

CANADA FLUORSPAR INC.
10060 Kennedy Road
Markham, Ontario
L6C 1N9

NEWS RELEASE
TSX Venture Exchange
Trading Symbol: CFI

Canada Fluorspar Announces Strategic Agreement with Arkema Resulting in a CDN\$83.5 Million Investment to Fund the St. Lawrence Fluorspar Project

CFI on track to commence commercial shipment as early as H1 2013

TORONTO, Canada, June 15, 2011 - Canada Fluorspar Inc. (“CFI” or the “Company”) (TSXV:CFI) and Arkema (“Arkema”) (PA:AKE) are pleased to announce a joint agreement to finance the re-activation of CFI’s fluorspar project located in St. Lawrence, Newfoundland, Canada.

CFI and Arkema have entered into a definitive agreement pursuant to which Arkema will initially invest Cdn\$15.5 million to purchase common shares and subscription receipts of CFI. The subscription price per common share and per subscription receipt is C\$0.75. Upon completion of this equity financing and the subsequent funding of a new Limited Partnership (the “Partnership”), Arkema’s total investment in CFI will amount to CDN\$83.5 million.

Key Terms of the Arkema Investments

The investment will consist of two phases. Under the terms of the definitive agreement executed today, the first tranche of the investment representing approximately CDN\$15.5 million will consist of Arkema acquiring a 9.9 percent interest in CFI through the issuance of 10.3 million common shares from treasury and 10.4 subscription receipts representing a further 10.0 percent of the common shares on conversion (a total of 19.9 per cent on a when-converted basis). The shares and subscription receipts will be issued at a price of CDN\$0.75 per common share, representing a 33.09% premium to the 30 day volume weighted average price of CFI shares on the TSX-V ended June 14, 2011.

The investment of CDN\$7.85 million received from the purchase of subscription receipts will be placed in escrow to be released to CFI upon the closing of the subsequent investment outlined below.

The issuance of the common shares and subscription receipts remains subject to the approval of the TSX Venture Exchange.

The second investment tranche of CDN\$68.0 million will be funded into the Partnership owned equally by CFI and Arkema which is expected to be closed in August, 2011. The Partnership will hold the mining rights and permits related to the Blue Beach mine, Tarefare mine, the mill facilities and the tailings pond needed to produce fluorspar.

As part of the Partnership, CFI and Arkema will enter into an Off-Take Agreement whereby the partners will each receive a pro rata share of the output at a price equal to the costs of production plus an agreed upon fee. In addition, Arkema will have the right to acquire for a period of 10 years,

approximately 20% of CFI's share of the output on a pricing basis that includes costs plus a fixed margin.

Lindsay Gorrill, CEO of CFI, will become the CEO of the general partner of the Partnership and CFI will provide services to the Partnership under a management services agreement. The Partnership will be governed by the Board of Directors of its general partner, which will include two nominees from each of CFI and Arkema and an additional independent director who will be appointed with the agreement of both CFI and Arkema.

Arkema will have the right to nominate two members of the CFI board of directors and right to nominate one of its board members as a member of the Compensation, Nomination & Governance and Audit Committees.

Lindsay Gorrill, President and CEO of CFI commented, "The transaction with Arkema culminates an extensive search for a partner in the St. Lawrence project that has been underway for the past three years. It provides our shareholders with recognition of value and sources the immediate cash needed to promptly commence development of the operations at St. Lawrence and sets out the terms for future funding. We expect that the re-activation of the Fluorspar mines at St Lawrence will generate over 150 direct full- time jobs on the Burin Peninsula"

Richard Carl, Executive Chairman of CFI commented, "We welcome the involvement of Arkema in CFI and the St. Lawrence project. Arkema's global reach in the fluoropolymer and fluorocarbon industry, combined with its North American presence and shared vision for our project provide us with a stable partner that will bring back to life a project that will be of benefit to all our stakeholders including the people of St. Lawrence and the Burin Peninsula. Our project would not have reached its current phase of development without the ongoing support of the Government of Newfoundland and Labrador, and its financial assistance to fund the Company's deep water wharf, and the Town Council and the people of St. Lawrence."

Arkema is a global chemical company and France's leading chemicals producer. Deploying a responsible, innovation-based approach, Arkema produces state-of-the-art specialty chemicals that provide customers with practical solutions to such challenges as climate change, access to drinking water, the future of energy, fossil fuel preservation and the need for lighter materials. With operations in more than 40 countries, 14,000 employees and 8 research centers, Arkema generates annual revenue of €5.9 billion.

Advisors

CFI's legal counsel for the transaction is Stikeman Elliott LLP. Torys LLP has advised Arkema.

Conference Call

CFI will host a conference call at 4:00 p.m. E.T. on Wednesday, June 15, 2011 to allow analysts and shareholders the opportunity to hear management discuss the transaction. Dial in details for the call:

Dial in number: 416-695-6616 or 1-800-355-4959

Taped Replay: 905-694-9451 or 1-800-408-3053 (available for 14 days)

Taped Replay Pass Code: 8842752

Live Webcast Link: <http://www.gowebcasting.com/2460>

About the Company

The Company is a specialty mineral resource company engaged in the development and production of fluorspar deposits at its property located in St. Lawrence, Newfoundland, Canada, and is moving forward to reactivate existing underground fluorspar mines, expand an existing mill, construct a new, environmentally-sound Tailings Management Facility and build a new deep-water marine terminal in the outer St. Lawrence Harbour for the export of fluorspar concentrate product.

For more information please see: www.canadafluorspar.com

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

For further information please contact:

Lindsay Gorrill
President and CEO
Canada Fluorspar Inc.
Tel: 1-800-823-8095
lgorrill@canadafluorspar.com

- or -

Ali Mahdavi
Partner
Spinnaker Capital Markets Inc.
am@spinnakercmi.com

Cautionary Note and Forward-looking statements

This press release contains forward-looking statements which include, but are not limited to: statements regarding the results and projections contained in the preliminary feasibility study of the project at St. Lawrence, establishment of the Partnership, conversion of subscription receipts to common share, receipt of TSX-V approvals, completion of definitive agreements, and outlook, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it cannot give any assurance that such expectations will prove to be correct. Results of the Company may be affected by a variety of variables and risks associated with mining development including: loss of market, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, ability to access sufficient debt and equity capital from internal and external sources, ability to generate sufficient cash flow to meet its current and future obligations, regulatory approvals affecting construction and mining operations. Such forward-looking statements are also based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about the following: the availability of financing for exploration and development activities; the estimated timeline for the development of the project at St. Lawrence, the supply and demand for, and the level and volatility of the price of fluorspar, the assumptions on which resource estimates are

based, the receipt of necessary permit, market competition, ongoing relations with employees and impacted communities, and general business and economic conditions. In addition, the operating and capital costs in the preliminary feasibility study were developed to be reasonable estimates within industry benchmarks. There is no certainty that the results of the preliminary feasibility study will ever be realized. Should one or more of the risks or uncertainties involved in forward-looking statements relating to the preliminary feasibility study materialize, or should the assumptions underlying the preliminary feasibility study prove incorrect, actual results of the preliminary feasibility study may vary materially from those anticipated, believed, estimated or expected. Accordingly, readers should not place undue reliance on forward-looking statements.

The Company's forward-looking statements are expressly qualified in their entirety by this cautionary statement and are made as of the date of this news release. Unless otherwise required by applicable securities laws, the Company does not intend nor does it undertake any obligation to update or review any forward-looking statements to reflect subsequent information, event, results or circumstances or otherwise.