filed by the Company under the BIA, with respect to any advances made under the DIP Financing Agreement and the other Definitive Documents.
40. **THIS COURT ORDERS AND DECLARES** that this Order is subject to provisional execution and that if any of the provisions of this Order in connection with the DIP Financing Agreement, the other Definitive Documents or the DIP Lender's Charge shall subsequently be stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a "**Variation**") whether by subsequent order of this Court on or pending an appeal from this Order, such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP Lender, whether under this Order (as



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

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

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

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

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

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

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



44. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Company shall not grant any Encumbrances over any Property that rank in priority to, or pari passu with, any of the Charges, unless the Company also obtains the prior written consent of the Monitor and of the applicable chargee(s) entitled to the benefit of the Charges (collectively, the "**Chargees**"), or further Order of this Court.
45. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Company, and notwithstanding any provision to the contrary in any Agreement:
- (a) Neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Financing Agreement or the other Definitive Documents shall create or be deemed to constitute a breach by the Company of any Agreement to which it is a party;
 - (b) None of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Company entering into the DIP Financing Agreement, the creation of the Charges, or the execution, delivery or performance of the other Definitive Documents; and
 - (c) The payments made by the Company pursuant to this Order, the DIP Financing Agreement or the other Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.



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

SERVICE AND NOTICE

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

GENERAL

48. **THIS COURT ORDERS** that the Monitor, on behalf of the Company, may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
49. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from subsequently acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Company, the Business or the Property.
50. **THIS COURT ORDERS** that each of the Company and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.


COURT
OFFICER
Dated June 10, 2022



Schedule "A"

Defined Terms

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

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

"HSBC" means HSBC Bank Canada; and

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



Appendix “R”

June 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 2 BID DEADLINE EXTENSION

TAKE NOTICE that regarding the Sales Investment Solicitation Process ("**SISP**") for CFI, on June 10, 2022, an Order of the Court was issued to extend the deadlines contemplated in the original SISP. Below are the new SISP deadlines that have been approved by the Court.

<u>5. Phase 2 Bid Deadline & Qualified Bidders</u> 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)
<u>6. Auction</u> Auction Commencement Date (if needed)	By no later than July 29, 2022
<u>7. Selection of final Successful Bid</u> Deadline for selection of final Successful Bid	By no later than August 5, 2022, at 5:00 p.m. (Newfoundland Standard Time)
<u>8. Definitive Documentation</u> Deadline for completion of definitive documentation in respect of Successful Bid	By no later than August 12, 2022
<u>9. Approval Motion – Successful Bid</u> Deadline for filing of Approval Motion in respect of Successful Bid	By no later than August 19, 2022
<u>10. Closing – Successful Bid</u> Anticipated deadline for closing of Successful Bid being the Target Closing Date	September 2, 2022 or such earlier date as is achievable
<u>11. Outside Date – Closing</u> Outside Date by which the Successful Bid must close	September 16, 2022



Grant Thornton

June 13, 2022

No other changes to the SISF are being made at this time. Enclosed is a copy of the Court order dated June 10, 2022 and SISF procedures for your records.

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).

Appendix “S”

August 5, 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 2 BID SELECTION EXTENSION

TAKE NOTICE that regarding the Sales Investment Solicitation Process ("**SISP**") for CFI, on June 10, 2022, an Order of the Court was issued to extend the deadlines contemplated in the original SISP. The Monitor has provided the Phase 2 Qualified Bidders an opportunity to submit further bids due by August 12, 2022.

<u>7. Selection of final Successful Bid</u> Deadline for selection of final Successful Bid	By no later than August 16, 2022, at 5:00 p.m. (Newfoundland Standard Time)
<u>8. Definitive Documentation</u> Deadline for completion of definitive documentation in respect of Successful Bid	By no later than August 23, 2022
<u>9. Approval Motion – Successful Bid</u> Deadline for filing of Approval Motion in respect of Successful Bid	By no later than August 23, 2022
<u>10. Closing – Successful Bid</u> Anticipated deadline for closing of Successful Bid being the Target Closing Date	To Be Determined

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).

Appendix “T”

2022 01G 0709
IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY AND INSOLVENCY

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

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

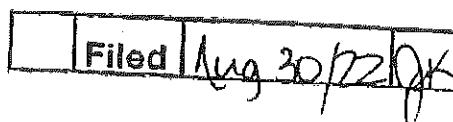
ORDER APPROVING A REVISED SALE AND INVESTMENT SOLICITATION PROCESS –
Revision #2

- [1] **CONSIDERING** the Applicant's *Application for the issuance of (i) an Initial Order, (ii) an Amended and Restated Initial Order, (iii) an Order approving the DIP Financing Agreement; and (iv) an Order approving a Sale and Investment Solicitation Process (the "Application")*, the affidavit of Phil Clarke dated the 8th day of March, 2022 and the exhibits in support thereof;
- [2] **CONSIDERING** the submissions of counsel;
- [3] **CONSIDERING** the pre-filing report prepared by Grant Thornton Limited (the "Monitor");
- [4] **CONSIDERING** the further materials filed with this Court since March 8th, 2022, including the First, Second and Third Reports of the Monitor, and the affidavit of Phil Clarke dated the 30th day of May, 2022 and Melissa Spearns dated May 26th, 2022 and the exhibits thereto;
- [5] **CONSIDERING** the further materials filed since May 31st, 2022 including the Fourth Report of the Monitor, and the affidavit of Phil Clarke dated the 24th of August, 2022 and the exhibits thereto;
- [6] **CONSIDERING** the provisions of the *Companies' Creditors Arrangement Act* ("CCAA");

THE COURT:

- [7] **CONFIRMS ITS GRANT** of the original Order dated March 18th, 2022 and its subsequent Order dated June 10th, 2022, in connection with the Application (defined above), with the modifications blacklined herein being approved and deemed effective as of the date of the Order to which this revised Order is attached as **Exhibit "A"**

DEFINITIONS



- [8] **DECLARES** that all capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bidding Procedures (as defined below).

SERVICE

- [9] **DECLARES** that sufficient prior notice of the presentation of the Application has been given by the Applicant to interested parties, and that further service thereof is hereby dispensed with.
- [10] **PERMITS** the service of the present Order (this "Order") at any time and place and by any means whatsoever.

SISP

- [11] **APPROVES** and **RATIFIES** the Revised Sale and Investment Solicitation Process ("SISP") set forth in the Procedures for the Sale and Investment Solicitation Process attached as Schedule "A" hereto (the "**Bidding Procedures**").
- [12] **AUTHORIZES** the Applicant and the Company, to the extent the Company assists with the SISP, to implement the SISP and to take such steps and execute such documentation as may be necessary or incidental thereto, the whole in accordance with the Bidding Procedures.
- [13] **ORDERS** that the Applicant and the Company, as well as respective affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of performing their duties under the SISP, except to the extent of such losses, claims, damages or liabilities resulting from gross negligence or willful misconduct of any such person or entity, as applicable, as determined by this Court.

GENERAL

- [14] **ORDERS** that the Applicant and the Company, to the extent the Company assists with the SISP are authorized and permitted under applicable law to disclose and transfer to Potential Bidders and to their advisors personal information in the custody or control of the Company relating to the operation of the business, including human resources and payroll information, records pertaining to the Company's past and current employees, and information about any consumer, website visitor or other individual (collectively, "**Personal Information**"), but only to the extent necessary to negotiate, determine whether to proceed with, and attempt to complete a transaction in accordance with the SISP (a "**Transaction**"). Each Potential Bidder to whom any Personal Information is disclosed shall maintain and protect the Personal Information with security safeguards appropriate to the sensitivity of the Personal Information and as may otherwise be required by applicable federal or provincial privacy legislation and limit the use of such information to its evaluation of a Transaction, and if it does not complete a Transaction with the Applicant, shall return all such information to the Applicant, or in the alternative permanently destroy all such information.
- [15] **ORDERS** that the Applicant may from time to time apply to this Court for advice and directions in the discharge of their respective powers and duties hereunder or under the SISP.

h

- [16] **REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, in the United States of America or elsewhere, to give effect to this Order and to assist the Applicant, as applicable, and their respective agents in carrying out the terms of this Order.
- [17] **ORDERS** the provisional execution of this Order notwithstanding appeal and without any security or provision for costs whatsoever.
- [18] **WITHOUT COSTS.**

A handwritten signature in cursive script, appearing to read "Julie Healey", is written over a horizontal line.

COURT
OFFICER

A small, stylized handwritten mark or signature at the bottom right of the page.

Exhibit "A"

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 18, 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

<u>Event</u>	<u>Date</u>
<u>1. Solicitation Letter</u> Monitor to distribute Solicitation Letter, to potentially interested parties	By no later than March 20 2022, at 5:00 p.m. (Newfoundland Standard Time)
<u>2. CIM and VDR</u> 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
<u>3. Phase 1 Qualified Bidders & Bid Deadline</u> 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.

2

<u>Event</u>	<u>Date</u>
<u>4. Phase 1 Successful Bid</u> 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)
<u>5. Phase 2 Bid Deadline & Qualified Bidders</u> Phase 2 Bid Deadline (for delivery of definitive offers by Phase 2 Qualified Bidders in accordance with the requirement of paragraph 22 of the Bidding Procedures)	By no later than July 22, 2022, at 5:00 p.m. (Newfoundland Standard Time)
<u>6. Auction</u> Auction Commencement Date (if needed)	By no later than July 29, 2022
<u>7. Selection of final Successful Bid</u> Deadline for selection of final Successful Bid	By no later than August 5, 2022, at 5:00 p.m. (Newfoundland Standard Time)
<u>8. Definitive Documentation</u> Deadline for completion of definitive documentation in respect of Successful Bid	By no later than <u>September 14, 2022</u>
<u>9. Approval Motion – Successful Bid</u> Deadline for filing of Approval Motion in respect of Successful Bid	By no later than <u>September 23, 2022</u>
<u>10. Closing – Successful Bid</u> Anticipated deadline for closing of Successful Bid being the Target Closing Date	<u>October 7, 2022</u> or such earlier date as is achievable
<u>11. Outside Date – Closing</u> Outside Date by which the Successful Bid must close	<u>October 17, 2022</u>

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

a

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

2

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

a

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 33 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 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**").

a

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 32 below;

a

- (j) contemplates and reasonably demonstrates a capacity to consummate a closing of the transaction set out therein on or before October 7, 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 October 17, 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 22(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 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.

a

- (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 August 5, 2022 and the definitive documentation in respect of the Successful Bid must be finalized and executed no later than September 14, 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 September 23, 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) October 17, 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 October 17, 2022.

2

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

2

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 36 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

Or

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.

A

APPENDIX A
DEFINED TERMS

- "Applicant"** shall have the meaning set forth in the preamble.
- "Approval Motion"** shall have the meaning set forth in paragraph 30.
- "Approval Order(s)"** shall have the meaning set forth in paragraph 30.
- "Auction"** shall have the meaning set forth in paragraph 27.
- "Backup Bid"** shall have the meaning set forth in paragraph 29.
- "Backup Bidder"** shall have the meaning set forth in paragraph 29.
- "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 21.
- "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 35.
- "Court"** shall have the meaning set forth in the preamble.
- "Deposit"** shall have the meaning set forth in paragraph 22(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.

2

"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 27(h)27(h).

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

"Outside Date" shall have the meaning set forth in paragraph 22(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 21.

"Phase 2 Qualified Bid" shall have the meaning set forth in paragraph 21.

"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 25.

"Successful Bidder" shall have the meaning set forth in paragraph 25.

"Target Closing Date" shall have the meaning set forth in paragraph 22(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.

al

APPENDIX B

TO the Company:

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

with a copy to:

O'Keefe and Company

Attention: Darren O'Keefe
Email: darren@okeefeandcompany.com

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 Speneer
Email: meghan.king@mcinnescooper.com and geoffrey.spencer@mcinnescooper.com

a

Appendix “U”

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")

AGREEMENT OF DEFINITIVE DOCUMENTATION AND DATE OF APPROVAL MOTION

TAKE NOTICE that regarding the Sales Investment Solicitation Process ("**SISP**") for CFI, on August 30, 2022, an Order of the Court was issued to extend the deadlines contemplated in the original and the first amended SISP. The Monitor has the authority to make immaterial extensions to the deadlines without further Order of the Court. Please see below the new contemplated dates.

<u>8. Definitive Documentation</u> Deadline for completion of definitive documentation in respect of Successful Bid.	By no later than September 14, 2022. <u>Revised dated: September 27, 2022.</u>
<u>9. Approval Motion – Successful Bid</u> Deadline for filing of Approval Motion in respect of Successful Bid.	By no later than September 23, 2022. <u>Scheduled Court Date: September 28, 2022.</u>
<u>10. Closing – Successful Bid</u> Anticipated deadline for closing of Successful Bid being the Target Closing Date.	October 7, 2022, or such earlier date as is achievable. NO CHANGE
<u>11. Outside Date – Closing</u> Outside Date by which the successful Bid must close.	October 17, 2022. NO CHANGE

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).

Appendix “V”

Schedule F.1 – Retained Environmental and Compliance Liabilities

Without limiting the generality of the foregoing, that nothing contained herein shall be deemed to be a release of any obligation of the Company in relation to:

- (a) the remaining Licenses, Leases and obligations arising, as outlined in Schedule C,
 - i. under any applicable legislation, including without limitation, the *Mineral Act* (Newfoundland and Labrador) or the *Mining Act* (Newfoundland and Labrador); or
 - ii. pursuant to the terms and conditions contained therein;
- (b) any financial assurance provided by the Company in relation to any rehabilitation and closure plan; or
- (c) any environmental liabilities arising either before or after the Closing Date.

Schedule F.2 - Retained Vendor Leases

Retained Vendor Leases						
Ownership	Loan No.	Lender	Description	Serial No.	Start Date	End Date
Canada Fluorspar (NL) Inc.	59428800	Ford Credit Canada Leasing	2020 Ford F150	IFTFW1E58LKE83314	24-Sep-20	24-Jul-23
Canada Fluorspar (NL) Inc.	58962382	Ford Credit Canada Leasing	2020 Ford F250	IFTTW2B65LEC95159	12-Jun-20	12-Apr-23
Canada Fluorspar (NL) Inc.	001-0268023-000	De Lage Landen Financial Services Canada Inc.	Sharp MX3051 (3) and Sharp MX3571 (1)		30-Apr-21	30-Mar-26
Canada Fluorspar (NL) Inc.	SDNHTD012857	Receiver General of Canada on Behalf of Fisheries and Oceans c/o HSBC Canada	Blue Beach Marine Terminal Letter of Credit	Fisheries Act Authorization No. 2020-105-00022.	20-Aug-20	20-Aug-23
Canada Fluorspar (NL) Inc.	BMTOS18856OS	Receiver General of Canada on Behalf of Fisheries and Oceans c/o Bank of Montreal	Grebes Nest Pond Dewatering	Fisheries Act Authorization No. 17-01-001	31-Mar-18	31-Mar-25

Schedule F.3 - Retained Supply Agreements

Retained Supply Agreements						
Ownership	Supplier	Start Date	End Date	Extensions	Description	
Canada Fluorspar (NL) Inc.	Knight Presold Ltd	Unknown	TBD	TBD	Engineer of record	
Canada Fluorspar (NL) Inc.	Sage Software Canada Ltd	6/28/2022	6/27/2023	N/A	Accounting software	
Newspar and Canada Fluorspar (NL) Inc.	Town of St. Lawrence	2/6/2012	12/31/2026	N/A	Payments to Town in lieu of municipal taxes	
Canada Fluorspar (NL) Inc.	Wannic Holdings Inc.	6/1/2016	TBD	TBD	Storage locker rental	
Canada Fluorspar Inc.	Wood Environment and Infrastructure	8/16/2018	12/31/2025	N/A	Freshwater fish monitoring	
Canada Fluorspar (NL) Inc. & Canada Fluorspar Inc.	Ceridian Canada Ltd.	12/12/2017	TBD	TBD	Payroll software	
Canada Fluorspar (NL) Inc. & Canada Fluorspar Inc.	Manulife Financial	Unknown	TBD	TBD	Employee benefits	
Canada Fluorspar (NL) Inc.	Messer Canada Inc.	5/11/2022	TBD	TBD	Gas cylinder rental	
Canada Fluorspar (NL) Inc.	Linde Canada Inc.	7/22/2022	TBD	TBD	Gas cylinder rental	
Canada Fluorspar (NL) Inc.	Graham Tobin	6/1/2020	TBD	TBD	Monthly apartment rental	

Appendix “W”

Schedule D - Excluded Assets

Owner		Excluded Assets		Description	Location
Atlantic Explosives Limited			Magazines for explosives		Mine/Mill Area
Brenco High Voltage Solutions		Line truck (VIN# 1FVHBXBS01HJ46927), utility trailer and 7 light poles			Mine/Mill Area
General Auto and Industrial (Napa Auto Parts 6305)		Consignment inventory - parts for light and heavy duty vehicles			Mine/Mill Area
General Auto and Industrial (Napa Auto Parts 6305)		10 totes			Mine/Mill Area
Weir Minerals Canada Inc.		Consignment inventory - parts for various pumps			Warehouse
St. Lawrence Area Trail Association		4 steel beams, steel tower, solar panels,			Old Mill
HSBC Bank Canada (Court Appointed Receiver)		Financed trade accounts receivable to February 21, 2022			N/A
GFL Environmental Inc.		Garbage Bins (Hazardous Waste)			Various
Grant Thornton Limited, Monitor for CFI, CFI (NL) and Newspar		HST Refunds owing from the Canada Revenue Agency to CFI, CFI (NL) and Newspar from March 1, 2022 to Closing (est. \$340,413.07 as of Aug 31, 2022)			N/A
NewCo Metal and Auto Recycling Limited		Garbage Bins (Scrap Metal)			Various
Brenton Investments Limited		Garbage Bins			Various

Schedule D - Excluded Assets - Post Filing HST Refunds

	GST/HST			
	Canada Fluorspar (NL) Inc.	Canada Fluorspar Inc.	Newspar General Partnership	
Post-filing - Post February 21, 2022				
February 22-28	-	-	-	-
March 1-11, 2022	-	-	-	-
March 12-31, 2022	37,159.77	-	-	-
April 1-30, 2022	45,395.03	-	-	-
May 1-31, 2022	48,170.62	-	-	-
June 1-30, 2022	84,337.33	-	-	-
July 1-31, 2022	69,433.97	-	-	-
August 1-31, 2022	55,916.35	-	-	-
	340,413.07	-	-	-

Appendix “X”

MACNAB FAGAN & MURPHY

Barristers, Solicitors & Notaries

Prince Charles Building
120 Torbay Road, Suite W240
St. John's, NL A1A 2G8

Deborah L. J. Hutchings, Q.C.

Email: dhutchings@yourlegalteam.ca
Telephone: (709) 726-8844
Facsimile: (709) 726-5705
Website: www.yourlegalteam.ca

By Courier / Electronic Transmission: phil.clarke@ca.gt.com

September 2, 2022

Grant Thornton Limited
Court Appointed Monitor
Suite 300 – 15 International Place
St. John's, NL A1A 0L4
Attention: Mr. Phil Clarke

Dear Mr. Clarke:

Re: (1) Proceedings pursuant to the *Bankruptcy and Insolvency Act* and the *Companies' Creditors Arrangement Act* in respect of Canada Fluorspar (NL) Inc. et al.

(2) Federal Court Action No. 297-22 – Inaminka Marine Services Limited v. Canada Fluorspar (NL) Inc. et al.

As you are aware, we are the solicitors for Inaminka Marine Services Limited ("IMS") in relation to the above noted matter. We are also the solicitors for Richard A. Spellacy, Master Mariner, who is the sole shareholder, director and officer of IMS.

In our capacity as Captain Spellacy's solicitor, we enclose herewith a Proof of Claim filed for Captain Spellacy's personal claim against Canada Fluorspar (NL) Inc. ("CFI") for unpaid master's wages for which he claims a maritime lien and as a secured creditor against Barge H-404, Pontoon 1 (the "Barge"). Attached to the Proof of Claim you will find Captain Spellacy's Affidavit setting out his claim for master's wages.

In respect of the action by IMS against CFI in the Federal Court and subsequent arrest of the Barge on February 18, 2022, Captain Spellacy has filed a Caveat Release with the Federal Court, the effect of which is to prevent the release of IMS's arrest of the Barge until Captain Spellacy's claim is addressed by the Court.

We trust you will find the enclosed to be in order.

Yours very truly,



DEBORAH L. J. HUTCHINGS, Q.C.

DLJH/sb

Enclosures

cc: *By Courier / Electronic Transmission:* wcahill@coxandpalmer.com
William T. Cahill
Scotia Centre, Suite 1100
235 Water Street
St. John's, NL A1C 1B6

Form 31

Proof of Claim

Section 50.1, subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1), and paragraphs 51(1)(e) and 66.14(b) of the Act

All notices or correspondence regarding this claim must be forwarded to the following address: MacNab, Fagan & Murphy, Prince Charles Building, 120 Torbay Road, Suite W240, St. John's, NL A1A 2G8 Attention: Deborah L.J. Hutchings, Q.C.

In the matter of the bankruptcy (or the proposal, or the receivership) of Canada Fluorspar (NL) Inc. (name of debtor) of St. Lawrence, Newfoundland and Labrador (city and province) and the claim of Richard A. Spellacy, MM, creditor.

I, Richard A. Spellacy (name of creditor or representative of the creditor), of St. John's, Newfoundland and Labrador (city and province), do hereby certify:

1. That I am a creditor of the above-named debtor (or that I am (state position or title) of (name of creditor or representative of the creditor)).

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of bankruptcy (or the date of the receivership, or in the case of a proposal, the date of the notice of intention or of the proposal, if no notice of intention was filed), namely the 21st day of February, 2022, and still is, indebted to the creditor in the sum of \$252900, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)

☐ A. UNSECURED CLAIM OF \$

(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and

(Check appropriate description)

☐ Regarding the amount of \$, I claim a right to a priority under section 136 of the Act.

☐ Regarding the amount of \$, I do not claim a right to a priority.

(Set out on an attached sheet details to support priority claim.)

☐ B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

☒ C. SECURED CLAIM OF \$252900

That in respect of this debt, I hold assets of the debtor valued at \$252900.00 plus HST and/or other applicable taxes as security, particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

☐ D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$

(Attach a copy of sales agreement and delivery receipts.)

☒ E. CLAIM BY WAGE EARNER OF \$252900

☒ That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$252900

☐ That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$

☐ F. CLAIM AGAINST DIRECTOR \$

(To be completed when a proposal provides for the compromise of claims against directors.)

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

☐ G. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

5. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of section 4 of the Act, and have (or has) (or have not or has not) dealt with the debt or in a non-arm's length manner.

6. That the following are the payments that I have received from, and the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: *(Provide details of payments, credits and transfers at undervalue.)*

(Applicable only in the case of the bankruptcy of an individual.)

- ☒ I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at St. John's, Newfoundland and Labrador, this 2 day of *September, 2022*

Witness



Creditor

Phone Number: 709-579-1143

DEBORAH L.J. HUTCHINGS, QC
Barrister of the Supreme Court of
Newfoundland & Labrador

Fax Number: 709-726-5705
E-mail Address: dhutchings@yourlegalteam.ca

Note: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

Warnings: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

Note: If a copy of this Form is sent electronically by means such as email, the name and contact information of the sender, prescribed in Form 1.1, must be added at the end of the document.

SCHEDULE "A"

IN THE MATTER OF the
Bankruptcy and Insolvency Act,
R.S.C. 1992, c-27 ("BIA") in respect
Of Canada Fluorspar (NL) Inc.

AND IN THE MATTER OF the
*Companies' Creditors Arrangement
Act*, R.S.C. 1985, c-36 ("CCAA") in
Respect of Canada Fluorspar (NL) Inc.

AFFIDAVIT OF RICHARD A. SPELLACY

I, Richard A. Spellacy, Master Mariner, of the City of St. John's, in the Province of Newfoundland and Labrador, being duly sworn, do depose and say that:

1. I hereby give this Affidavit to support my Proof of Claim, being my personal claim for master's wages, as creditor of Canada Fluorspar (NL) Inc. ("CFI"), and as more particularly set out in the attached Proof of Claim form duly completed and executed by me.
2. I am a master mariner and I am the sole shareholder, director, and the President of Inaminka Marine Services Limited ("IMS"), a duly incorporated entity under the laws of the Province of Newfoundland and Labrador which is in good standing. As such, I am aware of the matters relating to the arrest of the ship "BARGE H-404" (the "Barge") and the claim of IMS against CFI.
3. I provide marine consultation and other services, such as master mariner services, through IMS.
4. IMS commenced an action in the Federal Court, Court No. 279-22, *in personam* claim against CFI and an *in rem* claim against the Barge and its owners and all those interested in, on February 16, 2022 ("Action") and on same date IMS caused a Warrant for the Arrest of the Barge to be issued. The Barge, namely Barge H-404, CFI Pontoon 1, is owned by CFI and was subsequently arrested by Sherriff's Officers, on behalf of IMS, on February 18, 2022 at Marystown, NL.
5. The Action arises out of a claim by IMS for the recovery of money owed by CFI (and the Owners and All others interested in the Barge) to IMS for consultation, design and other services relating to the Barge and its usage by CFI.
6. I understand that CFI was placed into a court-appointed receivership and management pursuant to the BIA on February 21, 2022. On March 11, 2022, CFI was granted protection from its creditors under CCAA.

7. IMS registered its Proof of Claim against CFI pursuant to the BIA/CCAA matters; however, my personal claim for master's wages has not yet been registered until now.
8. I, therefore, give this Affidavit to set out the particulars of a maritime lien, for which I have for unpaid master's wages to me, upon the Barge to secure my personal claim acting as master of the Barge for CFI. This claim does not overlap with the claim of IMS, as I shall explain below.
9. Inaminka was initially appointed by CFI on Tuesday October 12, 2021, to assess the mooring and continuing safe operation of the Barge at CFI's facility in St. Lawrence, NL. As part of any activities undertaken by CFI, I kept and submitted daily log sheets wherein all of my activities and those of my subcontractors were detailed. Attached hereto as Exhibit "A" are true copies of my personal daily log of my activities (and daily log of subcontractors) performed for and at CFI's request, commencing October 13, 2021 through to and inclusive of January 31, 2022.
10. As part of the ongoing operations concerning the Barge, on December 15, 2021 my naval architect, Anthony Barclay, and I visited Marystown to make an in-depth inspection of the internals of the Barge using the services of a local inspection company, Adaptive Marine Solutions Inc. ("AMS").
11. To facilitate the ongoing inspection of the Barge's internals, ballast water had to be transferred internally and as the ballast was and still is under the control of Transport Canada, the operation had to be monitored by a licensed person. Accordingly, I was asked by Jason Flood of CFI if I, as such a licensed person, would act in this capacity and sign off on the transfers as master of the Barge. I note that this appointment has never been rescinded to the date hereof and, in fact, I still have physical possession of the Ballast water record book, as master of the Barge, wherein I signed off on the transfer as master of the Barge.
12. From October 12, 2021 to February 1, 2022, any work that I performed purely as master of the Barge, being my master's wages, were charged to CFI pursuant to the purchaser orders between CFI and IMS and were included as part of the \$1500.00 per day rate. IMS would have then paid the master's wages directly to me **as required**.
13. After the arrest of the Barge by Inaminka, I continued to act as master of the said Barge, but not through the purchase orders as previously followed. For example, on April 1, 2022 I was contacted by Paul Antle, the owner of the docking facility wherein the Barge was moored, and I was advised that his company had a vessel arriving at the end of April, and that they would require the Barge to be moved. Also, I duly contacted the Receiver of CFI, Phil Clarke of Grant Thornton Limited, respecting this request and kept him informed, as master of the Barge, even to the extent that I had been contacted by a local shipowner, Pat Miller of Miller Shipping, who was interested in purchasing the Barge. On April 11, 2022 I was asked by Mr. Clarke to put the potential purchaser in direct contact with him

which I did and then continued to facilitate this matter to ensure that a successful conclusion was reached. I am advised by Mr. Miller, and do verily believe, that a firm offer for the purchase of the Barge was made by Miller Shipping.

14. The foregoing and subsequent actions by myself indicated that I continued to act as master of the Barge and email documentation to this effect is available. Since the arrest of the Barge and subsequent financial issues with CFI arose, I charged my hourly rate of \$225.00, as discussed with and agreed to by CFI previously. I attached hereto as Exhibit "B" a true copy of an email chain between myself and CFI from November 20, 2021 to, and including, November 26, 2021 wherein my rate for master mariner work was discussed and agreed upon.
15. Therefore, I would maintain, that since December 15, 2021, I have been acting in the capacity of master of the Barge without interruption up to and including the date hereof. Until CFI went into receivership, the compensation for my actions as master of the Barge were invoiced through IMS and were included in the terms of the flat rate of \$1500.00 per day. At the request of CFI, my compensation for master's wages reverted to my original terms of \$225 per hour for the intervening period and will continue until my appointment as master is cancelled.
16. As I indicated above my master's wages were covered by the invoices from IMS to CFI until January 31, 2022. The period from February 1, 2022 to August 31, 2022 covers 212 days. For seventy-one point five (71.5) days during that period I was compelled to work on other projects to gather some income and could not be available to attend to the Barge as master. Therefore, there were 140.5 days where I acted as the Barge's master, particularly for ballast transfers and its movement. At my hourly rate of \$225.00, to which IMS and CFI agreed in October/November 2021, the current total of my claim to August 31, 2022 is \$252,900.00 plus HST. Attached hereto as Exhibit "C" is a true copy of my invoice for my master's wages.
17. A second invoice to cover the intervening period commencing September 1, 2022, until the date upon which my appointment is cancelled will be issued once that cancellation notice is received.
18. All facts deposed above in this my Affidavit I believe to be true except where stated to be based upon information and belief.

SWORN before me at the City
of St. John's, in the Province
of Newfoundland and Labrador,
this 2nd day of September,
2022, before me:



Commissioner for Oaths /
Barrister /Notary Public

RICHARD A. SPELLACY, MM

DEBORAH L.J. HUTCHINGS, QC
Barrister of the Supreme Court of
Newfoundland & Labrador

INAMINKA MARINE

Operational Log of Events

Installation/Vessel:

CFI St. Lawrence Barge Moorings

Page 1

Time & Date	Description of Event
	Week of Wednesday October 13 to Tuesday October 19
0800/1700	Chase down data to assemble plan for barge, liaise with Ron Milmine on acceptability of CPE Express, procure charts for area, meet with Pat Gannon, Leo Power and Naval Architect Anthony Barclay re acceptability of plans, answer questions from management team on orientation of barge Total of 7 days
	Week of Wednesday October 20 to Tuesday October 26
	Review concerns of project engineers and respond, total of 1.0 days
	Week of Wednesday October 27 to Tuesday November 02
	Teleconference call with project staff out west devise new mooring plans and Liaise with Jason Flood et al Total 7.0 days
	Week of Wednesday November 03 to Tuesday November 09
	Chasing down winches, chain etc. revising mooring plans to suit meeting in St. Lawrence with project staff and Consultant Norman, proceed to Bay Bulls and inspect anchors and chain Total of 7.0 Days
	Week of Wednesday November 10 to Sunday November 14 (part week)
	Project meeting with all hands at St. Lawrence, review schedule, mooring plan, revise as appropriate Total of 5.5 Days
	Total days for period 27.5 days

This is Exhibit A referred to in the
Affidavit of _____
Sworn or affirmed before me this _____
day of _____, 20_____.

INAMINKA MARINE

Operational Log of Events

Installation/Vessel:

Page 4

CFI St. Lawrence Barge Moorings

Richard Spellacy, Time sheet for balance of November

Time & Date	Description of Event
	Friday November 19th
4 Hours	1500/1900 Working with AMS on barge inspection plan
	Sunday November 21st
4 hours	1600/2000 Working with Naval Architect Barclay on inspection procedure
	Monday November 22nd
13.5 hours	0530/1900 Drive to Marystown and St. Lawrence and return, assist with preliminary inspection procedures on barge, inspect barge deck layout, Chase potential anchor handling jewellery sites.
	Tuesday November 23rd
8.0 hours	0800/1700 Meet with Naval architect and go over potential winch sites and further inspection procedures. Liaise with Jason and AMS rep re ongoing inspection work on barge
	Wednesday November 24th
4 hours	0800/1200 Review project documentation, emails etc., push for winch Review barge inspection report, note hole in #4Stbad, discuss same with jason
3 hours	1500/1800 Push for winch inspection quote, liaise with winch provider to get extra quote for winch wires
	Thursday November 25th
4 hours	0800/1200 Review winch inspection quote, pass on to Jason commence design of anchor winch pattern.
	Friday November 26th
5 hours	0800/1300 Reviewing anchor pattern details with Jason also discussion with John Norman regarding procedures and potential shore mooring legs
	Monday November 29th
4 hours	0900/1300 Liaise with winch supplier re winch lines, work with Kevin Doyle re Global Maritime proposal. Discuss potential ballast system issues with Jason.
8 hours	1400/2000 Do complete high level job list and pas to jason in preparation for tomorrow's meeting

	Tuesday November 30th
3 hours	0900/1200 review AMS correspondence and reports with Naval architect
2 hours	1200/1400, Conference call with Global Maritime U/K,
3 hours	1500/1800 Review results of conference call, assemble list of files to pass on to support quote Review barge mooring plan
	Total of 65.5 hours

INAMINKA MARINE

Operational Log of Events

Installation/Vessel:

Page 5

CFI St. Lawrence Barge Moorings

Richard Spellacy December Time Sheet

Time & Date	Description of Event
	Wednesday December 1st.
4 hours	1900/1200 Reviewing Global Maritime discussion with Tomas Serafinavicius of Global Aberdeen, reviewing tasks for tomorrow's meeting.
3 hours	1300/1600 Reviewing task list for upcoming meeting
	Thursday December 2nd
4 hours	0800/1200 Reviewing job list and preparing for PM teams meeting
6 hours	1300/1900 Teams meeting and working on upcoming task lists
	Friday December 3rd
4 hours	0900/1300 Receive and review Global Maritime proposal, send on to Jason for further discussion
3 hours	1400/1700 Discussions re various jobs with Jason et al
	Sunday December 5th
3 hours	1000/1300 Reviewing list from John Norman and working up extra tasks
2 hours	1400/1600 Working on mooring drawing with Barclay
	Monday December 6th
4 hours	0800/1200 working on task list for upcoming meeting, working on mooring diagram with Barclay, instructing same on winch seats
5 hours	1300/1800 various tasks, working on teams meeting with Jason and John
	Tuesday December 7th.
3 hours	1000/1300 working on alternate mooring diagram, chasing Jewellery
2 hours	1400/1600 Designing anchor spread
2 hours	1730/1930 Working on anchor spread
	Wednesday December 8th.
3 hours	1300/1600 Working on jewellery with Extreme East Rigging
	Thursday December 9th.
4 hours	1230/ 1630 Reviewing Jewellery quotes from Extreme East Rigging and instructing Barclay on Winch seat bid package preparation

	Friday December 10th
4 hours	1100/1500 Organizing nest weeks trip for barge and compiling anchor design
	Monday December 13th.
2 hours	0900/1100 Compiling anchor spread design
4 hours	1200/1600 Anchor system design meeting with C. Gaetz
	Tuesday December 14th.
3 hours	0900/1200 various items regarding tomorrows trip
6 hours	1400/2000 Anchor spread design
	Wednesday December 15th.
13 Hours	0600/1900 Drive to Marystown monitor ongoing procedures at Marbase
	Thursday December 16th.
12 hours	0700/1900 Monitor ongoing ballast transfer operation at barge and return to St Johns
	Friday December 17th.
2 hours	0800/1000 Prepare and meet with John Norman
4 hours	1000/1400 Finalise anchoring plan and prepare for distribution to all hands, monitor ongoing ballast operations
	Monday December 20th
2 hours	0800/1000 Ballast water control
4 hours	1300/1700 Ballast water control and repair preparations
	Tuesday December 21st
4 hours	0800/1200 Ballast water control operations
3 hours	1400/1700 Ballast control and repair options
	Wednesday December 22nd.
3 hours	099/1200 Reviewing repair options with Butler and Barclay
	Thursday December 23rd.
5 hours	1200/1700 Reviewing repair options and final report with Butler et al
	Friday December 24th.
2 hours	0900/1100 Preparing final repair options updating Jason
	Monday December 27th
2 hours	1000/1200 Working with Barclay, Butler et al on final repair options.
2 hours	1400/1600 Obtaining quotes from Delmar on anchor handling jewellery

	Tuesday December 28th
2 hours	1100 /1300 Chasing up repair estimates
	Thursday December 30th
2 hours	0900/1100 Chasing down alternate marine solutions
7 hours	1300/2000 Compiling repair option report
	Total Hours for December 140

INAMINKA MARINE

Operational Log of Events

Installation/Vessel:

Page 6

CFI St. Lawrence Barge Moorings

Richard Spellacy January Time Sheet

Time & Date	Description of Event
	Monday January 3rd
2 hours	1300/1500 Working on repair estimates.
	Tuesday January 4th
4 hours	0800/1200 Working on repair estimates with Messrs Barclay, Pitt and Jason
5 hours	1300/1800 Working on repair estimates with Messrs Barclay and Pitt
	Wednesday January 5th
2 hours	1000/1200 Finalising repair quotes with Barclay and Pitt
2 hours	1600/1800 e and resubmitting repair work
	Thursday January 6th
4 hours	0900/1300 Continue working on Repair options and prepare for upcoming teams meeting meting
4 hours	1400/1900 Teams meeting with Jason, John and Pat et al on repair options
	Friday January 7th
2 hours	1000/1200 Working on mooring options.
3 hours	1400/1700 Working on mooring drawing with Barclay as well as repair costs
	Sunday January 9th
2 hours	1000/1200 Working on task list for upcoming meetings,
5 hours	1800/2300 working on mooring plan as well as way forward
	Monday January 10th.
3 hours	1000/1300 working on alternate mooring diagram, chasing Jewellery
2 hours	1400/1600 Designing anchor spread
2 hours	1730/1930 Working on anchor spread and finalizing so-ordinates
	Tuesday January 11th.
3 hours	0800/1200 Working on moorings, preparing for afternoon meeting
3 hours	1300/1600 Visit Pennecon site and inspect anchors and chains with Master of Arctic, deliver mooring plan for his critique

[illegible]

INAMINKA MARINE

Operational Log of Events

Installation/Vessel:

Page 6

CFI St. Lawrence Barge Moorings

Richard Spellacy January Time Sheet 15/31st

Time & Date	Description of Event
	Saturday January 15th
2 hours	1500/1700 Phone calls to Texas, trying to locate jewellery at appropriate prices
	Monday January 17th
3 hours	0900/1200 Working on anchor plans pair o-ordinating mooring procedures with Global Maritime
3 hours	1300/1600 Working on mooring plan
	Tuesday January 18th
4 hours	0800/1200 Chasing down alternative anchor and chain proposals from Europe
3 hours	1300/1600 Chasing down alternative anchor suppliers locally, liaising with Damen shipyards regarding utility vessels.
	Wednesday January 19th
4 hours	1000/1200 and 1399/1500 Continue working on alternative anchor supply options, clarify ballast control options with Horizon
	Thursday January 20th
5 hours	0800/1300 Working on mooring options. Teams meeting with Global Maritime UK, review Multi-Cat Oderin in harbour
3 hours	1400/1700 sourcing alternative anchoring operations
	Friday January 21st
5 hours	0900/1200 and 1400/1600 Reviewing Inter Moor proposal, reviewing ballast proposals redoing mooring spread and sending to all concerned
	Monday January 24th.
3 hours	0900/1200 Reviewing mooring plans
3 hours	1300/1600 Meet with Horizon, redoing anchor spread
2 hours	1730/1930 Working on anchor spread and finalizing co-ordinates sending new drawings to all concerned
	Tuesday January 25th
2 hours	0900/1100 Working on moorings and ballast control issues

	Wednesday January 26th
1 hour	1000/1100 reviewing various items on mooring spread
2 hours	1400/1600 Working on mooring spread and value of chain on offer
	Thursday January 27th.
4 hours	1200/1500 Travel to Bay Bulls and review available jewellery
3 hours	1500/1800 Reviewing costs with Pennecon
	Friday January 28th
3 hours	0900/1200 Reviewing Ballast plan comments and rental prices from Pennecon
	Saturday January 29th
1 hour	Reviewing Loading costs from Pennecon
	Sunday January 30th
8 hours	1000/1200 and 1300/1900 Finalising and sending budget
	Monday January 31st
2 hours	0900/1000 and 1700/1800 Budget and project discussions with Jason Flood
	Total of 66 hours

INAMINKA MARINE

Operational Log of Events

Installation/Vessel:

Page 5

CFI St. Lawrence Barge Moorings

Anthony Barclay December Time Sheet

[illegible]

Deborah Hutchings

From: Dick Spellacy <richardspellacy@hotmail.com>
Sent: August 31, 2022 5:24 PM
To: Deborah Hutchings
Subject: FW: Invoice
Attachments: Inaminka2021089 CFIdocbrokerage.doc; Expences CFI.xlsx; CFI timesheet P1.docx

Fyi 2

From: Dick Spellacy <richardspellacy@hotmail.com>
Sent: Friday, November 26, 2021 9:56 AM
To: Ron Milmine <rmilmine@canadafluorspar.com>
Subject: RE: Invoice

This is Exhibit B referred to in the
Affidavit of _____
Sworn or affirmed before me this _____
day of _____, 20____.

Ron

As discussed and from today, I will bill at an hourly rate of \$225.00

Cheers

Dick

From: Ron Milmine <rmilmine@canadafluorspar.com>
Sent: November 26, 2021 9:13 AM
To: Dick Spellacy <richardspellacy@hotmail.com>
Subject: FW: Invoice

Hi Dick: When u get some time please call me so we can go over your invoices that you submitted

1-709-873-3331 ext 133

Ron Milmine

Procurement/Warehouse Supervisor

Canada Fluorspar Inc.

P.O. Box 337, St. Lawrence, NL, A0E 2V0

Tel: 709-873-3331 Cell 709-277-6805 Fax: 709-873-3335 www.canadafluorspar.ca



From: Jason Flood <jflood@canadafluorspar.com>
Sent: November-23-21 8:59 AM
To: Ron Milmine <rmilmine@canadafluorspar.com>; Patrick Gannon <pgannon@canadafluorspar.com>
Subject: FW: Invoice

Please review the time sheet attachment and advise if you agree with the work performed by Dick? Specifically the work performed in early Oct as I did not get involved until later in Oct or early Nov.

Best Regards,

Jason Flood

From: Dick Spellacy <richardspellacy@hotmail.com>

Sent: November 20, 2021 4:13 PM

To: Jason Flood <jflood@canadafluorspar.com>

Cc: Leo Power <leo.power.nl@gmail.com>; Patrick Gannon <pgannon@canadafluorspar.com>

Subject: Invoice

Jason

Please find attached the invoice for services to date, I had a hard time trying to pin down the actual times for everything so I just gave a general description as this is the only job that I have been working on since mid-October except the few days I took out last week and that is reflected in the time sheet

Cheers

Dick

Deborah Hutchings

From: Dick Spellacy <richardspellacy@hotmail.com>
Sent: August 31, 2022 5:25 PM
To: Deborah Hutchings
Subject: FW: Tugboat

Fyi4

From: Dick Spellacy <richardspellacy@hotmail.com>
Sent: Friday, October 15, 2021 12:15 PM
To: Ron Milmine <rmilmine@canadafluorspar.com>
Cc: Patrick Gannon <pgannon@canadafluorspar.com>
Subject: RE: Tugboat

Ron

Just for your own information going forward, one of the main problems of small tugs and big barges is the propensity of the barge to overrun the tug in any kind of weather and there has been a number of cases in North America of late with the last one being in BC about two years ago in calm water where the barge overran the tug killing two of the tug's crew.

Cheers

Dick

From: Ron Milmine <rmilmine@canadafluorspar.com>
Sent: October 15, 2021 8:04 AM
To: RICHARDSPELLACY@HOTMAIL.COM
Cc: Patrick Gannon <pgannon@canadafluorspar.com>
Subject: FW: Tugboat

Hi Richard: It was a pleasure to meet with you last week to learn more about tugboat availability. Can you read below and let me know if you feel this tugboat CRT EXPRESS is capable of safely towing our barge.

Regards

Ron

Ron Milmine

Procurement/Warehouse Supervisor

Canada Fluorspar Inc.

P.O. Box 337, St. Lawrence, NL, A0E 2V0

Tel: 709-873-3331 Cell 709-277-6805 Fax: 709-873-3335 www.canadafluorspar.ca



From: Ron Milmine <rmilmine@canadafluorspar.com>
Sent: October-15-21 7:43 AM
To: Ron Milmine <rmilmine@canadafluorspar.com>
Subject: Fwd: Tugboat

Sent from my iPhone

Begin forwarded message:

From: Greg Pittman <gpittman@canadafluorspar.com>
Date: October 14, 2021 at 5:36:46 PM NDT
To: Ron Milmine <rmilmine@canadafluorspar.com>
Subject: RE: Tugboat

Ron:
Name: CRT Express
Crewing and contract agency: Canship
Length: 29.8 m
Gross Tonnage: 239
Deadweight: 50 t
Bollard Pull; 32 t

Cheers
Greg

-----Original Message-----

From: Ron Milmine <rmilmine@canadafluorspar.com>
Sent: October 14, 2021 5:33 PM
To: Greg Pittman <gpittman@canadafluorspar.com>
Subject: Tugboat

Can u provide details on the tug
Name
Size specs etc

Sent from my iPhone

Deborah Hutchings

From: Dick Spellacy <richardspellacy@hotmail.com>
Sent: August 31, 2022 5:23 PM
To: Deborah Hutchings
Subject: FW: PO 21012 RQN12966 INAMINKA \$90,000.00

Debbie I am just sending you the initial email contacts with CFI from October of last year and you can see that it is all related to the safe operation of the barge

-----Original Message-----

From: Dick Spellacy <richardspellacy@hotmail.com>
Sent: Tuesday, December 14, 2021 8:34 AM
To: Ron Milmine <rmilmine@canadafluorspar.com>
Cc: Jason Flood <jflood@canadafluorspar.com>
Subject: RE: PO 21012 RQN12966 INAMINKA \$90,000.00

Hi Ron well received with thanks

Dick

-----Original Message-----

From: Ron Milmine <rmilmine@canadafluorspar.com>
Sent: December 14, 2021 8:26 AM
To: Dick Spellacy <richardspellacy@hotmail.com>
Cc: Andrea Lockyer <anlockyer@canadafluorspar.com>; Jason Flood <jflood@canadafluorspar.com>; Lucy Kelly <lkelly@canadafluorspar.com>; Paula Marie Slaney <pslaney@canadafluorspar.com>
Subject: PO 21012 RQN12966 INAMINKA \$90,000.00

-----Original Message-----

From: Purchasing Workflow <noreply@canadafluorspar.com>
Sent: December 14, 2021 8:14 AM
To: Purchasing <purchasing@canadafluorspar.com>
Subject: Purchase Order

Dear Vendor;

The attached file lists the items that we wish to purchase from your company. PO Number 21012: RQN0012966 in the amount of \$90,000.00 .

All packing slips must contain PO number and any back-order quantities to be stated on packing slip.

For Collect shipments, please email purchasing@canadafluorspar.com the following when ready for pick up:

Please acknowledge receipt of this Purchase Order

Warehouse receiving Hours are from:
8:30am - 2:30pm Monday to Friday

All packing slips should indicate CFI part numbers.

Pick up location

Contact person

Hours of operation

Number of cartons/skids

DIM

Weight

Invoice to: Canada Fluorspar (NL) Inc., P. O. Box 337 St. Lawrence, NL A0E 2V0 Please ensure that the CFI (NL) PO # and your Company HST# are printed on the invoice.

Forward invoice to A/P email address: ap@canadafluorspar.com

If you have any questions regarding this purchase order, please contact a member of our Purchasing Group at 709-873-3331 Select # 2.

Regards,

Purchasing Group

Canada Fluorspar (NL) Inc.

P. O. Box 337

St. Lawrence, NL

A0E 2V0

This is Exhibit "C" referred to in the
Affidavit of _____
Sworn or affirmed before me this _____
day of _____, 20____.

Suite 202, 130, Lemarchant Road

St. Johns

Newfoundland

A1C 2H2

September 01, 2022

The Owners, Directors and Monitor of CFI

St. Lawrence

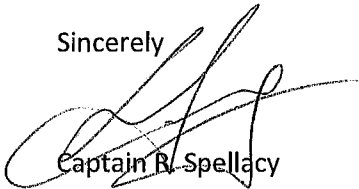
Newfoundland

To invoice you for my services as master of the BARGE H-404

For the period February 01, 2022, until August 31, 2022 a total 212 days less time working on other projects

A total of 141.5 days at \$225 per hour	\$252,900
<u>HST @15%</u>	<u>\$37,935</u>
	\$290,835.00

Sincerely



Captain B. Spellacy

**FEDERAL COURT
ADMIRALTY ACTION *IN REM* AND *IN PERSONAM***

BETWEEN:

INAMINKA MARINE SERVICES LIMITED, a body corporate

Plaintiff

AND:

CANADA FLUORSPAR (NL) INC. ("CFI"), a body corporate

**Defendant
(*In Personam*)**

AND:

**THE OWNERS AND ALL INTERESTED IN THE SHIP "BARGE H-404" (the
"Barge") (the "Action")**

**Defendant
(*In Rem*)**

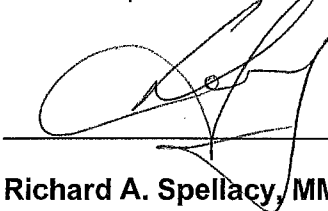
CAVEAT RELEASE

(Rule 493)

TAKE NOTE THAT I, Richard A. Spellacy, MM, of Suite 202, 103 LeMarchant Road, St. John's, NL A1C 2H2, apply for a caveat against the release of the ship Barge H-404, now under arrest pursuant to the warrant issued February 16, 2022 without notice first being given to me.

MY ADDRESS FOR SERVICE is: MacNab, Fagan & Murphy, Prince Charles Building, 120 Torbay Road, Suite W240, St. John's, NL A1A 2G8 Attention: Deborah L. J. Hutchings, Q.C.

Dated September 2, 2022 at St. John's, NL.



Richard A. Spellacy, MM

Appendix “Y”

Federal Court



Cour fédérale

Date: 20221005

Docket: T-279-22

Citation: 2022 FC 1375

Ottawa, Ontario, October 5, 2022

PRESENT: The Honourable Mr. Justice Southcott

BETWEEN:

**INAMINKA MARINE SERVICES LIMITED.,
a body corporate**

Plaintiff

and

CANADA FLUORSPAR (NL) INC., a body corporate

**Defendants
(*In Personam*)**

and

**THE OWNERS AND ALL OTHERS
INTERESTED IN THE SHIP, "BARGE
H-404"**

**Defendants
(*In Rem*)**

ORDER AND REASONS

I. **Overview**

[1] This motion arises in the context of the within action by the Plaintiff, Inaminka Marine Services Limited [IMS], *in personam* against Canada Fluorspar (NL) Inc. [CFI] and *in rem* against the Ship “Barge H-404” [the Barge]. In the action, IMS claims amounts owing for services alleged to have been provided to these Defendants. The Barge is under arrest in this action, and the Plaintiff’s principal, Captain Richard Spellacy, has filed a Caveat against its release.

[2] In this motion, CFI invokes section 50(1) of the *Federal Courts Act*, RSC 1985, c F-7 [Act] to seek a stay of IMS’s action and, under Rule 488 of the *Federal Courts Rules*, SOR/98-106 [Rules], seeks release of the Barge from arrest. The motion arises in the context of proceedings under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 [CCAA] in the Supreme Court of Newfoundland and Labrador in Bankruptcy and Insolvency [the Bankruptcy Court] arising out of the insolvency of CFI, in which the Bankruptcy Court has issued a stay of proceedings against CFI. In the alternative, CFI moves to strike the *in rem* portion of IMS’s action pursuant to Rule 221, on the basis that IMS’s claims do not fall within the scope of section 22(2)(m) of the Act, and release the Barge from arrest pursuant to Rule 488.

[3] As explained in greater detail below, the motion for a stay is granted and the Barge is released from arrest, because CFI has satisfied the Court that, taking into account applicable jurisprudence and the particular circumstances of this matter, the Bankruptcy Court is a more

appropriate forum for adjudication of the Plaintiff's claim. It is therefore unnecessary for the Court to adjudicate CMI's motion for alternative relief.

II. **Background**

[4] The *in personam* Defendant, CFI, is a corporation incorporated in Newfoundland and Labrador [NL]. It operates a fluorspar mine in St. Lawrence, NL. CFI is the owner of the Barge and employs the Barge to support the loading of cargo ships at the marine terminal at the site of its mine. While there was no evidence before the Court on this point, I understand the parties to agree that the Barge is a foreign vessel, registered in Panama.

[5] The Plaintiff, IMS, is also a corporation incorporated in NL. In this action, it claims for consultation and design services, related to a method and facilities for moving the Barge on and off the loading piers at CFI's marine terminal in response to inclement weather, the cost of which services it says remains owing by CFI.

[6] IMS commenced this action on February 16, 2022 and obtained a Warrant for the arrest of the Barge, which was executed that same day. The Barge was arrested where it was berthed at the Marbase (the former Marystown Shipyard) in Marystown, NL, and currently remains at the Marbase under arrest.

[7] Pursuant to an order dated February 22, 2022 [Interim Receivership Order], the Supreme Court of Newfoundland and Labrador General Division [SCNL] appointed Grant Thornton Limited [GT or Interim Receiver or Monitor] Interim Receiver of all of the property of CFI and

another company, Canada Fluorspar Inc. The Interim Receivership Order identifies such property [Property] to include all current and future assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, except for the Excluded Property (as defined in the Interim Receivership Order). The Barge does not form part of the Excluded Property.

[8] The Interim Receivership Order provides that no proceedings shall be commenced or continued against or in respect of CFI, Canada Fluorspar Inc., or the Property without the consent of GT or leave of the SCNL. It also stays any proceedings currently underway against CFI, Canada Fluorspar Inc., or the Property at the time of the Interim Receivership Order, pending a further order of the SCNL.

[9] The Interim Receivership Order states that the SCNL requests the aid and recognition of any court having jurisdiction either within Canada or abroad to give effect to the order and assist GT, as Interim Receiver, in carrying out the order. It further requests that all other courts make orders and provide assistance to GT as may be necessary or desirable to give effect to the Interim Receivership Order.

[10] Subsequently, pursuant to an initial order dated March 11, 2022, which was amended and restated on March 18, 2022 [CCAA Order], the Bankruptcy Court appointed GT the Monitor for CFI, Canada Fluorspar Inc., and Newspar (a General Partnership), pursuant to the CCAA. To avoid confusion, I note that the Bankruptcy Court, which issued the CCAA Order, is the same

provincial superior court that issued the Interim Receivership Order, although styled differently for purposes of the CCAA proceeding.

[11] The CCAA Order provides that CFI remains in possession and control of its current and future assets, undertakings and property. It also stayed all proceedings against CFI or its property until July 10, 2022 [Stay Period]. Through a series of extensions, the Bankruptcy Court extended the Stay Period, which is currently effective until October 17, 2022. The CCAA Order further provides that either CFI or GT has the ability to apply to any court for the recognition of the CCAA Order and for assistance in carrying out the terms of the order.

[12] By order dated March 18, 2022, as subsequently revised [SISP Order], the Bankruptcy Court approved a Sale and Investment Solicitation Process [SISP] with respect to the assets of CFI. In the SISP Order, the Bankruptcy Court requests the aid in recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, in the United States of America or elsewhere, to give effect to the SISP Order and to assist the applicants for the SISP Order (which include CFI acting through GT) and their respective agents in carrying out the terms of the SISP Order.

[13] On August 3, 2022, CFI filed its Notice of Motion in support of the motion now before the Court, seeking the following relief:

- A. a stay of IMS's action against it and the Barge, pursuant to section 50(1) of the Act, and release of the Barge from arrest pursuant to Rule 488;

- B. in the alternative, that this Court strike the *in rem* portion of IMS's action, pursuant to Rule 221, on the basis that IMS's claims do not fall within the scope of section 22(2)(m) of the Act, and release of the Barge from arrest pursuant to Rule 488;
- C. in the further alternative, an extension of time for CFI to file its defence to IMS's action.

[14] On September 2, 2022, Captain Richard Spellacy, IMS's sole shareholder, officer and director, filed a Caveat against the release of the Barge from arrest. I understand from counsel's submissions that the Caveat was filed in support of a claim for master's wages.

[15] CFI subsequently served and filed its full motion record on or about September 20, 2022, and IMS filed its responding materials on September 26, 2022. The parties argued this motion on September 28, 2022. I understand from the parties that a motion to approve a proposed sale of CFI's assets under the SISP had been scheduled to be heard by the Bankruptcy Court on September 27, 2022, the day before the hearing of this motion. CFI's counsel advised at the outset of the hearing of the present motion that the motion before the Bankruptcy Court was being rescheduled and that a new hearing date had not yet been set. However, counsel confirmed that the approval to be sought from the Bankruptcy Court at that motion was in support of the closing of the proposed sale by October 7, 2022, or October 17, 2022 as an outside date.

III. Issues

[16] This motion raises the following two principal issues for the Court's determination:

- A. Whether the Court should exercise its discretion pursuant to section 50(1) of the Act to stay the within action commenced by IMS and, as a consequence, release the Barge from arrest; or
- B. In the alternative, whether IMS's action should be struck pursuant to Rule 221, because the services alleged to be provided to CFI by IMS fall outside the scope of section 22(2)(m) of the Act and, as such, do not fall within the *in rem* jurisdiction of the Federal Court.

IV. **Analysis**

- A. *Whether the Court should exercise its discretion pursuant to section 50(1) of the Act to stay the within action commenced by IMS and, as a consequence, release the Barge from arrest*

(1) General Principles

[17] In addressing this issue, it is helpful first to review general principles and supporting jurisprudence governing a motion of this nature in the context of an insolvency proceeding underway in a provincial superior court. In formulating the following explanation, I am borrowing liberally from my decision in *RMI Marine Limited v Scotia Tide (Ship)*, 2019 FC 114 [RMI Marine], which canvassed many of the same principles.

[18] Section 50 of the Act grants this Court the authority to stay a proceeding in any cause or matter on the ground that the claim is proceeding in another court or jurisdiction or where it is in the interests of justice to do so. The party seeking a stay is required to clearly establish the existence of a more appropriate forum (*Holt Cargo Systems Inc v ABC Containerline NV (Trustee of)*, 2001 SCC 90 [*Holt*] at para 89).

[19] As discussed in *RMI Marine*, the jurisprudential framework applicable to a motion of this sort was discussed in *Holt* and the companion decision in *Antwerp Bulkcarriers, NV (Re)*, 2001 SCC 91 [*Antwerp*]. *Holt* and *Antwerp* were decisions that arose in the context of the bankruptcy of a Belgian container line, which resulted in the arrest of one of its vessels, the “Brussel”, at the Port of Halifax through an *in rem* action in the Federal Court.

[20] Following the arrest of the “Brussel”, the shipowner was declared bankrupt by the Belgian bankruptcy court, and the trustees in bankruptcy obtained from the Superior Court of Québec an order recognizing the judgment of the Belgian court. The trustees subsequently obtained an order that the proceeds of sale of the vessel or the vessel itself be provided to the trustees for distribution through the Belgian bankruptcy [the Québec Superior Court Order]. This order was contrary to the ongoing procedural framework developed in the Federal Court for sale of the vessel and distribution of its proceeds. Relying in part on the Québec Superior Court Order, the trustees applied to the Federal Court for a stay of its proceedings and to have the proceeds of sale paid out to them. Justice MacKay of the Federal Court ruled against the trustees [the Federal Court Order].

[21] Both the Québec Superior Court Order and the Federal Court Order were appealed, and the Supreme Court of Canada ultimately considered the resulting appellate decisions.

[22] In *Antwerp*, which considered the appeal from the Québec Superior Court Order, the Supreme Court concluded (at paragraphs 37 and 40) that the Federal Court's maritime jurisdiction, once properly engaged by the commencement of the in rem action and the arrest of the ship, was not lost as a result of the subsequent bankruptcy of the shipowner. The Supreme Court also explained (at paragraphs 37 and 45 to 47) that the bankruptcy court had no power to deal with the vessel, which had already been captured by a competent order of the Federal Court. In essence, the Supreme Court found (at paragraphs 48 to 53) that the bankruptcy court's issuance of what amounted to an anti-suit injunction improperly attempted to restrict the Federal Court's ability to exercise its jurisdiction. The Supreme Court noted (at paragraphs 54 to 55) that it was open to the Federal Court judge to enter a stay if he considered it appropriate to do so, or to decline to accede to the request of the trustees as he did, and that the circumstances would have been the same had the bankruptcy occurred in Canada rather than in Belgium.

[23] In *Holt*, the Supreme Court considered the appeal from the Federal Court Order. The Supreme Court held (at paragraphs 41 to 44) that, pursuant to the applicable Canadian conflict of laws principles, the plaintiff, which had arrested the vessel in the Federal Court, was entitled to have its maritime lien status, conferred under the law of the United States where the plaintiff provided services to the vessel, recognized in the Federal Court proceeding.

[24] Consistent with the decision in *Antwerp*, the Supreme Court noted in *Holt* (at paragraphs 60 to 66) that the Federal Court did not lose jurisdiction as a result of orders issued by the Superior Court of Québec sitting in bankruptcy. The Supreme Court then considered whether the Federal Court should nevertheless have deferred to the Belgian bankruptcy court on the basis of international comity, concluding (at paragraphs 85 to 87) that international coordination was an important, but not necessarily a controlling, factor. The Federal Court was required to be mindful of the difficulties presented by international bankruptcies, including the desirability of minimizing the multiplicity of proceedings and potentially inconsistent decisions, as well as the need to do justice to the particular litigants before it. No single consideration was to be elevated to a controlling position in the exercise of the Federal Court's discretion whether to stay its own proceedings.

[25] Finally, in considering (at paragraphs 80 to 98) whether the Federal Court erred in the exercise of its discretion to deny the trustees' motion for a stay of proceedings, the Supreme Court noted that the principles on which the discretion should be exercised in this type of matter were authoritatively settled in *Amchem Products Inc v British Columbia (Workers' Compensation Board)*, [1993] 1 SCR 897. That case explained that the relevant question was whether there was a more appropriate jurisdiction based on the relevant factors and that the existence of a more appropriate forum must be clearly established to displace the forum selected by the plaintiff (pages 920 to 921). After noting the public policy considerations applicable in the context of an international bankruptcy, the Supreme Court described as follows (at paragraph 91 of *Holt*) the factors to be considered in making the discretionary decision:

91. The "natural forum" is the one to which the action has the most real and substantial connection (*Amchem*, at pp. 916 and

935). Relevant circumstances include not only issues of public policy (as in this case) but also the potential loss to the plaintiff of a juridical advantage sufficient to work an injustice if the proceedings were stayed, the place or places where the parties carry on their business, the convenience and expense of litigating in one forum or the other, and the discouragement of forum shopping. In short, within the overall framework of public policy, any injustice to the plaintiff in having its action stayed must be weighed against any injustice to the defendant if the action is allowed to proceed. What is required is that these factors be carefully weighed in the balance.

[26] The Supreme Court concluded that the Federal Court had considered the relevant factors in arriving at its decision. Justice MacKay had acknowledged the importance of comity and international coordination in a proper case, but he placed primary emphasis on the fact that he was dealing with an in rem action by secured creditors against the vessel which, at the time of the bankruptcy, the Federal Court had already arrested and, at the time of the interventions of the Canadian bankruptcy court, he had already ordered appraised and sold. The Supreme Court rejected the trustees' argument that the plaintiff was forum shopping by arresting the vessel in Canada and acknowledged that Justice MacKay had appropriately given weight to the juridical advantage afforded to the plaintiff in Canada through recognition of the secured status of its maritime lien.

[27] While there are factors that distinguish the "Brussel" litigation from the circumstances in the case at hand, *Holt* and *Antwerp* nevertheless provide in significant measure the framework that governs the exercise of discretion in considering CFI's motion for a stay under section 50 of the *Act*.

[28] *One obvious factual difference* is that the bankruptcy in the present case arises in a domestic context, not an international one. As noted in *RMI Marine*, this Court must nonetheless consider the effect of an order of a provincial superior court issued in the context of an

insolvency, which is an important, but not necessarily a controlling, factor (para 39). In that respect, guidance can also be taken from the decision in *Always Travel Inc v Air Canada*, 2003 FCT 707 [*Always Travel*], which also arose in the context of a CCAA proceeding in a provincial superior court.

[29] *Always Travel* involved a proposed class action in the Federal Court against a number of airlines, including Air Canada. At that time, Air Canada was the subject of an order from the Ontario Superior Court of Justice under the CCAA, which protected it against legal proceedings in the context of an intended restructuring. On that basis, Air Canada moved to have the Federal Court stay its proceedings.

[30] Much like the present case, the order of the Ontario Superior Court of Justice in *Always Travel* stayed all proceedings against Air Canada and expressly requested the aid and recognition of any Canadian court in carrying out the terms of the order (at para 8). Justice Hugessen of the Federal Court granted a stay of proceedings for three months, or until such earlier time as the stay by the Ontario Superior Court of Justice was lifted. In addressing the role of the Federal Court in considering a CCAA order from a provincial superior court, Justice Hugessen relied in part on the decisions in *Holt* and *Antwerp* in providing (at paragraphs 10 to 12) the following explanation:

10. Superior courts do not order each other about or make orders interfering with each other's process. Rather, it is essential that they should cooperate. Conflicts between courts, or other bodies having ultimate judicial power, may well have serious results, including perhaps even loss of liberty. In Canada, superior courts do not compete with one another. They accord to one another "full faith and credit," as was said in *Morguard Investments Ltd. v. De Savoye*, and repeated in the Brussel decisions. Justice Farley's order specifically requests that this Court, in comity, and more than that, in recognition of the fact that both courts are engaged in a single legal system in the

administration of Canadian justice, should lend its aid to the order of the Ontario Superior Court of Justice staying proceedings.

11. It has been said to me this morning that I should not grant a stay order based on Justice Farley's orders first because I have no evidence before me and second because there has been no attempt to justify a stay in the terms of the classic three part test originally enunciated by the Supreme Court in *Manitoba (Attorney General) v. Metropolitan Stores (MTS) Ltd.*, and subsequently in *RJR MacDonald Inc. v. Canada (Attorney General)*. To that I say that this is not an ordinary stay and that a stay granted in comity does not need to meet the requirements of that test and does not need evidence; it is my view that the proper attitude of respectful cooperation which this Court should have and does have to judgments of the Ontario Superior Court of Justice will require that, as a matter of course, in virtually every case where an order is given by a provincial superior court in the exercise of its CCAA jurisdiction, and that order requests this Court's aid, this Court will give such aid on proper application being made.

12. That is not the end of the matter. If a party to proceedings in this Court thinks that a stay should not be granted in comity and in aid of a provincial superior court order, it is at liberty to oppose the stay or, if the stay is granted, apply to this Court to have it lifted. The plaintiffs would thus have been free to bring evidence today and make representations to me that for some reasons or other these proceedings ought not to be stayed, but matters did not develop in that way. Let me be quite clear. The burden is on a person seeking in this Court to avoid the consequences of this Court acting in aid of a provincial superior court exercising its jurisdiction under the CCAA. The burden is on that person to show this Court that it should not act in aid. Nothing that I say or do today forecloses the plaintiffs from making an application if they so wish. I say that simply because in the way in which these proceedings developed, it was agreed between counsel and the Court that we should deal with this matter today strictly on issues of law, matters of fact being left to another day, if necessary.

[31] I pause to note that the body of jurisprudence explained above is also canvassed in CFI's written representations in support of this motion, and IMS explained in its own written representations that it takes no issue with CFI's explanation of the basis upon which the Federal Court has determined when it is appropriate to impose a stay. However, at the hearing of this

motion, disagreement developed between counsel as to the significance of the above passage from *Always Travel*. CFI's counsel relies on this passage in support of a submission that, in responding to the motion, IMS bears the burden of proving that the Federal Court should not issue the requested stay in aid of the Bankruptcy Court. IMS disputes this position, arguing that, as the moving party, CFI must bear the burden.

[32] As found in *RMI Marine* (at para 42), I regard *Always Travel* as describing the proper attitude of respectful cooperation between courts, an attitude that is consistent with the guidance of the Supreme Court in *Holt* and *Antwerp* as to the importance of comity and cooperation. However, *Always Travel* should not be interpreted as detracting from the discretion to be exercised by the Federal Court in considering a motion to stay its proceedings or from the requirement to consider the other guidance and factors identified in *Holt*.

[33] As such, I accept IMS's position that CFI, as the moving party seeking a stay of a Federal Court proceeding, bears the burden to clearly establish the existence of a more appropriate forum (see *RMI Marine* at para 86, *Holt* at para 89). However, given the importance of comity and cooperation between courts, I also accept the reasoning in *Always Travel* that, particularly in a circumstance where a provincial superior court has expressly requested the aid of other courts in carrying out the terms of its order, it will typically be difficult for a responding party to resist such a request in the absence of compelling arguments in relation to the factors identified in *Holt*.

(2) Application of Principles

[34] Against that jurisprudential backdrop, I turn to consideration of the parties' arguments as to how the relevant principles should be applied in the case at hand.

[35] First, I note that this is clearly a case where a provincial superior court has issued requests for aid and recognition of its orders, as reflected in the orders canvassed earlier in these Reasons and, in particular, the SISP Order that governs the sale process in support of which CFI is seeking the stay. This is an important factor, complemented by public policy considerations associated with the purpose of the CCAA (see *RMI Marine* at para 86). As CFI submits, the CCAA is broad remedial legislation designed to facilitate a restructuring of debtor corporations in the interest of the company, its creditors and the public (see, e.g., *Century Services Inc v Canada (Attorney General)*, 2010 SCC 60 at para 18).

[36] CFI argues that the SISP, which is being supervised by the Bankruptcy Court, represents a means of achieving an orderly sale of CFI's assets for the general benefit of creditors and stakeholders. CFI submits that such a process cannot proceed efficiently or effectively in separate courts with multiple creditor actions and duplicative motions. I accept the merit of these submissions and afford them weight as relevant public policy considerations.

[37] On the other side of the ledger, IMS argues that it will be prejudiced if it is not permitted to pursue its claim to judgment and satisfaction through sale of the vessel under the Federal Court's *in rem* processes. In support of this position, IMS submits that, in addition to having rights *in rem* under section 22(2)(m) of the Act, it benefits from a maritime lien under section 139(2) of the *Marine Liability Act*, SC 2001, c 6 [MLA], which affords such status to claims that

arise in respect of goods, materials or services supplied to a foreign vessel (within the meaning of section 2 of the *Canada Shipping Act, 2001*, SC 2001, c 26). As previously noted, I understand that it is not disputed that the barge is not registered in Canada and is therefore a foreign vessel for purposes of section 139(2).

[38] IMS takes the position that it requires access to the Federal Court's jurisdiction and processes in order to benefit from the priority afforded by the maritime lien it claims. It also relies on the Federal Court's jurisdiction to use equitable principles of Canadian maritime law to elevate to the equivalent of maritime lien status a claim that may not otherwise benefit from a maritime lien. IMS refers to the explanation of these equitable principles in *Nanaimo Harbour Link Corp v Abakhan & Associates Inc*, 2007 BCSC 109 [*Nanaimo*], in which the Supreme Court of British Columbia [BCSC] considered an application by maritime claimants for an order under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 [BIA] that the statutory stay of proceedings conferred by the BIA did not apply to the claimants' Federal Court proceedings. The claimants asserted that their claims benefited from secured status as maritime liens or were entitled to equivalent status pursuant to equitable principles and that the Federal Court had jurisdiction to apply said principles.

[39] *Nanaimo* referred to these equitable principles at paragraphs 21 and 22, explaining that certain of the maritime claimants asserted that they were entitled to elevated status in the Federal Court proceedings as a result of their supply of labour and materials to the ship. The claimants argued that the value of the ship was resultantly enhanced such that it would be inequitable for the mortgagee to be enriched by that enhanced value without credit to the suppliers. Ultimately,

the BCSC granted the claimants' application, concluding that they should have the opportunity to seek maritime lien or equivalent status and that the ranking of priorities and the proof of maritime claims were matters for the Federal Court to determine pursuant to the principles of Canadian maritime law (at para 53).

[40] In the case at hand, IMS similarly argues that the services it provided to the Barge served to enhance its value and that this enhanced value will be realized in any sale of the Barge. As such, in the event it is not successful in arguing entitlement to maritime lien status under section 139(2) of the MLA, it will be seeking equivalent status through an equitable adjustment of priorities in accordance with Canadian maritime law principles.

[41] CFI disputes IMS's claimed entitlement to maritime lien status. Indeed, as it argued under the alternative issue presented in its motion, CFI takes the position that IMS does not qualify as an *in rem* necessities claimant under section 22(2)(m) of the Act. However, the Court need not reach a conclusion on any of those disputes for the purposes of the present issue, which is whether to grant the requested stay. Importantly, CFI acknowledges that IMS has the right to assert its claim (including its claim for maritime lien or equivalent priority status) in the CCAA proceeding against the proceeds of sale that will result from the SISP. CFI also acknowledges that, as a superior court with inherent jurisdiction and concurrent jurisdiction over Canadian maritime law, the Bankruptcy Court would be in a position to adjudicate IMS's claims and associated arguments for priority.

[42] IMS argues that, as the Federal Court has experience with the adjudication of maritime claims and the application of the principles of maritime law it wishes to invoke, it should not be deprived of the opportunity to pursue its claim in this Court. I also understand it to express doubt as to its ability to invoke these maritime law principles in the CCAA proceeding before the Bankruptcy Court. However, IMS has provided no authority or compelling argument in support of this concern. I find no basis to conclude that the Bankruptcy Court lacks the jurisdiction to adjudicate IMS's claims or that the substantive principles of Canadian maritime law or the Bankruptcy Court's application of those principles would differ from what IMS would encounter before the Federal Court.

[43] There is no question that, if the requested stay were to deprive IMS of a juridical advantage that would be available to it in the Federal Court but not in the Bankruptcy Court, that would be a significant factor militating against granting the stay. Such a consideration was a significant factor underlying the reasoning in *Holt* (at paras 46-50). As explained earlier in these Reasons, the plaintiff in *Holt* enjoyed a juridical advantage before the Federal Court that would be in jeopardy if the Federal Court proceedings were stayed in deference to the Belgian bankruptcy court, because Belgian law would not recognize the plaintiff's maritime lien status under US law. In contrast, in the case at hand, there is no evident juridical advantage to IMS in the Federal Court that would not also be available before the Bankruptcy Court.

[44] Before leaving these arguments by IMS, I should also note that the outcome in *Nanaimo* turned significantly on the fact that the provincial superior court proceeding in that case was being conducted under the BIA. As the BCSC observed at paragraph 10, section 136(1) of the

BIA excludes secured creditors from the statute's scheme of distribution of the assets of a bankrupt party. Relying on that provision and its application in *Holt*, the BCSC assessed the applicant's claims for maritime lien or comparable status as secured claims entitled to be adjudicated outside the bankruptcy (*Nanaimo* at paras 10-19, 53). However, as CFI submits, *Nanaimo* is distinguishable from the case at hand, which involves a proceeding not under the BIA, but under the CCAA. Presumably because the objective of the CCAA is to facilitate the restructuring of insolvent companies rather than distributing their assets, the CCAA does not contain a provision comparable to section 136 of the BIA.

[45] I have also considered other arguments advanced by IMS in opposition to the requested stay. These include a submission that CFI comes to the Court without "clean hands" and therefore should not be afforded the relief it seeks. While IMS has not identified any authority supporting its position, I accept that there is potential for a lack of clean hands to be relevant to the Court's willingness to grant the sort of discretionary remedy represented by a stay under section 50(1) of the Act.

[46] In support of this argument, IMS takes issue with the fact that CFI did not file a Statement of Defence to IMS's Federal Court action, in the over seven months since the action was commenced, and then brought what IMS characterizes as a last minute stay motion, with little notice to IMS, in order to support the impending sale of CFI's assets. IMS also argues that, prior to late August 2022, the Monitor and CFI had not included IMS's counsel on the service list for motions in the CCAA proceeding. IMS submits that these circumstances have caused it

prejudice, including incurring legal costs to respond to this motion and irreparable harm that it will suffer if the Barge is released from arrest.

[47] On the subject of the stage to which this proceeding has progressed and the fact CFI has not filed a Defence, CFI relies on the stay of all other proceedings imposed by the provincial superior court orders. Of course, in accordance with the reasoning in *Always Travel*, CFI requires the discretionary order now sought from the Federal Court to implement that stay in the present proceeding. However, in these circumstances, I find no basis to conclude that its failure to file a Defence in this proceeding represents any sort of misconduct.

[48] Indeed, CFI argues that the fact this proceeding has not advanced beyond service of the Statement of Claim and arrest of the Barge militates in favour of granting the stay. This position is consistent with the reasoning in *Holt*, in which Justice MacKay's decision not to stay the Federal Court proceeding turned in part on the fact that proceeding has already advanced to issuance of an order for appraisal and sale of the "Brussel".

[49] Turning to the timing of the present motion, CMI filed its Notice of Motion on August 2, 2022. While it did not serve and file the remainder of its motion materials until Tuesday, September 20, 2022, the timing for the filing of IMS's responding materials on Monday, September 26, 2022 and the hearing of the motion on Wednesday, September 28, 2022, was set by the Court at a case management conference on September 22, 2022, following consultation with counsel. IMS has not advanced a compelling argument that the timing of this motion is

untoward or that it had inadequate time to prepare to respond. In my view, IMS has not established that CFI's approach to this litigation represents a lack of clean hand.

[50] Finally, returning to considerations of public policy, IMS submits that granting the requested stay could cause a loss of confidence on the part of the maritime industry that relies upon the Federal Court's *in rem* jurisdiction and processes. In my view, this argument must be considered in the context of the above analysis of IMS's arguments surrounding the loss of juridical advantage it alleges it would experience as result of the stay. As I have found no basis for a conclusion that IMS would be unable to assert its claims and priority arguments before the Bankruptcy Court through the CCAA process, I place little weight on IMS's public policy argument.

(3) Conclusion on Stay Motion

[51] Based on the above analysis, I am satisfied that CFI has clearly established that the CCAA proceeding before the Bankruptcy Court represents a more appropriate forum than the present proceeding for adjudication of claims against the Barge. I will therefore issue a stay of the present proceeding.

[52] At the hearing of this motion, CMI's counsel explained that it is anticipated that the stay in the CCAA proceeding, which currently expires on October 17, 2022, will be extended potentially to a date in February 2023 to afford time for completion of remaining processes under the CCAA. There is no evidence before the Court on an extension of the CCAA stay or its likely duration. However, I accept the logic of CMI's submission that, under the present circumstances,

the duration of the Federal Court stay should be concurrent with that under the CCAA. My Order will so provide. However, it will also reserve the Plaintiff's right to apply to have the stay of its action lifted at an earlier time in the event of any material change in circumstances.

(4) Release of the Barge from Arrest

[53] It flows from the decision to stay the Plaintiff's action, and the reasoning underlying that decision, that the Barge should be released from arrest to facilitate its sale along with other assets of CFI through the CCAA proceeding. I note IMS's position that, if the Court were to grant CFI's motion, it should order that CFI post bail for the release of the Barge from arrest. However, the reasoning explained above, underlying the decision to grant the stay, turns significantly on IMS's ability to assert its claim against the proceeds of sale of the Barge achieved through the CCAA process. As CFI has satisfied the Court that a stay is warranted, I do not consider it appropriate to also impose a requirement to post bail to achieve release of the Barge from arrest.

[54] Before leaving the subject of the Barge's release, I will briefly address the significance of the Caveat filed by Captain Spellacy. During the hearing of this motion, disagreement developed between counsel surrounding the scope of the motion in relation to the Caveat. IMS's counsel objected to submissions by CFI's counsel related to the Caveat, taking the position that CFI's Notice of Motion was silent on the subject of the Caveat. CFI responded to the objection by pointing out that the Caveat was filed only on September 2, 2022, a month after the Notice of Motion was filed, but that CFI's subsequent written representations in support of the motion spoke to the Caveat and requested relief in relation thereto.

[55] Further exploration of the parties' positions on the objection clarified that IMS's concern was with the possibility that CFI was seeking to strike or dismiss the Caveat, through arguments akin to those advanced in relation to IMS's action under the second, alternative, issue in this motion. While the evidence upon which IMS relies in this motion was provided in an affidavit sworn by its principal, Captain Spellacy, IMS's counsel explained that this evidence did not speak to Captain Spellacy's personal claim in support of which the Caveat had been filed. Indeed, the Court has very little information related to that claim, other than that it has been described as seeking master's wages.

[56] However, IMS's counsel advised that she accepted that, as a matter of law, if the Court decided to stay IMS's action, then that stay would apply to any caveats filed in the action. CFI's counsel in turn clarified that it was not his intention to advance arguments, akin to those under the alternative issue, to strike the Caveat. Rather, CFI's arguments in relation to the Caveat are advanced solely under the first issue. CFI takes the position that the principles and analyses that support its motion for a stay of the Plaintiff's claim apply equally to the Caveat.

[57] As such, the parties appear to agree that a decision to stay the action includes application of that stay to the Caveat filed therein. The Caveat therefore does not represent an impediment to the Court ordering the Barge released from arrest. Regardless of such agreement, I cannot identify any basis to conclude that the Court's analysis, underlying its finding that the Bankruptcy Court is a preferable forum for adjudication of IMS's claim, would not also apply to the claim underlying the Caveat.

[58] Finally, I note that at the hearing I explored with CMI's counsel the concern raised by IMS's counsel that, once the Barge is released from arrest, it is not precluded from departing the jurisdiction. While the SISP Order contemplates the closing of the sale of CFI's assets, including the Barge, by early to mid October, the sale has not yet been approved. However, I accept CFI's submission that GT is pursuing the sale of the business as a going concern and that, as the parties agree, the Barge is a key asset in the operation of the business. I am satisfied that this is not a case where there is an obvious risk of the Barge fleeing the jurisdiction.

B. *In the alternative, whether IMS's action should be struck pursuant to Rule 221, because the services alleged to be provided to CFI by IMS fall outside the scope of section 22(2)(m) of the Act and, as such, do not fall within the in rem jurisdiction of the Federal Court*

[59] Given my decision to grant the stay requested under the first issue in this motion, and as the second issue is advanced in the alternative, the Court will not adjudicate the second issue.

V. Costs

[60] The parties agree that cost should flow to the successful party in this motion. At the hearing, the Court afforded counsel the opportunity to attempt to agree on a lump sum costs figure. While no agreement resulted, CFI's counsel proposed a figure of \$3500.00, and IMS's counsel did not make substantive submissions opposing this figure. As CFI's counsel notes, in the somewhat similar motion in *RMI Marine*, I awarded the successful party costs in the all-inclusive amount of \$3500.00. I consider that amount appropriate in the case at hand, and my Order will so provide.

ORDER IN T-279-22

THIS COURT ORDERS that:

1. The Plaintiff's action is stayed, effective until October 17, 2022, or any later date to which the stay issued by the Supreme Court of Newfoundland and Labrador in Bankruptcy and Insolvency may be extended.
2. The Plaintiff shall have leave to apply to have the stay of its action lifted at an earlier time in the event of any material change in circumstances.
3. The Plaintiff shall pay the Defendant, Canada Fluorspar (NL) Inc., costs of this motion in the all-inclusive amount of \$3500.00.

"Richard F. Southcott"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-279-22

STYLE OF CAUSE: INAMINKA MARINE SERVICES LIMITED., v
CANADA FLUORSPAR (NL) INC., and THE OWNERS
AND ALL OTHERS INTERESTED IN THE SHIP,
“BARGE H-404”

PLACE OF HEARING: HEARD VIA VIDEOCONFERENCE

DATE OF HEARING: SEPTEMBER 28, 2022

ORDER AND REASONS: SOUTHCOTT J.

DATED: OCTOBER 5, 2022

APPEARANCES:

Deborah L.J. Hutchings	FOR THE PLAINTIFF
William T. Cahill & Allison Philpott	FOR THE DEFENDANTS

SOLICITORS OF RECORD:

MacNab Fagan & Murphy St. John's, Newfoundland	FOR THE PLAINTIFF
Cox & Palmer St. John's, Newfoundland	FOR THE DEFENDANTS

Appendix “Z”

Canada Fluorspar Inc. (CFI)
Cash Flow Report (CCAA - Care and Maintenance - Sale and Investor Solicitation Process)
For the Period of March 11, 2022 to September 18, 2022 (Weeks 3 to 30)
(in 000s CAD)

Week No.	Notes	Budget to	CCAA						Actual	Variance
		18-Sep-22	Actual	26	27	28	29	30		
Week Start			07-Mar-22	15-Aug-22	22-Aug-22	29-Aug-22	05-Sep-22	12-Sep-22		
Week Ending			14-Aug-22	21-Aug-22	28-Aug-22	04-Sep-22	11-Sep-22	18-Sep-22		
Cash Inflows										
Collection of Receivables	A	-	-	-	-	-	-	-	-	-
Other - Sale of Inventory	B	5,637	5,637	-	-	-	-	-	5,637	-
Other - Sale of Equipment	C	175	175	-	-	-	-	-	175	-
Other		172	172	-	-	6	-	-	178	6
Total Cash Inflows		5,983	5,983	-	-	6	-	-	5,989	6
Cash Outflows										
Payroll		2,159	1,809	140	54	139	-	135	2,277	118
Maintenance Costs		153	98	7	-	2	2	3	111	(42)
Fuel		221	146	0	28	-	-	-	174	(47)
Freight		7	2	1	-	-	-	2	5	(2)
Utilities		430	340	8	8	7	13	5	382	(48)
Insurance		526	436	0	84	-	-	-	520	(6)
Materials/Supplies		18	13	2	2	5	1	3	26	8
Professional Fees - Restructuring		1,687	1,357	-	-	148	-	-	1,505	(182)
Other/Miscellaneous		32	19	1	-	-	-	-	20	(12)
Inventory Sale Costs	B	517	517	-	-	-	-	-	517	-
HSBC Inventory Sale Agreement	B	2,732	2,732	-	-	-	-	-	2,732	-
Telephone/Communications		96	71	-	2	5	-	2	80	(15)
Environmental		121	81	9	10	0	3	8	113	(8)
Logistics/Warehousing		3	3	0	-	0	-	-	3	0
Contingency		20	-	-	-	-	-	-	-	(20)
Equipment Lease Payments/Buyouts	C	200	187	1	6	1	-	2	198	(2)
Barge		33	27	-	-	4	-	-	31	(2)
Mining Leases / Licenses		124	124	4	2	-	-	-	131	6
SLR/AGP - NI 43-101 Mining Report		372	372	-	-	-	-	-	372	-
Total Cash Outflows		9,450	8,332	176	197	312	19	160	9,196	(253)
Net Cash Flow		(3,466)	(2,349)	(176)	(197)	(306)	(19)	(160)	(3,207)	259
Cash Balance										
Opening Cash Balance		321	321	2,672	2,496	2,299	1,993	1,974	321	-
DIP Financing - Bridging Finance (Receiver)		1,450	1,450	-	-	-	-	-	1,450	-
DIP Financing - Prov. of Newfoundland		3,250	3,250	-	-	-	-	-	3,250	-
Priority Charges		-	-	-	-	-	-	-	-	-
Net Cash Flow		(3,466)	(2,349)	(176)	(197)	(306)	(19)	(160)	(3,207)	259
Closing Cash Balance	D	1,554	2,672	2,496	2,299	1,993	1,974	1,814	1,814	259

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 previously reported inventory sale schedule for details on sale of Fluorspar.
- C - The Monitor explored the buyout and sale of certain redundant leased equipment, which was expected to transpire sometime in June. The Monitor decided not to pursue this.
- D - Closing Cash Balance does not include \$750,000 deposit from Purchaser.

Appendix “AA”

GRANT THORNTON LIMITED
PLAN OF COMPROMISE AND ARRANGEMENT OF CANADA FLUORSPAR INC.
INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS
FROM MARCH 11, 2022 TO SEPTEMBER 20, 2022

RECEIPTS:

Cash on Hand	\$	51.60	
Deposit - Successful Bidder		750,000.00	
DIP Financing		4,700,000.00	
HST Collected		3,836.80	
Interest		16,654.14	
Misc. Refunds		62,427.92	
Sale of Assets		177,411.65	
Sale of Inventory		2,790,436.09	1
Scrap Metals		12,585.25	
Transfer from Interim Receivership		210,124.80	

TOTAL RECEIPTS	\$	8,723,528.25	
-----------------------	-----------	---------------------	--

DISBURSEMENTS:

Advertising	\$	15,571.58	
Appraisal Fees		3,632.50	
Change of Locks		562.46	
Commission		15,750.00	
Computer Services		23,041.60	
Environmental		4,415.73	
Equipment Leases / Buyouts		178,753.46	
Freight & Shipping		456.93	
Fuel		150,826.68	
HST Paid (ITC)		388,080.51	
Insurance		518,887.32	
Interest		1,453.06	
Inventory Trucking to Ship		338,483.00	2
Legal Fees		363,096.07	
Mining Licenses & Leases		138,487.15	
Misc. Fees		1,640.00	
Monitor's Fees		919,136.64	
Motor Vehicle Registrations		632.62	
Non-resident Withholding Tax Remitted		29,275.71	
Payroll Services		7,703.12	
Postage and Courier		1,347.20	
Prepaid Expenses & Deposits		21,845.16	
Professional Services		493,691.54	3
Rent Expense		33,803.23	
Repairs & Maintenance		109,427.17	
Storage		1,996.00	
Supplies		24,004.81	
Travel		44,598.97	
Utilities		351,746.00	
Wages & Benefits		1,875,627.19	

	\$	6,057,973.41	
--	-----------	---------------------	--

PAYMENTS TO SECURED CREDITORS

TOTAL DISBURSEMENTS	\$	-	
----------------------------	-----------	----------	--

FUNDS ON HAND	\$	2,665,554.84	
----------------------	-----------	---------------------	--

Note:

1. Sale of inventory is recorded net of certain disbursements related to brokerage, surveying and shipping, as well as a payment to secured creditor HSBC in the amount of \$2,118,000 USD.
2. Net of amount recovered from settlement with supplier (Farrell's).
3. Various services related to environmental monitoring, 43-101 mine survey and report, and mining consultants.

Appendix “BB”

Canada Fluorspar Inc. (CFI)
Cash Flow Projection (CCA - Care and Maintenance - Sale and Investor Solicitation Process)
For the Period of Mar 7, 2022 to February 26, 2022
(in 000s CAD)

Week No.	Notes																											Total
		Actual	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53			
Week Start		07-Mar-22	19-Sep-22	26-Sep-22	03-Oct-22	10-Oct-22	17-Oct-22	24-Oct-22	31-Oct-22	07-Nov-22	14-Nov-22	21-Nov-22	28-Nov-22	05-Dec-22	12-Dec-22	19-Dec-22	26-Dec-22	02-Jan-23	09-Jan-23	16-Jan-23	23-Jan-23	30-Jan-23	06-Feb-23	13-Feb-23	20-Feb-23			
Week Ending		18-Sep-22	25-Sep-22	02-Oct-22	09-Oct-22	16-Oct-22	23-Oct-22	30-Oct-22	06-Nov-22	13-Nov-22	20-Nov-22	27-Nov-22	04-Dec-22	11-Dec-22	18-Dec-22	25-Dec-22	01-Jan-23	08-Jan-23	15-Jan-23	22-Jan-23	29-Jan-23	05-Feb-23	12-Feb-23	19-Feb-23	26-Feb-23			
Cash Inflows	Collection of Receivables	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Other - Sale of Inventory	B	5,637	100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Other - Sale of Equipment	C	175	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Other		178	-	-	-	1,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total Cash Inflows			5,989	100	-	-	1,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Cash Outflows	Payroll		2,277	-	185	-	185	-	185	55	185	-	185	-	96	-	-	-	-	-	-	-	-	-	-	-		
	Maintenance Costs		111	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8		
	Fuel		174	15	35	15	15	15	15	15	15	15	15	35	35	17	-	-	-	-	-	-	-	-	-	-		
	Freight		5	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
	Utilities		382	18	18	18	18	20	20	20	22	22	22	22	22	22	-	-	-	-	-	-	-	-	-	-		
	Insurance		520	-	1	85	10	-	-	1	85	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Materials/Supplies		26	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
	Professional Fees - Restructuring		1,505	75	75	75	75	75	75	75	75	75	75	50	25	20	-	35	25	15	15	5	-	-	-	10		
	Other/Miscellaneous		20	5	1	5	1	5	1	5	1	5	1	1	1	1	-	-	-	-	-	-	-	-	-	-		
	Inventory Sale Costs	B	517	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	HSBC Inventory Sale Agreement	B	2,732	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Telephone/Communications		80	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5		
	Environmental		113	10	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5		
	Logistics/Warehousing		3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Contingency		-	10	-	10	-	10	-	10	-	10	-	10	-	10	-	10	-	10	-	10	-	10	-	10	10	
	Equipment lease Payments/Buyouts		198	4	2	4	2	4	2	4	2	4	2	4	2	2	-	-	-	-	-	-	-	-	-	-	-	
	Barge		31	6	-	-	-	-	-	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Mining Leases / Licenses		131	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	SIR/AGP - NI 43-101 Mining Report		372	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total Cash Outflows			9,196	158	337	232	326	149	324	205	405	161	326	236	25	20	20	-	35	25	15	15	5	-	5	10	
Net Cash Flow			(3,207)	(58)	(337)	(232)	1,174	(149)	(324)	(205)	(405)	(161)	(326)	(236)	(25)	(20)	(20)	-	(35)	(25)	(15)	(15)	(5)	-	(5)	(10)		
Cash Balance																												
Opening Cash Balance			321	1,814	1,756	1,419	1,187	2,361	2,212	1,888	1,683	1,278	1,117	791	479	369	349	329	329	294	269	254	239	234	234	229		
DIP Financing - Bridging Finance (Receiver)			1,450																									
DIP Financing - Prov. of Newfoundland			3,250																									
Priority Charges			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Net Cash Flow			(3,207)	(58)	(337)	(232)	1,174	(149)	(324)	(205)	(405)	(161)	(326)	(236)	(25)	(20)	(20)	-	(35)	(25)	(15)	(15)	(5)	-	(5)	(10)		
Closing Cash Balance			1,814	1,756	1,419	1,187	2,361	2,212	1,888	1,683	1,278	1,117	791	479	369	349	329	329	294	269	254	239	234	234	229	219		
			1,814	1,419	1,187	2,361	2,212	1,888	1,683	1,278	1,117	791	479	369	349	329	329	294	269	254	239	234	234	229	219	199		

Notes: