

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

NEWS RELEASE
TSX Venture Exchange
Trading Symbol: CFI

**Canada Fluorspar Announces Positive
Preliminary Feasibility Study for its St. Lawrence, Newfoundland Fluorspar Project**

TORONTO, Canada, May 11, 2011 – Canada Fluorspar Inc. (TSXV: CFI) (“CFI” or the “Company”), is pleased to announce the results of a National Instrument 43-101 Technical Report and Preliminary Feasibility Study (“PFS”) for its underground, St. Lawrence Fluorspar project in Newfoundland, Canada. The PFS was prepared by the independent engineering firm, Roscoe Postle Associates Inc. (RPA) in consultation with SNC-Lavalin Inc. The PFS provides for a 122,000 tonne per annum (“TPA”) fluorspar production facility, with construction expected to begin in 2011, and production to commence 2013. All dollar amounts are in Canadian dollars, unless otherwise stated.

PRELIMINARY FEASIBILITY STUDY HIGHLIGHTS	US\$425/MT Base Case	US\$510/MT Base Case +20% *
Pre-Tax Net Present Value (“NPV”) @ 5.0% Discount Rate	\$129.1 million	\$229.0 million
Pre-Tax Net Present Value (“NPV”) @ 7.5% Discount Rate	\$89.2 million	\$170.0 million
Pre-Tax Internal Rate of Return (“IRR”)	20.3%	30.8%
Cash Operating Costs (per tonne processed)	\$70.62	\$70.62
Capital (required to build 122,000 TPA of Fluorspar Concentrate Production)	\$98 million	

* - approximates current market price

“The results of this independent report highlight the attractive economics of the project, which combined with the size, quality, logistical and infrastructure advantages make this a significant fluorspar asset,” stated Lindsay Gorrill, President and CEO of CFI. “The upward movement in current fluorspar prices to approx. US\$500 per MT (quoted x-port China as reported by Industrial Minerals Magazine a trade publication on May 6th, 2011) adds significant upside to the economics of the project.”

“These positive results will permit the Company to move forward immediately to the design stage with production targeted for 2013.”

Base Case Economic Analysis and Assumptions

The PFS calculates a base case pre-tax NPV of \$129.1 million and a pre-tax IRR of 20.3%, assuming a 5.0% discount rate. Production of fluorspar is estimated to average 122,000 TPA over a fifteen year mine life. The capital costs associated with the pre-production phase are estimated to be \$98 million, while the ongoing capital costs are estimated to be \$62 million (which is expected to be paid from cash flow generated by the project). The table below summarizes the total initial capital costs and ongoing capital expenditures.

Summary of Capital Costs (\$'s in Millions)	Pre-Production	LOM Ongoing	Total
Mine & Mill	41.6	26.4	68.0
Infrastructure & Indirect Costs	47.6	9.6	57.2
Sustaining Capital	0	16.1	16.1
Closure	0	5.8	5.8
Sub Total	89.2	57.9	147.1
Contingency	8.9	3.6	12.5
Total Capital Costs	98.1	61.5	159.6

The base case assumes that the long term price of fluorspar is US\$425.00 per tonne based on an independent market study performed as of March 2011, and that the cash operating costs for producing fluorspar are \$207.95 per tonne of concentrate produced. The table below summarizes the total operating costs associated with the anticipated production of 122,000 TPA of fluorspar concentrate:

Summary of Annual Operating Costs	(\$'s in Millions)
- Mining	14.9
- Processing	5.9
- Site Services	2.3
- General & Administration	2.3
Total Operating Costs	25.4

Several factors contribute to the projected low operating cost including:

- Existing Infrastructure
- Access to Fresh Water
- Reasonable Energy Cost
- Close Proximity to the Wharf

BASE CASE SENSITIVITY ANALYSIS

Parameter	Price (US\$/T Conc.)	NPV Millions (C\$)@ 7.5% (Pre-Tax)	NPV Millions (C\$) @ 5% (Pre-Tax)
+20%	510.0	170.4	229.4
+10%	467.5	129.8	179.3
Base Case	425.0	89.2	129.1
-10%	382.5	48.6	79.0
-20%	340.0	8.0	28.8

Proposed Mining Operations and Processing

The current basis of the PFS assumes initial production from the Blue Beach North mine which will provide for the first seven years production followed by an additional eight years of production from the Tarefare No. 2 mine. The average production over the mine life is anticipated to be 359,000 tonnes of ore per annum providing an average concentrate production of 122,000 tonnes per year, with a maximum of 129,000 tonnes. The Alimak mining method was selected as the most suitable for the orebody geometry providing safe, efficient and cost effective extraction. Processing will consist of initial upgrading of the mill feed via a dense media separation or DMS plant, followed by grinding and flotation, to produce a high quality concentrate grading 97.5% CaF₂ and less than 1 % SiO₂. The availability of a wharf, within one kilometre of the mill site will be a major cost advantage for the project.

Significant Mineral Resource Estimate

The mineral resource estimate completed by RPA in April, 2009 (See Technical Report on the St. Lawrence Fluorspar Project, St. Lawrence, Newfoundland & Labrador filed under the companies profile on SEDAR on May 21, 2009) is set out in the following table:

**Estimated Fluorspar Mineral Resources
(April, 2009)**

Property	Category		
		Tonnes (000's)	Grade (%CaF ₂)
Blue Beach North	Indicated	4,390	39.0
Tarefare No. 2	Indicated	4,700	44.8
TOTAL	Indicated	9,090	42.0
Blue Beach North	Inferred	355	30.0
Blowout Veins	Inferred	595	31.8
TOTAL	Inferred	950	31.1

Notes:

1. CIM definitions were followed for the resource estimate.
2. Mineral Resources are estimated at a cut-off grade of 20% CaF₂ and a minimum horizontal width of 2.0 m.
3. Average density of mineralized rock is 2.9 t/m³.
4. Tonnage and average grade numbers are rounded.
5. Mineral Resources exclude mined out areas from historical mining.

Given the size of the resource estimate, the project is expected to have a reasonably long mine life of approximately 15 years. Approximately 68% of the indicated resource would be extracted during the projected 15 year mine life. There are significant resources in addition to currently defined mineral reserves which provide opportunity to extend the mine life.

The conversion of resources to reserves is indicated in the following table.

**Estimated Mineral Reserves
(April, 2011)**

DESCRIPTION	Tarefare		Blue Beach		Total	
	Tonnes (‘000 t)	Grade (% CaF ₂)	Tonnes (‘000 t)	Grade (% CaF ₂)	Tonnes (‘000 t)	Grade (% CaF ₂)
Main Vein at 30% CaF ₂ *	3,788	52.05	3,319	44.70	7,107	48.62
Undiluted Stopping Quantity (Excluding Pillar Recovery)	2,400	48.55	2,164	42.45	4,564	45.66
In Pillars	2,207	44.25	1,837	39.10	4,044	41.91
Dilution %	17%		20%		18%	
Extraction	90%		90%		90%	
Total Reserves	2,742	43.05	2,641	36.54	5,383	39.86

Notes:

1. CIM definitions were followed for the reserve estimate.
2. Mineral Reserves are estimated at a cut-off grade of 30% CaF₂.
3. Tonnage and average grade numbers may not total due to rounding.

Report Filing

The complete PFS will be filed on SEDAR (www.sedar.com) and the Company’s website (<http://www.canadafluorspar.com>) within 45 days.

Qualified Persons

The PFS was prepared by Hrayr Agnerian, M.Sc. (A), P. Geo, and Normand Lecuyer, P. Eng. of RPA in conjunction with Ray Bailey, P. Eng., and Michel Wawrzkow, P. Eng., P. Geo., of SNC-Lavalin who provided input for the mine site infrastructure and capital cost and the environmental aspects, respectively. Each of these individuals is a qualified person for the purposes of National Instrument 43-101, and has reviewed and verified the data disclosed in this news release.

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, resource estimates, expected mine life, anticipated production, commencement of construction and production, projected pre-tax net present values and internal rate of returns, projected operating costs and capital costs, proposed mining techniques, required to construct and produce at expected levels, projected market prices of fluorspar, current development and operating objectives 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.