



COPY

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 OR COMPROMISE AND ARRANGEMENT OF
CANADIAN DEHUA INTERNATIONAL MINES GROUP INC.**

THIRTEENTH REPORT OF THE MONITOR

June 7, 2024

INTRODUCTION AND PURPOSE

1. This report (“**Thirteenth Report**”) has been prepared by FTI Consulting Canada Inc. in its capacity as the court-appointed Monitor (the “**Monitor**”) of Canadian Dehua International Mines Group Inc. (“**CDI**” or the “**Company**”) by an order of the Supreme Court of British Columbia (the “**Court**”) pronounced June 3, 2022 (the “**Initial Order**”), pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985 c.36, as amended (the “**CCAA**”).
2. The purpose of the Thirteenth Report of the Monitor is to provide this Honourable Court with an update on the status of the Company’s restructuring efforts since the date of the Twelfth Report.
3. The reports of the Monitor and other information in respect of these proceedings are posted on the Monitor’s website at <http://cfcanada.fticonsulting.com/canadiandehuaiinternational>

TERMS OF REFERENCE

4. In preparing this report, the Monitor has relied upon unaudited financial information, other information available to the Monitor and, where appropriate, the Company’s books and records and discussions with various parties (collectively, the “**Information**”).
5. The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.
6. The Monitor has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.

7. Future oriented financial information reported or relied on in preparing this report is based on assumptions regarding future events; actual results may vary from forecast and such variations may be material.
8. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

THE STATUS OF THE AMENDED SISP

9. Subsequent to the date of the Twelfth Report, the Monitor reports the following:
 - (a) The Company has continued to engage in discussions with potential purchasers, however no substantive progress has been achieved such as a signed Asset Purchase Agreement or deposit;
 - (b) The Monitor attended a call with the Chairman of the Potential Purchaser who appeared sincere in the pursuit of the Wapiti and Murray River projects, however the plan for funding any acquisition was dependent on initiatives that could require several weeks or months to perform;
 - (c) The Company is now administratively insolvent as funding under the Court approved DIP Loan has not been advanced.
10. On June 5, 2024, the Monitor's counsel arranged a call with counsel representing the two major creditors, China Shougang International Trade & Engineering Corporation and Zhonghe Canada Investment Ltd. and counsel for the Petitioner.
11. The purpose of the call was to provide the creditors with an update as outlined above and to consult with them as to their preferred next step.

12. The meeting concluded with a consensus that a short stay to allow the creditors to seek instructions from their respective clients and keeping the stay in place while they sought instructions would be preferable to allow matters to proceed in an orderly manner.

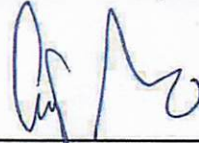
THE MONITOR'S VIEWS ON THE RELIEF BEING SOUGHT

13. As a result of the above, the Monitor understands that the Company is seeking to extend the stay of proceedings to June 28, 2024.
14. Absent an extension, the stay of proceedings would expire on June 14, 2024.
15. The Monitor has considered the tests that the Court must be satisfied with in order to grant an extension of the stay of proceedings to the Company, namely that:
 - (a) The Company must be acting in good faith and with due diligence; and
 - (b) The Company satisfy the Court that circumstances exist that make the order appropriate.
16. The Monitor is of the view that the Company is acting in good faith and with due diligence.
17. The Monitor is further of the view that the extension would not be prejudicial to any of the stakeholders and given the creditor's wishes, would allow creditors' counsel to seek instructions to regarding next steps such as those proposed in the Monitor's Twelfth Report or any other alternative considered appropriate.

18. Accordingly, the Monitor supports the Company's request for an extension of the stay of proceedings to June 28, 2024.

All of which is respectfully submitted this 7th day of June, 2024.

FTI Consulting Canada Inc.,
in its capacity as Monitor of Canadian Dehua
International Mines Group Inc.



Name: Craig Muhro
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FTI Consulting Canada Inc.