

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

NEWS RELEASE
TSX Venture Exchange
Trading Symbol: CFI

Canada Fluorspar Announces Completion of Financing

FOR IMMEDIATE RELEASE

TORONTO, Ontario – December 16, 2010 - Canada Fluorspar Inc. (TSX-V: CFI) (the “Company”) is pleased to announce that it has closed the previously announced financing of 11,000,000 common share special warrants (“Special Warrants”) at a price of \$0.50 per Special Warrant for aggregate gross proceeds of \$5,500,000 (the “Offering”).

"As a result of this financing CFI is now adequately funded to complete our current development and operating objectives," commented Lindsay Gorrill, President and CEO of Canada Fluorspar Inc. "With these funds in place, a debt free balance sheet and a substantially broadened shareholder base, CFI is well positioned to engage strategic partners in meaningful discussions with respect to the development of our world class fluorspar deposit at St. Lawrence, NL. It is important to note that we continue to be pleased with trends in the Fluorspar markets as we are witnessing pricing being impacted by a number of favourable trends around the world."

Mr. Gorrill also added that, "these funds combined with the recent additions to our management team and the support of our board of directors provide CFI with a solid platform from which we can make the important decisions related to the reactivation of our fluorspar mine and mill, and financing of the project."

The Offering was completed by a syndicate of investment dealers led by Dundee Securities Corporation, and including GMP Securities L.P., Jennings Capital Inc. and Paradigm Capital Inc. (the “Agents”). In consideration for their services the Agents received a cash commission equal to 5% of the gross proceeds of the Offering. In addition, the Corporation issued 550,000 broker warrants (being an amount equal to 5% of the number of Special Warrants sold under the Offering) to the Agents. Each broker warrant entitles the holder thereof to acquire one common share (“Common Share”) of the Company at a price of \$0.60 until December 16, 2011.

Each Special Warrant will entitle the holder thereof to receive one Common Share and one half of one common share purchase warrant (“Warrant”) on the exercise or deemed exercise of the Special Warrant, as applicable, subject to adjustment in certain events. The Special Warrants will be exercisable by the holder at any time after the closing for no additional consideration and all unexercised Special Warrants will be deemed to be exercised on the earlier of (a) four months and a day following the closing, and (b) the 5th business day after a receipt is issued for a final prospectus by the securities regulatory authorities in each of the provinces of Canada where the Special Warrants are sold qualifying the Common Shares and Warrants to be issued upon the exercise of the Special Warrants, as applicable. The Company shall use its reasonable best efforts

to obtain such receipt for a final prospectus qualifying the distribution of the Common Shares and Warrants issuable upon the exercise of the Special Warrants by February 14, 2011. If the principal securities regulator has not issued a receipt for the prospectus within 60 days of the date of closing of the Offering, the holder of each Special Warrant shall be entitled to receive 1.1 Common Shares and 0.55 Warrants in lieu of 1 Common Share and 0.5 Warrants upon exercise of the Special Warrant. Until the receipt is issued for such prospectus, the Special Warrants as well as the Common Shares and Warrants issuable upon exercise thereof will be subject to a four month hold period under applicable Canadian securities laws.

Each whole Warrant is exercisable into one Common Share at a price of \$0.75 per Common Share for a period of 18 months from the date of issuance of the Warrants.

The net proceeds from the Offering will be used to develop the Company's fluorspar deposits located in St. Lawrence, Newfoundland and for general working capital purposes.

ABOUT CANADA FLUORSPAR INC.

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 Harbor 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:

On behalf of Canada Fluorspar Inc.:

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

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States of America. The securities have not been and will not be registered under the United States Securities Act of 1933 (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons (as defined in the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws, or an exemption from such registration is available.

Advisory Regarding Forward Looking Statements

This press release contains forward-looking statements which include, but are not limited to: current development and operating objectives and outlook, expectations, opinions, forecasts, projections, guidance, the timing for obtaining a receipt for its prospectus, 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, such as 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; as a consequence, actual results could differ materially from those anticipated or implied in the 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.