



No. S-224444
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C., 1985 c. C-36, AS AMENDED**

AND

**IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF CANADIAN
DEHUA INTERNATIONAL MINES GROUP INC.**

PETITIONER

NOTICE OF APPLICATION

Name of applicant: the Petitioner and the Monitor

To: the Service List (attached hereto as **Schedule "A"**)

TAKE NOTICE that an application will be made by the applicant to the Honourable Mr. Justice Walker at the courthouse at 800 Smithe Street, Vancouver, BC, V6Z 2E1 on November 30, 2022 at 9:00 a.m. for the orders set out in Part 1 below.

Part 1: ORDER(S) SOUGHT

1. An Order that service of Notice of this Application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this Application, and time for service of this Application is abridged to that actually given.
2. An Order, substantially in the form attached hereto as **Schedule "B"** (the "**Sealing Order**"), authorizing that the Confidential Supplement to the Monitor's Fourth Report be filed under seal pending further order of this Court.

Part 2: FACTUAL BASIS

1. Pursuant to an order (the "**Initial Order**") of the Supreme Court of British Columbia (the "**Court**") made on June 3, 2022, Canadian Dehua International Mines Group Inc. ("**CDI**" or the "**Petitioner**") were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), and FTI Consulting Canada Inc. ("**FTI**") was appointed monitor (and in such capacity, the "**Monitor**").
2. Also pursuant to the terms of the Initial Order, the Court granted:

- (a) an initial stay of proceedings until June 9, 2022 (the "**Stay Period**"); and
 - (b) the Administration Charge.
3. Pursuant to an order issued by the Court on June 3, 2022, the Court:
- (a) ordered that the Petitioner shall deliver further evidence to the Court regarding the contemplated transactions and/or investments relating to the Wapiti Project and the Murray River Project (the "**Project Evidence**");
 - (b) granted the Petitioner short leave to file any such Project Evidence under seal at the June 9, 2022 hearing;
 - (c) directed the Monitor to provide the Monitor's position on the prospects of preserving the Petitioner's business as a going concern in a CCAA proceeding; and
 - (d) granted the Monitor short leave to file a confidential report, if deemed necessary by the Monitor, under seal at the June 9, 2022 hearing.
4. On June 9, 2022, the Court amended and restated the Initial Order (the "**ARIO**") and:
- (a) Extended the Stay Period to August 19, 2022;
 - (b) Approved interim financing by way of a credit facility (the "**DIP Facility**") from Qubo Liu (the "**DIP Lender**"), and granted the Interim Lender's Charge;
 - (c) Granted the Directors' and Officers' Charge; and
 - (d) Granted the Claims Process Order.
5. On August 18, 2022, the Court amended and restated the ARIO (the "**Second ARIO**") and;
- (a) Extended the Stay Period to December 1, 2022;
 - (b) Approved the SISF; and
 - (c) Increased the DIP Facility and Interim Lender's Charge up to the maximum amount of \$820,000.

Background

6. The Petitioner, Canadian Dehua International Mines Group Inc. ("**CDI**") is a company incorporated pursuant to the laws of British Columbia.

7. CDI is a company that invests in, and operates, mining assets in British Columbia and elsewhere.
8. CDI was incorporated in 2004 in order to develop underground core mining properties.
9. CDI primarily cooperated on mining projects with major Chinese mining companies and steel factories as partners. However, for various reasons, a number of the projects did not proceed as planned. This has resulted in significant debt and limited revenue while CDI finds new buyers and develops new mining projects.
10. The Wapiti River coal project is a large-scale underground mine at the senior exploration stage which is also located near Tumbler Ridge, British Columbia (the "**Wapiti Project**"). The Petitioner is the sole shareholder in the Wapiti Coking Coal Mines Corporation, the company that owns and operates the Wapiti Project.

Sale and Investment Solicitation Process ("SISP")

11. As set out in the Confidential Supplement to the Fourth Report, the Petitioner's efforts have resulted in an LOI being entered with an interested party (the "**LOI**") in the Wapiti Project.
12. The interested party is related to a company that is publicly traded in China and that the details included in the Supplemental Report are sensitive and may require disclosure by the interested party should they be made public. As a result, the LOI contains a provision that the LOI itself be kept confidential.

Sealing Order

13. As discussed in the Monitor's Fourth Report, the Confidential Supplement contains Project Evidence including certain financial and commercial terms of pendant transactions and/or investments for the Wapiti Project and the Monitor and CDI are of the view that the information provided in Confidential Supplement, including the names of the potential purchasers or investors, should be sealed on that basis. The Monitor does not believe any party will be prejudiced if this information is subject to the Sealing Order.

Part 3: LEGAL BASIS

1. The Monitor and the Petitioner rely on:
 - (a) The *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;
 - (b) The Supreme Court Civil Rules;
 - (c) The inherent and equitable jurisdiction of this Honourable Court; and

- (d) Such further and other legal bases and authorities as counsel may advise and this Honourable Court may permit.

Sealing Order

2. The Confidential Supplement include information that the Monitor and Petitioner believe should be sealed.
3. The Monitor does not believe any party will be prejudiced if this information is subject to the Sealing Order.
4. The Court has jurisdiction to order that certain materials filed with the Court be sealed in the Court file. The Supreme Court of Canada has stated that such order can be granted where:
 - (a) such an order is necessary in order to prevent serious risk to an important interest, including a commercial interest, in the context of litigation because reasonably alternative measures will not prevent the risk; and
 - (b) the salutary effects of the confidentiality order, including the effects on the right of civil litigants to a fair trial, outweigh its deleterious effects, including the effects on the right to free expression, which in this context includes the public interest in open and accessible court proceedings.

Sierra Club of Canada v. Canada (Minister of Finance), 2002 SCC 41 at para. 53 ("**Sierra Club**")

5. In *Sherman Estate*, the Supreme Court found that the *Sierra Club* test rests upon three core prerequisites that a person seeking such a limit must show:
 - (a) court openness poses a serious risk to an important public interest;
 - (b) the sealing order sought is necessary to prevent the serious risk to the identified interest because reasonably alternative measures will not prevent this risk; and
 - (c) as a matter of proportionality, the benefits of the sealing order outweigh its negative effects.

Sherman Estate v. Donovan, 2021 SCC 25 at para. 38

6. The information sought to be sealed fit squarely within the test established by *Sierra Club* and meets the core prerequisites as set out in *Sherman Estate*.
7. The Confidential Report contain information and particulars which are confidential and contain certain commercially sensitive financial provisions and details of negotiations. Prospective investors or purchasers would have a reasonable expectation of privacy over

this information and the release of this information may imperil the transactions and the successful restructuring of the Petitioner.

8. The Monitor and Petitioner submit that the deleterious effects are minimal and outweighed by the benefits of the proposed Sealing Order.
9. The procedure to be followed in British Columbia for seeking a sealing order is set out in the Supreme Court of British Columbia PD-58, *Sealing Orders in Civil and Family Proceedings* (effective February 10, 2020), which the Monitor and Petitioner intend to comply with.

Part 4: MATERIAL TO BE RELIED ON

1. Fourth Report of the Monitor;
2. Confidential Supplement to the Fourth Report of the Monitor; and
3. Any such further materials as counsel advises and this Honourable Court permits.

The applicant estimates that the application will take 5 minutes

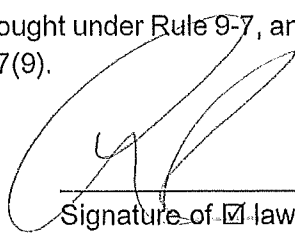
- This matter is within the jurisdiction of a master.
- This matter is not within the jurisdiction of a master and Mr. Justice Walker is seized of this matter.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this notice of application, you must, within 5 business days after service of this notice of application or, if this application is brought under Rule 9-7, within 8 business days after service of this notice of application,

- (a) file an application response in Form 33;
- (b) file the original of every affidavit, and of every other document, that
 - (i) you intend to refer to at the hearing of this application, and
 - (ii) has not already been filed in the proceeding; and
- (c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:
 - (i) a copy of the filed application response;

- (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
- (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

November 29, 2022
Dated _____



Signature of lawyer for filing party
DLA Piper (Canada) LLP (Colin D. Brousson)
Lawyer for the Petitioner

To be completed by the court only:

Order made

in the terms requested in paragraphs _____ of Part 1 of this notice of application

with the following variations and additional terms:

Date: _____

Signature of Judge Master

APPENDIX

The following information is provided for data collection purposes only and is of no legal effect.

THIS APPLICATION INVOLVES THE FOLLOWING:

- discovery: comply with demand for documents
- discovery: production of additional documents
- oral matters concerning document discovery
- extend oral discovery
- other matter concerning oral discovery
- amend pleadings
- add/change parties
- summary judgment
- summary trial
- service
- mediation
- adjournments
- proceedings at trial
- case plan orders: amend
- case plan orders: other
- experts
- none of the above

Schedule "A"

(Service List)

IN THE SUPREME COURT OF BRITISH COLUMBIA

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AND

IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF CANADIAN
DEHUA INTERNATIONAL MINES GROUP INC.

PETITIONER

Service List

(Last Updated: November 29, 2022)

<p>DLA Piper (Canada) LLP Suite 2800, Park Place 666 Burrard St. V6C 2Z7 Vancouver, BC</p> <p>Attention: Colin D. Brousson and Jeffrey D. Bradshaw</p> <p>Email: colin.brousson@dlapiper.com jeffrey.bradshaw@dlapiper.com dannis.yang@dlapiper.com</p> <p>Telephone: 604.643.6400 604.643.2941</p> <p><i>Counsel for the Petitioner</i></p>	<p>FTI Consulting Canada Inc. Suite 1450, P.O. Box 10089 701 West Georgia St. Vancouver, BC V7Y 1B6</p> <p>Attention: Craig Munro and Hailey Liu</p> <p>Email: Craig.Munro@fticonsulting.com Hailey.Liu@fticonsulting.com</p> <p>Telephone: 604.757.6108 403.454.6040</p> <p><i>Monitor</i></p>
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<p>Bennett Jones 666 Burrard Street, Suite 2500 Vancouver, BC V6C 2X8</p> <p>Attention: David E. Gruber</p> <p>Email: gruberd@bennettjones.com</p> <p>Telephone: 604.891.5150</p> <p><i>Counsel for the Monitor</i></p>	<p>Dentons 250 Howe St. 20th Floor Vancouver, BC V6C 3R8</p> <p>Attention: Jordan Schultz and Eamonn Watson</p> <p>Email: jordan.schultz@dentons.com eamonn.watson@dentons.com avic.arenas@dentons.com chelsea.denton@dentons.com</p> <p>Telephone: 604.691.6452 604.629.4997</p> <p><i>Counsel for China Shougang International Trade & Engineer Corporation</i></p>
<p>Harper Grey LLP 650 W Georgia St #3200 Vancouver, BC V6B 4P7</p> <p>Attention: Erin Hatch</p> <p>Email: ehatch@harpergrey.com</p> <p>Telephone: 604.895.2818</p> <p><i>Counsel for Canada Zhonghe Investment Ltd.</i></p>	<p>Fasken 1500 – 1055 W Georgia St. Vancouver, BC V6E 4N7</p> <p>Attention: Kibben Jackson and Mihai Tomos</p> <p>Email: kjackson@fasken.com mtomos@fasken.com</p> <p>Telephone: 604.631.4786 403.261.7386</p> <p><i>Counsel for Canadian Kailuan Dehua Mines Co., Ltd.</i></p>
<p>Lawson Lundell LLP Suite 1600 Cathedral Place 925 W Georgia St. Vancouver, BC V6C 3L2</p> <p>Attention: William L. Roberts and Alexis Teasdale</p> <p>Email: wroberts@lawsonlundell.com ateasdale@lawsonlundell.com</p> <p>Telephone: 604.631.9163 403.218.7564</p> <p><i>Counsel for Accurate Court Bailiff Services Ltd.</i></p>	<p>McMillan LLP 550 Burrard Street, Suite 2900 Vancouver, BC V6C 0A3</p> <p>Attention: Bernhard Zinkhofer</p> <p>Email: Bernhard.Zinkhofer@mcmillan.ca</p> <p>Telephone: 604.689.9111 604.685.7084</p> <p><i>Counsel for HBIS Group International Holding Co., Limited</i></p>

<p>BLG 1200 Waterfront Centre, 200 Burrard St., P.O. Box 48600, Vancouver, BC, Canada V7X 1T2</p> <p>Attention: Lisa Hiebert and Mu Xin</p> <p>Email: LHiebert@blg.com MXin@blg.com</p> <p>Telephone: 604.632.3425</p> <p><i>Counsel for Huiyong Holdings (BC) Ltd.</i></p>	<p>Weiheng Law 16th Floor, Tower A, China Technology Trading Building No. 66 North Fourth Ring West Road, Haidian District, Beijing</p> <p>Attention: Wei Heng</p> <p>Email: weiheng@weihenglaw.com</p> <p>Telephone: +86-10-62684688</p> <p><i>Counsel for Feicheng Mining Co., Ltd</i></p>
<p>McMillan LLP Royal Centre, 1055 W. Georgia Street, Suite 1500 PO Box 11117 Vancouver, BC, Canada V6E 4N7</p> <p>Attention: Daniel Shouldice and Vicki Tickle</p> <p>Email: Daniel.Shouldice@mcmillan.ca; Vicki.Tickle@mcmillan.ca</p> <p>Telephone: 604.691.6858</p> <p><i>Counsel for HD Mining International Ltd.</i></p>	
<p>Bullmoose Mining Ltd 3577 West 34Th Ave Vancouver BC, V6N 2K7</p>	<p>Canada Revenue Agency C/O N.Sindu (462-11) 9755 King George Blvd. Surrey, BC, V3T 5E6</p>
<p>CIBC – CEBA 400 Burrard Street Vancouver, BC V6C 3M5</p>	<p>Canadian Dehua Lvliang International Mines Corp. 310-1155 Pender St. West Vancouver, BC V6E 2P4</p>

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Schedule "B"

(Sealing Order)

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C., 1985 c. C-36, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF CANADIAN
DEHUA INTERNATIONAL MINES GROUP INC.

PETITIONER

BEFORE THE HONOURABLE)
MR. JUSTICE WALKER) November 30, 2022

ORDER MADE AFTER APPLICATION
(Sealing Order)

ON THE APPLICATION of the Petitioner coming on for hearing at the Law Courts at 800
Smithe Street in the City of Vancouver, in the Province of British Columbia, on November 30,
2022; AND ON HEARING Colin D. Brousson and Jeffrey D. Bradshaw, counsel for the
Petitioner and those counsel listed on **Schedule "A"** hereto;

IT IS HEREBY ORDERED, ADJUDGED AND DECLARED THAT:

THIS COURT ORDERS THAT:

1. Access to Sealed Items permitted by

- Counsel of Record
- Parties of Record
- Further Court Order
- Others:

Items to be sealed

Document Name	Date filed (Date on Court Stamp)	Number of copies filed, including any extra copies for the judge	Duration of sealing order (to specific date or until further order)	Sought	Granted	
					YES	NO
1) Entire File				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2) Specific Documents Confidential Supplement to the Fourth Report of the Monitor	To be filed	1	Until further order.	X	X	<input type="checkbox"/>
3) Clerk's Notes				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4) Order				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5) Reasons for Judgment				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

[Remainder of page intentionally left blank]

GENERAL

2. Endorsement of this Order by counsel appearing on this application other than counsel for the Petitioner and counsel for the Monitor is hereby dispensed with.

3. The time for service and filing of the Notice of Application is hereby abridged and validated so that this Notice of Application is properly returnable today and the need for further service thereof is hereby dispensed with.

4. Upon service of this Order by electronic mail to all parties on the service list maintained by the Monitor's legal counsel (the "**Service List**"), each recipient will be at liberty to apply to vary this Order on two days notice to all parties on the Service List.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of the lawyer for the Petitioner
DLA Piper (Canada) LLP (Colin D. Brousson)

Signature of the lawyer for the Monitor, FTI
Consulting Canada Inc.
Bennett Jones LLP (David Gruber)

BY THE COURT

REGISTRAR

Schedule "A"

List of Additional Counsel Appearing

Name of Counsel	Name of Party
Jordan Schultz and Eamonn Watson	China Shougang International Trade & Engineering Corporation
David Gruber	The Monitor
Kibben Jackson	Canadian Kailuan Dehua Mines Co., Ltd.

No. S-224444
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AND

IN THE MATTER OF A PLAN OF COMPROMISE AND
ARRANGEMENT OF CANADIAN DEHUA
INTERNATIONAL MINES GROUP INC.

**ORDER MADE AFTER APPLICATION
(SEALING ORDER)**

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Barristers & Solicitors
2800 Park Place
666 Burrard Street
Vancouver, BC V6C 2Z7

Tel. No. 604.687.9444
Fax No. 604.687.1612

File No.: 080762-00014

CDB/day

No. S-211985
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36

AND

IN THE MATTER OF ARDENTON CAPITAL
CORPORATION AND ARDENTON CAPITAL BRIDGING
INC.

PETITIONERS

NOTICE OF APPLICATION

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