



COMMUNITY NEWS

CANADA FLUORSPAR AND ST. LAWRENCE

NEWSLETTER
MAY
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WELCOME

As the much-anticipated AGS Project progresses toward start of construction, it's very important to the team at CFI that we keep residents of St. Lawrence up to date on what is happening with the Project. To help achieve this goal, we're launching a quarterly newsletter. **CFI Community News** will be available to all residents of St. Lawrence.

In this newsletter you will find information on Project activities, recruitment, donations and any other information that might be of importance to community members. We hope you enjoy our newsletter and we look forward to hearing your feedback. We welcome your suggestions for future stories.

PRELIMINARY CONSTRUCTION ACTIVITIES START AT SITE

CFI has started early work at the mine site to prepare for the Construction Phase of the AGS Project.

Pennecon, a Newfoundland and Labrador-based company, was awarded the first earthworks contract for the mill site. Included in this scope of work is the upgrade of two stream crossings (Salt Cove Brook and Blake's Brook), "event pond" construction and mill site preparation. Preliminary preparation of the mill site – which involved mulching trees and other vegetation – began on April 20th and was completed on April 26th.

Before any major earthworks begin, an event pond will be

constructed. The event pond ensures that run-off from the construction site is captured and managed prior to discharge. The earthworks for the mill building pad has begun as of the second week of May. The pre-engineered, steel mill building, including concrete foundations, has already been ordered. The earthworks contract for two additional pads (for the ore stockpile and crusher) is yet to be awarded; these pads will be developed after the mill building pad is complete.

CFI is working very closely with Pennecon – and all our contractors – to ensure they live up to our commitment to hire qualified candidates living in the St. Lawrence area whenever possible.

Permits for early construction work are now in place.

St. Lawrence-based TR Excavating has been awarded the tender for supply and installation of the site security gate to be erected near Tarefare 2. Pennecon has also engaged TR Excavating as a sub-contractor to supply rock fill for site preparation. Other contractors on site include representatives from Lycopodium, Knight Piésold and Edwards and Associates.



RECRUITMENT BEGINS IN ANTICIPATION OF CONSTRUCTION PHASE

CFI is currently recruiting for key positions required for the safe and orderly start-up of the AGS project.

For the St. Lawrence office, CFI is recruiting an Environmental Technician, a Receptionist, Security Officers, a Health, Safety and Environmental Manager, and a Community Relations Co-ordinator. There has already been strong interest in these positions from residents of St. Lawrence. As the Project moves into its Construction

Phase, there will be many more employment opportunities for the people of St. Lawrence. Currently, we estimate that 350 people will be required for this phase. In addition to these positions, there will also be well-paid, longer-term opportunities during the Operations Phase. Wherever possible, CFI is committed to hiring qualified people from St. Lawrence first, and secondly residents of the Burin Peninsula.

CFI HOLDS PUBLIC MEETING SESSION IN ST. LAWRENCE

CFI held a public meeting on April 19th, 2016 in St. Lawrence to provide interested members of the community with an update on the AGS Project. Excitement about the Project was evident in the huge turnout from across the Burin Peninsula. In fact, it is considered to be one of the largest public meetings ever held in the region.

Lindsay Gorrill, CEO, provided an update on all key areas of the Project: engineering, regulatory approval, fluorspar market, contracting, and human resource planning.

"It was rewarding to see so much interest in our project," said Lindsay.

Once financing is in place, the AGS Project will move into the Construction Phase, where the majority of contracts and employment opportunities will be available.

One of the key areas addressed at the meeting was a revised Tailings Management plan. "Tailings" are produced as a byproduct of milling and have a sand-like texture and consistency. Appropriate management of these tailings reflects CFI's commitment to ensuring that this project has the least negative impact on the environment and surrounding communities.

Lindsay Gorrill, CFI President and CEO, provides an update on key areas of the AGS Project; engineering, regulatory, contracting, fluorspar market and HR planning.



The original environmental assessment application sought to reactivate Shoal Cove Pond (SCP) as the preferred Tailings Management Facility (TMF). SCP is an existing tailings pond, originally commissioned in 1933. While fish are currently present in SCP, it is not used for recreational fishery. Reactivation of this existing tailings pond would have involved upgrading the facility to current standards.

In November 2015, all areas of the AGS Project were approved – with the exception of the use of SCP as the TMF. CFI is appealing this decision through the Department of Environment and Conservation.

CFI was directed by the Department to find an alternative way of proceeding with tailings deposit and storage. “We identified an alternative TMF called AGS East and received regulatory approval in March 2016,” said Lindsay. AGS East will safely store tailings for 10 years.

For future mining operations, CFI is working hard to secure permission to utilize SCP for tailings deposition.



AGS East tailing management facility which will safely store tailings for 10 years.



CONCENTRATE TRANSPORTATION PLAN REVISED

The original AGS Project plan included construction of a marine terminal in the outer St. Lawrence Harbour for the loading of fluorspar concentrate.

“At this time, because of the tremendous costs associated with construction and start-up, the development of a new marine terminal has been determined to be too costly and if we built the marine terminal at the early Operations phase, it would render the Project uneconomic. CFI has had to investigate other technical and economically viable transportation options to move fluorspar concentrate,” explained Steve Cole, CFI Project Manager.

Feasibility studies have shown clearly that shipping the concentrate from an existing marine facility for the first few years of operation will greatly improve the long-term economic viability of the AGS Project. In the short term, it has been determined that shipping concentrate from Cow Head is the most reasonable option.

Ultimately, CFI still plans to build a marine terminal in St. Lawrence. We commit to working diligently with the Town of St. Lawrence to secure the funding for this initiative, and we will begin in earnest shortly after operations begin.

In the meantime, the transportation of concentrate 45km to Mortier Bay will result in 7-10 additional trucking related jobs (including drivers and load operators).

As with all aspects of the AGS Project, CFI will ensure this transportation plan is as safe as possible. Safety features will include the use of covered trucks to prevent loss of material as well as transportation scheduling designed to avoid heavier traffic times, especially school traffic.

CFI donated a state-of-the-art score clock to the St. Lawrence Soccer Association. (left to right: Hubert Beck, President, St. Lawrence Senior Men's Soccer Association; Lindsay Gorrill; St. Lawrence Mayor Paul Pike; and Marc Mike, President, St. Lawrence Junior Soccer Association.)



AGS PROJECT STATUS:

Regulatory approval with conditions received November 2015

CFI subsequently submitted revised information to provincial government

Bankable feasibility study completed in March 2016

Certificate of Approval for construction received in April 2016 from Department of Environment and Conservation

CFI currently making plans to secure financing for Project

Long lead items have been ordered:

- Mill building
- Dense Medium Separator

Limited site work started in April 2016

SUPPLIER DEVELOPMENT SESSION WELL ATTENDED

Approximately 60 potential suppliers from the Burin Peninsula attended CFI's Supplier Development Session on April 20th, 2016 in St Lawrence. This session was an opportunity for CFI's Procurement and Logistics Manager, Greg Kruger, to explain the procurement process. "Our vision is this: sustainable, responsible local procurement that creates a resilient supply chain, ultimately contributing in positive ways to the economic and social development of the communities in which we operate," said Greg.

In support of this vision, CFI is current-

ly developing guidelines and tools to support local procurement strategies. Along with other supplier development initiatives, CFI is working hard to help businesses on the Burin Peninsula gain a proper understanding of Project needs and where the opportunities lie.

CFI has also invited international vendors to register wherever materials and services cannot be contracted locally. Contractors interested in providing goods or services are encouraged to view the Contracting section of the CFI website (www.canadafluorspar.com).

Greg Kruger, CFI Logistics and Procurement Manager, speaks at the Supplier Development Session.



PUBLIC DISPUTE RESOLUTION PROCESS ESTABLISHED

Underlying everything CFI does is a shared commitment to being a good neighbour and to creating and maintaining positive working relationships with the residents of St. Lawrence.

As with most relationships, occasional disagreements arise. To ensure that any issues are resolved fairly, CFI has

established a Public Dispute Resolution Process that prescribes a path forward. "Should a resident feel there is a conflict and that it requires attention, please check the CFI website for the appropriate forms. Submitting a completed form will allow us to initiate the Public Dispute Resolution Process," explained Steve Cole, CFI Project Manager. All infor-

mation submitted in the application will be provided to the Dispute Resolution Lead who will investigate and ultimately suggest a solution. The complete process is outlined in the Community section of the CFI website.
(www.canadafluorspar.com)

COMMUNITY GIVING

COMMUNITY TRUST ESTABLISHED FOR ST. LAWRENCE

CFI is excited to announce that it has established a trust of \$100,000 to be used in support of community initiatives in St. Lawrence. This trust is one example of the importance CFI places on investing in the wellbeing of employees and their families.

"We want to demonstrate our commitment to the people of this region, and to that end, we're very excited to establish this Community Trust," explained Lindsay Gorrill.

In the coming weeks, a committee will be formed to administer the trust, evaluate requests for donations and seek out opportunities to support community endeavours. The committee will be made up of three representatives: a CFI employee, a council member from the Town of St. Lawrence, and an independent St. Lawrence resident.

More information on the trust will be available in the coming months.



CAPE CHAPEAU ROUGE TRAIL UPGRADES SUPPORTED BY CFI

The St. Lawrence Historical Advisory Committee does tremendous work to preserve and restore historic sites in St. Lawrence, as well as promoting tourism in the area. The Committee is currently planning to upgrade the Cape Chapeau Rouge Trail, a section of which crosses CFI surface-leased land. When the Committee approached CFI for permission to make changes to the trail, our team was very happy to oblige.

“CFI fully supports the upgrade project and grants the St. Lawrence Historical Advisory Committee and the general public full access to the portion of the existing trail that crosses CFI surface-leased land,” said Frank Pitman, CFI Construction and Infrastructure Manager.

In the future, CFI may require access to Blue Beach Cove for the construc-

tion of the planned marine terminal. At that time, CFI will relocate the portion of the trail that crosses CFI surface-leased land, or will allow safe trail access to the public.

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