



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.**

**SEVENTEENTH REPORT OF THE MONITOR**

**September 16, 2024**

## INTRODUCTION AND PURPOSE

1. This report (“**Seventeenth 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 Seventeenth 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 Sixteenth 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/canadiandehuainternational>

## 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. On August 30, 2024, an order was granted by this Honourable Court extending the Company's stay of proceedings to September 20, 2024 and directing any party interested in acquiring CDI's interest in either of the Wapiti and/or Bullmoose assets, to submit a binding offer to the Monitor prior to 4:00 p.m. on September 6, 2024.
10. On August 30, 2024, the Monitor forwarded an email to each of the DIP Lender, the Unsolicited Purchaser and each of their respective counsel, as well as to the publicly traded company indicated in the Sixteenth Report.
11. A copy of the email to the DIP Lender and the Unsolicited Purchaser is attached as Appendix A.
12. In addition, the Monitor translated a similar email in Chinese and requested that the Company forward it to any party in China that had previously expressed interest in either of the Wapiti or Bullmoose projects.
13. On September 6, 2024, the Monitor received a copy of a Purchase Agreement from the DIP Lender (the "**Purchase Agreement**"), a copy of which is attached as Appendix B.

14. The Purchase Agreement was for all of the issued shares of Wapiti Coking Coal Mines Corp. (“WCCMC”), all of the issued shares of Canadian Bullmoose Mines Co., Ltd. (“Bullmoose”) and all of the mineral titles and coal licences, and all permits, mineral interests and coal licences, geological and exploration data, and intellectual property used or held directly or indirectly by CDI in the Wapiti and Bullmoose projects, including without limitation, all permits, mineral interests, coal licences, and geological and exploration data.
15. In addition, on September 6, 2024, a binding offer (the “Offer”) was delivered to the Monitor’s counsel along with a bank draft in an amount equal to the full purchase price indicated in the offer, a copy of which is attached as Appendix C.
16. The Offer seeks to acquire all of the rights, title and interests of CDI or its affiliates in and to all assets, property and undertakings of every kind and description and wheresoever situated, of WCCMC and Bullmoose, including but not limited to all coal licenses, geological exploration work, consultant reports, samples, intellectual property and any other related assets, free and clear of all claims and liens by virtue of a Vesting Order in a form acceptable to the Unsolicited Purchaser.
17. Both documents were received prior to the 4:00 p.m. PT deadline.
18. The Monitor forwarded a copy of the offer from the Unsolicited Purchaser to the Company’s counsel.
19. After consulting with CDI’s counsel, the Company decided to pursue the offer from the DIP Lender, which the Monitor supports for the following reasons:
  - (a) The purchase price indicated in the Purchase Agreement was \$1 million more than the Offer;

- (b) The Purchase Agreement was in a form that required no further negotiation whereas the Offer was subject to negotiation of an Agreement of Purchase and Sale;
  - (c) The Purchase Agreement would significantly reduce the amount owing under the DIP Lender's Charge, providing an opportunity for unsecured creditors to achieve a recovery from CDI's remaining assets;
  - (d) The Purchase Agreement would result in some residual funds in the Company to pursue additional asset sales; and
  - (e) Given that the DIP Lender is currently the fulcrum secured creditor, deference should be given to its offer.
20. Subsequent to the selection of the Purchase Agreement, the Company's counsel prepared an approval and asset vesting order based on the model order and forwarded it to the DIP Lender's counsel for its review and comments.
21. The DIP Lender's counsel advised that it sought a vesting order against the shares of WCCMC and Bullmoose, but in addition a vesting order for the assets of Bullmoose and WCCMC.
22. Accordingly, the Company's counsel and the Monitor advised the DIP Lender's counsel that while this could likely be granted, the following two issues currently prohibited such an order from being granted:
- (a) WCCMC and Bullmoose were not currently petitioners in these CCAA proceedings; and
  - (b) No claims process had been conducted for WCCMC and Bullmoose and hence the Monitor was not aware of the parties that would require notice for an eventual vesting order application.



23. As a result, the DIP Lender's counsel agreed that the prudent step at this point would be to seek a short extension of the stay of proceedings to allow the time for the Company to prepare an application to bring WCCMC and Bullmoose into these CCAA proceedings and seek the approval of an expedited claims process.
24. The Company would then seek to have the Purchase Agreement and a vesting order approved by this Honourable Court upon the expiration of the claims bar date for the WCCMC and Bullmoose claims process.
25. The Monitor has been advised by the Company's counsel that a deposit in the amount of \$165,000 representing 10% of the purchase price was received from the DIP Lender's counsel on September 11, 2024.

### **The Purchase Agreement**

26. The Monitor's prior reports have covered the history of the SISP to date. In its Fourth Report, the Monitor provided a summary of the procedures which included:
  - (a) Preparation of a teaser document (the "**Teaser**") providing an overview of CDI, a summary of its mining projects, the coal tenure map of the Wapiti mine and some related geological information;
  - (b) Preparation of a list of potential interested parties using the S&P Capital IQ transaction screen for Metals and Mining, and Coal and Consumable Fuels transactions between 2018 to 2022;
  - (c) Researching for appropriate contacts for each of the companies identified;
  - (d) On August 23, 2022, forwarding the Teaser to 40 companies located in North America, Europe and Australia and to 21 companies located in China to the contact person identified as noted above;

- (e) Setting up an electronic data room in which various documents were uploaded including the feasibility reports and the English version of the NI43-101 Resource Report; and
  - (f) Publication of an advertisement in the September 19 – October 2, 2022 edition of the Northern Miner magazine.
27. The Company's CEO has made several trips to China over the course of the past two years and has met with several parties who expressed an interest in the WCCMC and Bullmoose projects, however none of those parties have provided a binding offer.
28. The Monitor's comments with respect to the sale process are as follows:
- (a) the business and assets of WCCMC and Bullmoose have been extensively marketed;
  - (b) the sale process was fair and transparent and provided all participants with equal access to information and opportunity to submit an offer; and
  - (c) the purchase price and other terms of the Purchase Agreement are fair and reasonable and as demonstrated through the sale process represent the best offer available.

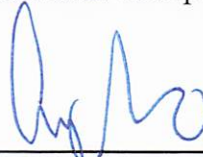


## THE MONITOR'S VIEWS ON THE RELIEF BEING SOUGHT

29. On August 30, 2024, the stay of proceedings was extended to September 20, 2024.
30. As indicated previously in this report, the Monitor is of the view that the Purchase Agreement is the best available offer for the shares and assets of WCCMC and Bullmoose and accordingly, a short extension of the stay of proceedings to allow the Company to seek an order to include WCCMC and Bullmoose in these CCAA proceedings as well as conduct a claims process is warranted.
31. The Monitor notes that the Company is staying current with payment of the professional fees and with the cash it currently holds should have sufficient resources for the period of the extension being sought.
32. The Monitor is of the view that the Company is acting in good faith and with due diligence and accordingly recommends that this Honourable Court grant the extension of the stay of proceedings to October 25, 2024.

All of which is respectfully submitted this 16<sup>th</sup> day of September, 2024.

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



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Name: Craig Munro  
Title: Managing Director,  
FTI Consulting Canada Inc.



# APPENDIX A

**From:** [Munro, Craig](#)  
**To:** [QUBO.LIU@dehua.ca](mailto:QUBO.LIU@dehua.ca); [R. Barry Fraser](#); [Karen Fellowes](#); [Aref Amanat](#)  
**Cc:** [David Gruber \(gruber@bennettjones.com\)](mailto:David.Gruber@bennettjones.com); [Liu, Hailey](#)  
**Subject:** Canadian Dehua  
**Date:** Friday, August 30, 2024 2:47:00 PM  
**Attachments:** [2024-08-30 Order made After Application.pdf](#)

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As you are aware, Justice Walker granted an order today pursuant to the CCAA proceedings of Canadian Dehua International Mines Group Inc. (“**CDI**”) requesting any party wishing to acquire CDI’s shares of Wapiti Coking Coal Mines Corporation and/or Canadian Bullmoose Mines Co. Ltd., to submit a binding agreement of purchase and sale (subject only to Court approval) to FTI Consulting Canada Inc. in its capacity as the Court appointed Monitor of CDI on or before 4 pm PT on September 6, 2024. The Monitor would expect any offer to be accompanied by a commercially reasonable deposit. The Monitor will then evaluate all offers and make its recommendation to the Court for approval on September 17, 2024.

A copy of Justice Walker’s entered order is attached for your reference.

If you have any questions, please direct them to me and our counsel (David Gruber, copied).

Regards

**Craig Munro**

**FTI Consulting**

604-757-6108 Direct

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# **APPENDIX B**

## PURCHASE AGREEMENT

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THIS PURCHASE AGREEMENT is made effective as of September 6, 2024,

BETWEEN:

CANADIAN DEHUA INTERNATIONAL MINES GROUP INC.,(Incorporation Number BC0712504) a company incorporated pursuant to the laws of British Columbia and having an office at Suite 202 – 2232 West 41<sup>st</sup> Avenue, Vancouver, BC V6M 1Z8

(the “Vendor”)

AND:

QUBO LIU, a business person having an address at 3577 West 34<sup>th</sup> Avenue, Vancouver BC V6N 2K7

(the “Purchaser”)

### BACKGROUND

- A. The Vendor carries on business of investing in, exploring, developing, and operating under-ground coal mining projects and supporting infrastructure in British Columbia and elsewhere, including two wholly owned mining projects described as the Wapiti Project (the “**Wapiti Project**”) and the Bullmoose Project (the “**Bullmoose Project**”) (the Wapiti Project and the Bullmoose Project are referred to collectively as the “**Projects**”).
- B. The Wapiti Project is operated by WAPITI COKING COAL MINES CORP., Incorporation Number BC1028948, (“**WAPITI**”). The Vendor is the legal and beneficial owner of all the issued and outstanding shares in the capital of WAPITI, being 1,000,000 Voting Common Shares without par value. (the “**Shares**”).
- C. The Vendor is the legal and beneficial owner of the Bullmoose Project, including the Bullmoose Project Mineral Titles and Coal Licences (as defined herein), and all of the issued and outstanding shares in the capital of CANADIAN BULLMOOSE MINES CO., LTD., Incorporation Number BC0907740 (“**BULLMOOSE**”), being 8,242,024 Class A Common Voting Shares without par value.
- D. The Vendor and its Projects are the subject of certain proceedings brought pursuant to the *Companies’ Creditors Arrangement Act* (Canada) in the Supreme Court of British Columbia, Vancouver Registry No. S-224444 (the “**CCAA Proceedings**”).

- E. Pursuant to the Orders of the Supreme Court of British Columbia (the “**Court**”) in the CCAA Proceedings:
- a. the Petitioner is authorized to pursue all avenues of sale of its interests in the Projects, in whole or in part, subject to prior approval of the Court before any material sale is concluded; and
  - b. the sale of the Vendor’s interests in the Projects are to be implemented in compliance with the Modified Sale and Investment Solicitation Process Outline approved by the Court (the “**SISP**”).
- F Pursuant to Debtor in Possession financing provided by the Purchaser to the Vendor, the Vendor is indebted to the Purchaser for \$1,499,331 (the “**Dip Loan**”).
- G. Pursuant to and in accordance with the SISP, the Vendor has agreed to sell and the Purchaser has agreed to purchase all of the Vendor’s right, title, and interest in and to the assets used or held in or for the Projects, including: the Shares; the mineral titles and coal licences, geological and exploration data, and intellectual property used or held in or for the Wapiti Project; and the mineral titles and coal licences, geological and exploration data, and intellectual property used or held in or for the Bullmoose Project; free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein or thereon, on the terms and subject to the conditions set-out herein.

## TERMS OF AGREEMENT

In consideration of the premises and the covenants and agreements contained in this Agreement, the parties agree with each other as follows:

### 1. Interpretation

#### 1.1 In this Agreement:

- (a) “**Agreement**” means this agreement and all amendments made hereto by written agreement between the Vendor and the Purchaser;
- (b) “**Assets**” means the Shares, the Bullmoose Project Mineral Titles and Coal Licences, and all permits, mineral interests and coal licences, geological and exploration data, and intellectual property used or held directly or indirectly by the Vendor in the Projects, including without limitation, all permits, mineral interests and coal licences, geological and exploration data, and intellectual property held by WAPITI;
- (c) “**Bullmoose Project Mineral Titles and Coal Licences**” means the following:
  - (i) Mineral Title #1108555; and

(ii) Coal Licences #417760 to #417776;

(d) “**Closing Date**” means September 19, 2024 or such other date as may be mutually agreed upon in writing by the parties;

(e) “**Shares**” means the 1,000,000 Voting Common Shares without par value in the capital of WAPITI, and the 8,242,024 Voting Common Shares without par value in the capital of BULLMOOSE, held by the Vendor;

(f) “**Time of Closing**” means 12:00 Noon Pacific Time on the Closing Date;

and any terms used herein denoted with initial capital letters shall have the meanings assigned to them by the provisions of this Agreement.

**1.2** The division of this Agreement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “hereunder”, and similar expressions refer to this Agreement and not to any particular article, section, or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to articles and sections are to articles and sections of this Agreement.

**1.3** In this Agreement words importing the singular number only shall include the plural and vice versa, wordings importing the masculine gender shall include the feminine, and neuter genders and vice versa and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations, and companies. The term “including” means “including without limiting the generality of the foregoing”.

**1.4** All references to currency herein are to lawful money of Canada.

## **2. Purchase and Sale of Wapiti Project and Bullmoose Project**

**2.1** Subject to the terms and conditions of this Agreement, on the Closing Date the Vendor will sell, assign, and transfer to the Purchaser and the Purchaser will purchase from the Vendor all (but not less than all) right, title, and interest in and to the Assets free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein or thereon for a total purchase price of **\$1,650,000.00** (the “**Purchase Price**”).

**2.2** The Purchase Price will be paid and satisfied as provided in section 9.3 and delivered by the Purchaser to the Vendor on the Closing Date against delivery to the Purchaser of the documents described in section 9.2.

**2.3** The parties agree to use reasonable efforts to agree prior to the Closing Date on an allocation of the Purchase Price among the components of the Assets in accordance with the fair market value of such components on the Closing Date. However, the

parties further agree that failure to agree on such an allocation prior to the Closing Date will not render this Agreement unenforceable or result in a termination of this Agreement, and in such case each of the Vendor and the Purchaser will make its own determination of allocation.

3. **Mutual Condition.** The obligation of the parties to complete the transactions contemplated by this Agreement shall be subject to the following mutual condition, which is for the benefit of both the Vendor and the Purchaser:

On or before the Closing Date, the Vendor shall have obtained (at the sole cost of the Vendor) an Order or Orders of the Court (collectively, the "**Final Order**"):

(i) approving the sale of the Assets to the Purchaser on the terms and conditions of this Agreement; and

(ii) upon the completion of the transactions contemplated by this Agreement, all right, title, and interest in and to the Assets used or held directly or indirectly by the Vendor in the Projects, including the Shares, the Bullmoose Project Mineral Titles and Coal Licences, and all mineral interests and coal licences, geological and exploration data, and intellectual property used or held by WAPITI, shall vest absolutely in the Purchaser and WAPITI, as applicable, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, options, trusts or deemed trusts (whether contractual, statutory, or otherwise), encumbrances, liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing, (A.) any encumbrance or charge created by order of the Court in the CCAA Proceeding; (B.) any Claim by Canada Zhonghe Investment Ltd.; and (C.) any Claim by HIBS Group International Holding Co. Limited (formerly Hebei Iron & Steel Group Co., Ltd.).

#### 4. **Deposit**

4.1 Prior to the service of the materials for the application to the Court for the Final Order, the Purchaser shall pay a deposit of \$165,000 (the "**Deposit**"), to DLA Piper (Canada) LLP, 2700 – 1133 Melville Street, Vancouver, BC V6E 4E5, to be held in accordance with the terms of this Agreement.

4.2 At the Closing, the Deposit shall be paid to the Vendor on account of the Purchase Price as provided in this Agreement.

4.3 If the transactions contemplated by this Agreement are not completed on the Closing Date:

(a) by reason of the failure to obtain the Final Order;

- (b) by reason of the default of the Vendor in the performance or satisfaction of its obligations under this Agreement, or
- (c) otherwise through no fault of any party,

the Deposit shall be forthwith returned to the Purchaser.

- 4.4** If the transactions contemplated by this Agreement are not completed on the Closing Date by reason of the default of the Purchaser in the performance or satisfaction of any of its obligations under this Agreement, the Deposit shall be paid to the Vendor as liquidated damages and not as a penalty, and upon payment of the Deposit the Vendor will have no further claim against the Purchaser for any additional damages or loss whatsoever.

## **5. Vendor's Representations and Warranties**

The parties acknowledge and represent that:

- (a) the sale of the Assets is on an "as is, where is" basis;
- (b) the Vendor does not make or give any representations or warranties that survive the completion of the transactions contemplated by this Agreement;
- (c) the Purchaser has had an opportunity to conduct any and all due diligence regarding the Assets and the Vendor prior to making its offer;
- (d) the Purchaser has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in entering into this Agreement and completing the transactions contemplated by this Agreement; and
- (e) the Purchaser did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Assets, or the Vendor or the completeness of any information provided in connection therewith, except as expressly stated herein.

## **6. Vendor's Covenants**

At or before the Time of Closing, the Vendor will deliver to the Purchaser possession of all books, records, book accounts, and all other documents, files, records, and other data, financial or otherwise, including mineral interests and coal licences, geological and exploration data, and intellectual property, relating to WAPITI and the Projects and held by the Vendor or WAPITI.



## **7. Purchaser's Conditions of Closing**

**7.1** The obligations of the Purchaser under this Agreement are subject to the following conditions for the exclusive benefit of the Purchaser being fulfilled at the Time of Closing or waived by the Purchaser at or before the Time of Closing:

- (a) the Vendor will have complied with all terms and covenants in this Agreement agreed to be performed or caused to be performed by it at or before the Time of Closing;
- (b) no action or proceeding against the Projects, WAPITI, BULLMOOSE, or the Vendor, or any of them, will be pending or threatened by any person, company, firm, governmental authority, regulatory body, or agency to enjoin or prohibit the purchase and sale of the Assets or any of them as contemplated by this Agreement, or the right of the Purchaser and WAPITI, as applicable, to directly or indirectly own the Assets free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein or thereon;
- (c) all necessary steps and proceedings will have been taken to permit the Assets to be duly and regularly transferred to and registered in the name of the Purchaser, as applicable, free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein or thereon.

**7.2** If on the Closing Date any of the conditions in section 7.1 are not fulfilled or waived as contemplated in section 7.3, the Purchaser may rescind this Agreement by notice in writing to the Vendor. In such event, the Purchaser shall be released from all obligations under this Agreement, and the Vendor will also be released unless the Vendor was reasonably capable of causing such condition or conditions to be fulfilled or the Vendor has breached any of its covenants or agreements in this Agreement.

**7.3** The conditions in section 7.1 may be waived in whole or in part by the Purchaser without prejudice to any right of rescission or any other right in the event of the non-fulfillment of any other condition or conditions. A waiver will be binding only if it is in writing.

## **8. Vendor's Conditions of Closing**

**8.1** The obligations of the Vendor under this Agreement are subject to the following conditions for the exclusive benefit of the Vendor being fulfilled at the Time of Closing or waived by the Vendor at or before the Time of Closing:

- (a) the Purchaser will have complied with all terms, covenants, and agreements in this Agreement agreed to be performed or caused to be performed by it on or before the Time of Closing; and

- (b) no action or proceeding against the Purchaser will be pending or threatened by any person, company, firm, governmental authority, regulatory body, or agency to enjoin or prohibit the purchase and sale of the Assets or any of them as contemplated by this Agreement or the right of the Purchaser to directly and indirectly own the Assets.

**8.2** If on the Closing Date any of the conditions in section 8.1 are not fulfilled or waived as contemplated in section 8.3, the Vendor may rescind this Agreement by notice in writing to the Purchaser. In such event, the Vendor and the Purchaser shall be released from all obligations under this Agreement.

**8.3** The conditions in section 8.1 may be waived in whole or in part by the Vendor without prejudice to any right of rescission or any other right in the event of non-fulfillment of any other condition or conditions. A waiver will be binding only if it is in writing.

## **9. Closing**

### **9.1 Closing Location**

Unless otherwise agreed to by the parties in writing, the closing of the transactions contemplated by this Agreement (the “Closing”) will take place at the offices of DLA Piper (Canada) LLP, 2700 – 1133 Melville Street, Vancouver, BC V6E 4E5 or by way of exchange of documents, at 12:00 noon Pacific Time on the Closing Date, or such earlier or later date as the parties may agree to in writing. All documents may be delivered electronically, other than payments, share certificates, powers of attorney, and other similar documentation, and, all documents deliverable at closing in accordance with this Agreement shall be tabled and held in escrow until all deliveries are completed, and until all parties have agreed to release the documents and terminate the escrow.

### **9.2 Vendor’s Closing Documents**

At the Closing, the Vendor will tender to the Purchaser:

- (a) a Court certified copy of the Final Order and any other orders of the Court as are necessary or advisable to effect the transfer of the Assets in accordance with the terms and conditions of this Agreement;
- (b) certified copies of the resolutions of the directors of the Vendor, in form satisfactory to the Purchaser acting reasonably, authorizing the sale of the Assets, including the transfer of the Shares to the Purchaser;
- (c) certified copies of resolutions of the directors of WAPITI and BULLMOOSE, as applicable, in form satisfactory to the Purchaser acting reasonably, authorizing the transfer of the Shares to and registration of the Shares in the name of the Purchaser and the issue of new share certificates representing the Shares in the name of the Purchaser;

- (d) share certificates in the name of the Vendor representing the Shares duly endorsed for transfer and duly executed share certificates representing the Shares in the name of the Purchaser;
- (e) certified copies of the central securities registers of WAPITI and of BULLMOOSE recording that the Purchaser is the holder of the Shares, as applicable;
- (f) duly signed resignations of the directors and officers of WAPITI and BULLMOOSE specified by the Purchaser, or certified copies of shareholder resolutions of each of WAPITI and BULLMOOSE removing the directors and officers of WAPITI and BULLMOOSE specified by the Purchaser;
- (g) a bill of sale conveying the Assets to the Purchaser;
- (h) transfers of the Bullmoose Project Mineral Titles and Coal Licences in the form required by the applicable governmental authority;
- (i) possession of all books, records, book accounts, and all other documents, files, records, and other data, financial or otherwise, used or held in or for WAPITI, the Wapiti Project, BULLMOOSE, and the Bullmoose Project, including all mineral and coal licences, geological and exploration data and intellectual property used or held in or for the Wapiti Project and the Bullmoose Project; and
- (j) such other documents and assurances as may be reasonably required by the Purchaser to give full effect to the intent and meaning of this Agreement.

### **9.3 Purchaser's Closing Documents**

At the Closing, the Deposit shall be paid to the Vendor, and the Purchaser will tender to the Vendor:

- (a) a certificate authorizing the Vendor to set off and apply \$1,450,000 of the Dip Loan against the Purchase Price payable under this Agreement, in form satisfactory to the Vendor acting reasonably; and
- (b) a certified cheque or bank draft payable to the Vendor in the amount of \$35,000.

## **10. General**

### **10.1 Reliance**

The Vendor acknowledges and agrees that the Purchaser has entered into this Agreement relying on the representations, warranties, covenants, and agreements, and other terms and conditions of this Agreement.

## 10.2 Commissions, Legal Fees

Each of the parties will bear the fees and disbursements of the respective lawyers, accountants, and consultants engaged by them respectively in connection with this Agreement and will not cause or permit any such fees or disbursements to be charged to the Vendor, WAPITI, or BULLMOOSE before the Closing Date.

## 10.3 Notices

Any demand, notice, or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery, (by registered mail) or by electronic means of communication addressed to the recipient as follows:

To the Vendor:

DLA Piper (Canada) LLP, 2700 – 1133 Melville Street, Vancouver, BC  
V6E 4E5

Attention: Jeffrey Bradshaw [jeffrey.bradshaw@dlapiper.com](mailto:jeffrey.bradshaw@dlapiper.com)

To the Purchaser:

Fraser Litigation Group, 1100 – 570 Granville Street, Vancouver, BC V6C  
3P1

Attention: R. Barry Fraser [BFraser@FraserLitigation.com](mailto:BFraser@FraserLitigation.com)

or to such other street address, individual or electronic communication number, or address as may be designated by notice given by either party to the other. Any demand, notice, or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, (if given by registered mail, on the third business day following the deposit thereof in the mail and), if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the business day during which such normal business hours next occur if not given during such hours on any day. (If the party giving any demand, notice, or other communication knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of mail, any such demand, notice, or other communication may not be mailed but must be given by personal delivery or by electronic communication.)

## 10.4 Time of Essence

Time is of the essence of this Agreement.

## 10.5 Severability

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part

thereof, and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

#### **10.6 Further Assurances**

Each of the parties will execute and deliver such further documents and instruments and do such acts and things as may, before or after the Closing Date, be reasonably required by the other party to carry out the intent and meaning of this Agreement.

#### **10.7 Proper Law**

This Agreement will be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of British Columbia.

#### **10.8 Entire Agreement**

This Agreement contains the whole agreement between the Vendor and Purchaser pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations, and discussions between the parties and there are no representations, warranties, covenants, conditions, or other terms other than expressly contained in this Agreement.

#### **10.9 Assignment**

This Agreement may not be assigned by any party without the prior written consent of the other party, which consent may be arbitrarily withheld.

#### **10.10 Benefit and Binding Nature of the Agreement**

This Agreement enures to the benefit of and is binding upon the parties and their respective successors and permitted assigns.

#### **10.11 Amendments and Waiver**

No modification of or amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by both of the parties and no waiver of any breach of any term or provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same, and unless otherwise provided, will be limited to the specific breach waived.

#### **10.12 Counterparts and Delivery**

This Agreement may be executed in counterparts and such counterparts together shall constitute a single instrument. Delivery of an executed counterpart of this Agreement by electronic means, including by facsimile transmission or by electronic delivery in portable document format (".pdf"), whether containing signatures by hand of the signatory or computer or machine-generated signatures, shall be equally effective as delivery of a manually executed counterpart hereof, and will constitute delivery of an original document.

AS EVIDENCE OF THEIR AGREEMENT the parties have executed this Agreement as of the date and year first above written.

**CANADIAN DEHUA INTERNATIONAL MINES GROUP INC.**

Per: \_\_\_\_\_  
Authorized Signatory

Per: \_\_\_\_\_  
Authorized Signatory



\_\_\_\_\_  
**QUBO LIU**

# APPENDIX C

September 6, 2024

Craig Munro  
FTI Consulting  
via email: [craig.munro@fticonsulting.com](mailto:craig.munro@fticonsulting.com)

**RE: Binding Offer for Assets of Canadian Dehua International Mines Group Inc.**

Mr. Munro,

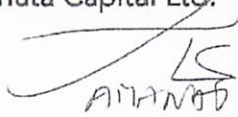
Please find herein a binding offer (the "**Binding Offer**") from TaneMahuta Capital Ltd. (the "**Buyer**") for certain assets (the "**Target Assets**") of Canadian Dehua International Mines Group Inc. (the "**Company**").

The Binding Offer represents a commitment of the Buyer to acquire the Target Assets for a price of \$650,000 conditional only upon Court approval. A deposit equivalent to the full purchase price accompanies this offer in the form of a bank draft drawn on the account of our counsel at Stikeman Elliott LLP made out to "FTI Consulting Canada Inc., in Trust".

We are submitting this Binding Offer to you in your capacity as Court Appointed Monitor of the Company and in accordance with the direction of Justice Walker. We believe this offer represents the best offer for these assets in terms of price relative to value, lack of conditionality, full purchase price paid as deposit, and new cash value being added to the CCAA process. If you determine that this offer should be presented to the Court for approval please arrange to have the Company sign this Letter in the space provided below and return an executed copy to my attention. We can move to execution of definitive documents including an asset purchase and sale agreement forthwith.

Very truly yours,  
TaneMahuta Capital Ltd.

By: \_\_\_\_\_



Name: Aref Amanat  
Title: President





Agreed to and accepted as of \_\_\_\_\_:

**CANADIAN DEHUA INTERNATIONAL  
MINES GROUP INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**SCHEDULE "A"**

<b>TERMS OF OFFER</b>	
<b>PURCHASE PRICE</b>	The aggregate purchase price paid by the Buyer to the Company for the Target Assets shall be \$650,000, on an "as is where is" basis (the " <b>Purchase Price</b> ").
<b>TARGET ASSETS</b>	All rights, title and interests of the Company or its affiliates in and to all assets, property and undertakings of every kind and description and wheresoever situated, relating to the Wapiti Coking Coal Mines Company project and Canadian Bullmoose Mines Project, including but not limited to all coal licenses and geological exploration work, consultant reports, samples, intellectual property and any other related assets (the " <b>Target Assets</b> "), free and clear of all claims and liens by virtue of a Vesting Order In a form acceptable to the Buyer.
<b>DEPOSIT</b>	A cash deposit equivalent to the Purchase Price accompanies this offer in the form of a bank draft made out to "FTI Consulting Canada Inc., in Trust", to be cashed upon acceptance of this offer.
<b>FINANCING</b>	There is no financing condition associated with this offer.
<b>DUE DILIGENCE</b>	There is no due diligence condition associated with this offer.
<b>DEFINITIVE DOCUMENTATION</b>	Upon acceptance of this offer the Parties will enter into an Asset Purchase Agreement or other Agreement for Purchase and Sale customary for CCAA transactions of this nature.
<b>CLOSING</b>	The parties anticipate that closing of the Transaction will take place as soon as possible upon the granting of an approval and vesting order by the CCAA Court, but in any event, no later than 10 days thereafter.
<b>CONSENTS</b>	The Corporation shall use commercially reasonable efforts to obtain any third-party consents required in connection with the Transaction, provided that no third-party consent shall be a condition precedent to closing of the Transaction, except for certain consents to be agreed (or a final and non-appealable court order dispensing with the need for such consents).
<b>ASSIGNMENT</b>	Buyer may assign the Asset Purchase Agreement.
<b>BINDING NATURE</b>	This Binding Offer (including this Schedule A) represents a binding commitment of Buyer subject only to Court approval.
<b>GOVERNING LAW</b>	Province of British Columbia.



Bank Draft / Traite de Banque

4054 3010 9

27-43345

STIKEMAN ELLIOTT LLP - TRUST A/C

00010

COMMERCE PLACE-MAIN BANKING CENTRE VANCOUVER, BC

2024-09-06

Date Y/A M/M D/J

Name of remitter / Donneur d'ordre

Transit No. N° d'identification

Banking Centre Centre bancaire

\$\*\*\*\*\*650,000.00

Pay to the order of

Payez à l'ordre de FTI CONSULTING CANADA INC., IN TRUST\*\*\*\*\*

Canadian Dollars CAD Dollars Canadiens

The sum of La somme de

\*\*\*\*\*SIX HUNDRED FIFTY THOUSAND

For Canadian Imperial Bank of Commerce Pour La Banque Canadienne Imperiale de Commerce

129-2022/10 To Tiré:

Canadian Imperial Bank of Commerce Toronto Canada

Chief Executive Officer / Chef de la Direction

Authorized Signature / Signature Autorisée

⑈405430109⑈ ⑆09502⑆010⑆ 00010⑈ 2743345⑈