



This is the 3rd affidavit of Wen-Shih Yang in this case and was made on October 10, 2024

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

AFFIDAVIT

I, Wen-Shih Yang, Legal Administrative Assistant of 2800 Park Place, 666 Burrard Street, Vancouver, British Columbia, AFFIRM THAT:

- I am a legal administrative assistant employed by DLA Piper (Canada) LLP, counsel for the petitioner, Canadian Dehua International Mines Group Inc., in this action, and therefore have personal knowledge of the matters herein after deposed to, except where stated to be based on information and believe, and where so stated I do verily believe the same to be true.
- Attached hereto and marked as **Exhibit "A"** is a copy of a Purchase Agreement dated October 9, 2024.

AFFIRM BEFORE ME at Vancouver, British Columbia, on October 10, 2024 )  
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 \_\_\_\_\_ )  
 A Commissioner for taking Affidavits for )  
 British Columbia. )

\_\_\_\_\_  
**WEN-SHIH YANG**

**Jianna Faner**  
*Barrister & Solicitor*  
**DLA Piper (Canada) LLP**  
 1133 Melville Street, Suite 2700  
 Vancouver, BC V6E 4E5  
 604.687.9444

This is **Exhibit "A"** referred to in the Affidavit of Wen-Shih Yang affirmed before me at Vancouver, British Columbia on this the 10th day of October, 2024.



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A Commissioner for taking Affidavits for  
British Columbia

## PURCHASE AGREEMENT

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THIS PURCHASE AGREEMENT is made effective as of October 9, 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 41st Avenue, Vancouver, BC V6M 1Z8

(“CDI”)

AND:

**CANADIAN BULLMOOSE MINES CO., LTD.** (Incorporation Number BC0907740), a company incorporated pursuant to the laws of British Columbia and having an office at 3577 West 34th Avenue, Vancouver, BC V6N 2K7

(“BULLMOOSE”)

AND:

**WAPITI COKING COAL MINES CORP.** (Incorporation Number BC1028948), a company incorporated pursuant to the laws of British Columbia and having an office at 3577 West 34<sup>th</sup> Avenue, Vancouver, BC V6N 2K7

(“WAPITI”)

(CDI, BULLMOOSE, and WAPITI are herein referred to collectively as the “Vendors”)

AND:

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

(the “Purchaser”)

### BACKGROUND

- A. The Vendors carry 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 herein referred to collectively as the “**Projects**”).

- B. CDI is the legal and beneficial owner of the issued and outstanding shares in the capital of WAPITI, being 1,000,000 Voting Common Shares without par value. (the “**Wapiti Shares**”) and WAPITI is the owner of the Wapiti Project, including all permits, mineral interests and coal licences, geological and exploration data, and intellectual property used or held directly or indirectly by CDI and WAPITI or either of them in the Wapiti Project, including without limitation the Wapiti Project Mineral Titles and Coal Licences as herein defined (collectively, the “**Wapiti Assets**”).
- C. CDI is the legal and beneficial owner of the issued and outstanding shares in the capital of BULLMOOSE, being 8,242,024 Class A Common Voting Shares without par value (the “**Bullmoose Shares**”), and Bullmoose and CDI or either of them are the owner of the Bullmoose Project, including all permits, mineral interests and coal licences, geological and exploration data, and intellectual property used or held directly or indirectly by CDI and BULLMOOSE or either of them in the Bullmoose Project, including without limitation the Bullmoose Project Mineral Titles and Coal Licences as herein defined registered in the name of CDI (collectively, the “**Bullmoose Assets**”).
- D. The Vendors and the 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 “**CCA Proceedings**”).
- E. Pursuant to the Orders of the Supreme Court of British Columbia (the “**Court**”) in the CCA Proceedings:
- a. the Vendors are authorized to pursue all avenues of sale of their respective assets, including their respective 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 Vendors’ 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 Vendors, the Vendors are indebted to the Purchaser for \$1,499,331 (the “**DIP Loan**”).
- G. Pursuant to and in accordance with the SISP, the Vendors have agreed to sell and the Purchaser has agreed to purchase all of the Vendors’ right, title, and interest in and to the assets used or held in or for the Projects, including without limitation: the Wapiti Shares; the Wapiti Assets; the Bullmoose Shares; and the Bullmoose Assets; 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 Vendors and the Purchaser;
- (b) **“Assets”** means the Wapiti Shares, the Wapiti Assets, the Bullmoose Shares, and the Bullmoose Assets, and includes without limitation all applications, permits, mineral interests and coal licences, consultant reports, geological and exploration samples and data, and intellectual property used or held directly or indirectly by the Vendors or any of them in the Projects;
- (c) **“Bullmoose Project Mineral Titles and Coal Licences”** means the following Mineral Titles in respect of which CDI is the registered owner:
  - (i) Mineral Title #s 417760 to #417762;
  - (ii) Mineral Title # 417767;
  - (iii) Mineral Title #s 417770 to 417772; and
  - (iv) Mineral Title #s 417775 and 417776;
- (d) **“Closing Date”** means October 17, 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 CDI;
- (f) **“Time of Closing”** means 12:00 Noon Pacific Time on the Closing Date;
- (g) **“Wapiti Project Mineral Titles and Coal Licences”** means the following Mineral Titles in respect of which WAPITI is the registered owner:
  - (i) Mineral Title #s 418161 to 418163;
  - (ii) Mineral Title # 418166; and
  - (iii) Mineral Title # 418168;

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 Assets

- 2.1 Subject to the terms and conditions of this Agreement, on the Closing Date the Vendors will sell, assign, and transfer to the Purchaser and the Purchaser will purchase from the Vendors, as applicable, 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 Vendors 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 Vendors 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 Vendors and the Purchaser:

On or before the Closing Date, the Vendors shall have obtained (at the sole cost of the Vendors) 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 Vendors or any of them in the Projects, including the Wapiti Shares, the Wapiti Assets, the Bullmoose Shares, and the Bullmoose Assets, shall vest absolutely in the Purchaser, WAPITI, and BULLMOOSE, 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 Vendors 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 Vendors or any of them in the performance or satisfaction of their respective 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 Vendors as liquidated damages and not as a penalty, and upon payment of the Deposit the Vendors and each of them will have no further claim against the Purchaser for any additional damages or loss whatsoever.

## 5. 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 Vendors do 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 Vendors 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, the Vendors or the completeness of any information provided in connection therewith, except as expressly stated herein.

## 6. Vendors' Covenants

At or before the Time of Closing, the Vendors 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 the Assets.

## 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 Vendors and each of them will have complied with all terms and covenants in this Agreement agreed to be performed or caused to be performed by them at or before the Time of Closing;
- (b) no action or proceeding against the Assets or the Vendors, 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, BULLMOOSE, 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, as contemplated by this Agreement;



- (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 Vendors. In such event, the Purchaser shall be released from all obligations under this Agreement, and the Vendors will also be released unless the Vendors or any one or more of them were reasonably capable of causing such condition or conditions to be fulfilled, or the Vendors or any of them have breached any of their 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. Vendors' Conditions of Closing**

**8.1** The obligations of the Vendors under this Agreement are subject to the following conditions for the exclusive benefit of the Vendors being fulfilled at the Time of Closing or waived by the Vendors 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 Vendors may rescind this Agreement by notice in writing to the Purchaser. In such event, the Vendors 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 Vendors 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 Vendors’ Closing Documents

At the Closing, the Vendors as applicable 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 Vendors, as applicable, in form satisfactory to the Purchaser acting reasonably, authorizing the sale of the Assets, including the transfers 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 transfers 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, as applicable;

- (h) transfers of the Bullmoose Project Mineral Titles and Coal Licences in the form required by the applicable governmental authority;
- (i) If required by the Purchaser, transfers of the Wapiti Project Mineral Titles and Coal Licences in the form required by the applicable governmental authority;
- (j) 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
- (k) 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 Vendors:

- (a) a certificate authorizing the Vendors 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 Vendors acting reasonably; and
- (b) a certified cheque or bank draft payable to the Vendors in the amount of \$35,000.

## **10. General**

### **10.1 Reliance**

The Vendors and each of them acknowledge and agree 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 Vendors or any of them 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 Vendors or any of them:

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 Vendors 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

**CANADIAN BULLMOOSE MINES CO., LTD.**

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

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

**WAPITI COKING COAL MINES CORP.**

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

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



\_\_\_\_\_  
**QU BO LIU**

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

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**AFFIDAVIT**

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