

**CANADA FLUORSPAR INC.**  
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**NEWS RELEASE**  
TSX Venture Exchange  
Trading Symbol: CFI

**CANADA FLUORSPAR ANNOUNCES COMPLETION OF STRATEGIC INVESTMENT WITH  
ARKEMA RE-ACTIVATING THE ST. LAWRENCE FLUORSPAR PROJECT**

TORONTO, Canada, October 12, 2011 – Canada Fluorspar Inc. (“CFI” or the “Company”) (TSX-V:CFI) and Arkema (“Arkema”) (PA:AKE) are pleased to announce the closing, in escrow, of the second phase of the previously announced strategic agreement to re-activate CFI’s fluorspar project located in St. Lawrence, Newfoundland.

Under the terms of an investment agreement entered into between Arkema and CFI dated October 11, 2011, Arkema will fund \$60 million into a newly formed general partnership, Newspaper and CFI will fund \$14 million into Newspaper. In addition, CFI will contribute to the Partnership the mining rights and permits related to the Blue Beach mine, the Tarefare mine, the mill facilities and the tailings pond needed to produce fluorspar (the “Project”). On closing, CFI and Arkema will each have a 50% interest in Newspaper. The funds and documentation related to the transactions contemplated by the investment agreement will be released from escrow once the mining licences and leases relating to the Project are transferred into Newspaper. It is expected that these licences and leases will be transferred in short order. In addition, when the escrow condition is satisfied, subscription receipts held by Arkema since June 27, 2011 issued at \$0.75 per share will be converted to 10,357,722 common shares and \$7.76 million held in escrow will be released to CFI.

In addition to his roles as President and CEO of CFI, Lindsay Gorrill has become the CEO of Newspaper. Newspaper will be governed by a management committee made up of two nominees of each of Arkema and CFI and an additional independent member. Arkema’s nominees to the management committee of Newspaper are Richard Rowe, Global Group President, Fluorochemicals and Danny Wright, Industrial Project Director, Fluorochemicals and CFI’s nominees are Richard Carl, Executive Chairman of CFI and Leo Power, a director of CFI.

As part of the Partnership, CFI and Arkema will each receive a pro rata share of the output at a price equal to the costs of production. 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 and will have the option to acquire additional fluorspar from CFI at market price.

Lindsay Gorrill, President and CEO of CFI and CEO of Newspaper commented, “closing the second phase of the Arkema investment allows us to move forward on the re-activation of the fluorspar mines at St. Lawrence and in doing so generate over 150 direct full time jobs on the Burin Peninsula.” Mr. Gorrill also added that, “it is increasingly clear to CFI that Arkema has been and will be the right choice as a partner for the Project. Arkema’s commitment to health, safety and the environment aligns with our own and we look forward to developing the Project at St. Lawrence with them.”

Richard Carl, Executive Chairman of CFI noted that, “closing the second phase of our arrangements with Arkema solidifies our partnership and allows CFI to advance the development of our project to completion without encumbering our balance sheet with debt. In an increasingly volatile financial world meeting these financial parameters allows CFI an unencumbered path to future growth.”

Arkema is a global chemical company and France's leading chemicals producer. Deploying a responsible and 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 centres, Arkema generates annual revenue of Euros 5.9 billion.

### **Advisors**

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

### **Conference Call**

The Company will host a conference call on Thursday, October 13, 2011 at 4:00 p.m. Eastern Standard Time (EST) to discuss the completion of the transaction and to provide an update on the status of the activities at the mine site.

Participants should dial 1-888-437-9364 or 1-719-457-2657 at least 10 minutes prior to the conference time of 4:00 p.m. EST. For those unable to attend the call, a replay will be available after 7:00 p.m. at 1-877-870-5176 and 1-858-384-5517 pass code 9327354 until midnight, October 20, 2011.

### **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](http://www.canadafluorspar.com)

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