



Opportunity to Acquire the Wapiti Project or Investment in Canadian Dehua International Mines Groups Inc.

DEHUA

CANADIAN DEHUA INTL. MINES GROUP INC.

August 23, 2022

Overview/Background

Opportunity Overview:

- Canadian Dehua International Mines Group Inc. (“**CDI**” or “**the Company**”) is seeking interested parties for:
 - An investment in CDI; or
 - The acquisition of CDI’s interest in the Wapiti Project.

Background:

- CDI was incorporated in British Columbia on December 29, 2004 in order to invest in and develop mining assets in British Columbia and other jurisdictions.
- The majority of CDI’s investments were made in partnership with major Chinese mining companies and steel manufacturers as additional shareholders.
- CDI currently owns 100% of the shares of two mining projects and a service company:
 - Wapiti Coking Coal Mines Corporation (“**Wapiti**”);
 - Canada Dehua Drilling Ltd. (“**CDD**”); and
 - Canadian Bullmoose Mines (“**CBM**”).
- In addition to the above wholly owned companies, CDI has a partial ownership interest in the following mining companies:
 - Canadian Kailuan Dehua Mines Co., Ltd. (“**CKD**”);
 - Canadian Dehua Lvliang Corp. (“**CDLV**”) which holds a 40% interest in
 - HD Mining International Ltd. (“**HD Mining**”); and
 - Vancouver Island Iron Ore Corporation (“**VIIO**”).
- Finally, the Company holds an interest in a mining project referred to as Iron Ross.

CDI Mining Projects

Projects	Ownership	Location/Description	Description of CAPEX	Status of mine
Wapiti	CDI owns 100% of Wapiti Coking Coal Mines Corporation (" Wapiti ")	7,773 hectare site in northeastern BC; intended to produce coking coal	NI43-101 Technical Report; Detailed Geological Report; Pre-feasibility Study Report; 39 boreholes drilled; Assessment of the samples obtained from the boreholes; Preliminary research and cooperation discussions held with respect to road and rail access; Water and air quality control monitoring equipment purchased and installed	Estimate of \$1.2 billion to build out mine and commence production Next step for project: environmental assessment, apply for mine permit
Murray River	CDI owns 51% of Canadian Dehua Lvliang Corp. (" CDLV "), which owns 40% of HD Mining International Limited (" HD Mining ") resulting in an indirect 20.4% holding in HD Mining	16,024 hectare site in northeastern BC; intended to produce coking coal	Obtained an Environmental Assessment Certificate; Obtained a labor permit; The main inclined shaft has been dug to the D coal seam;	Chinese Consulting firm working on Murray River technical report
Bullmoose	CDI owns 100% of Canadian Bullmoose Mines (" CBM ")	5,761 hectare site in northeastern BC; intended to produce coking coal	Pre-feasibility study Report; Block Optimization Research Report; Geological Exploration Report; Detailed geological Report	Next step of project: consultation with First Nation groups, feasibility assessment, environmental assessment
Iron Ross	CDI owns 100% of Iron Ross	495 hectare site on Vancouver Island;	Purchased mineral rights for the site	Next step of project: consultation with First Nation groups, feasibility assessment, environmental assessment
Pacific Iron	CDI owns 100% of Vancouver Island Iron Ore Corporation (" VIIIO ")	10,354 hectare site on Vancouver Island;	Preliminary Technical Report; Purchased right to the resources underground	Next step of project: consultation with First Nation groups, feasibility assessment, environmental assessment
CKD	CDI owns 24% of Canadian Kailuan Dehua Mines Co., Ltd. (" CKD ")	22,790 hectare site in northeastern BC; intended to produce coking coal	Obtained a large sample mine construction permit; Obtained a labor permit	
CDD	no project			

The Wapiti Project

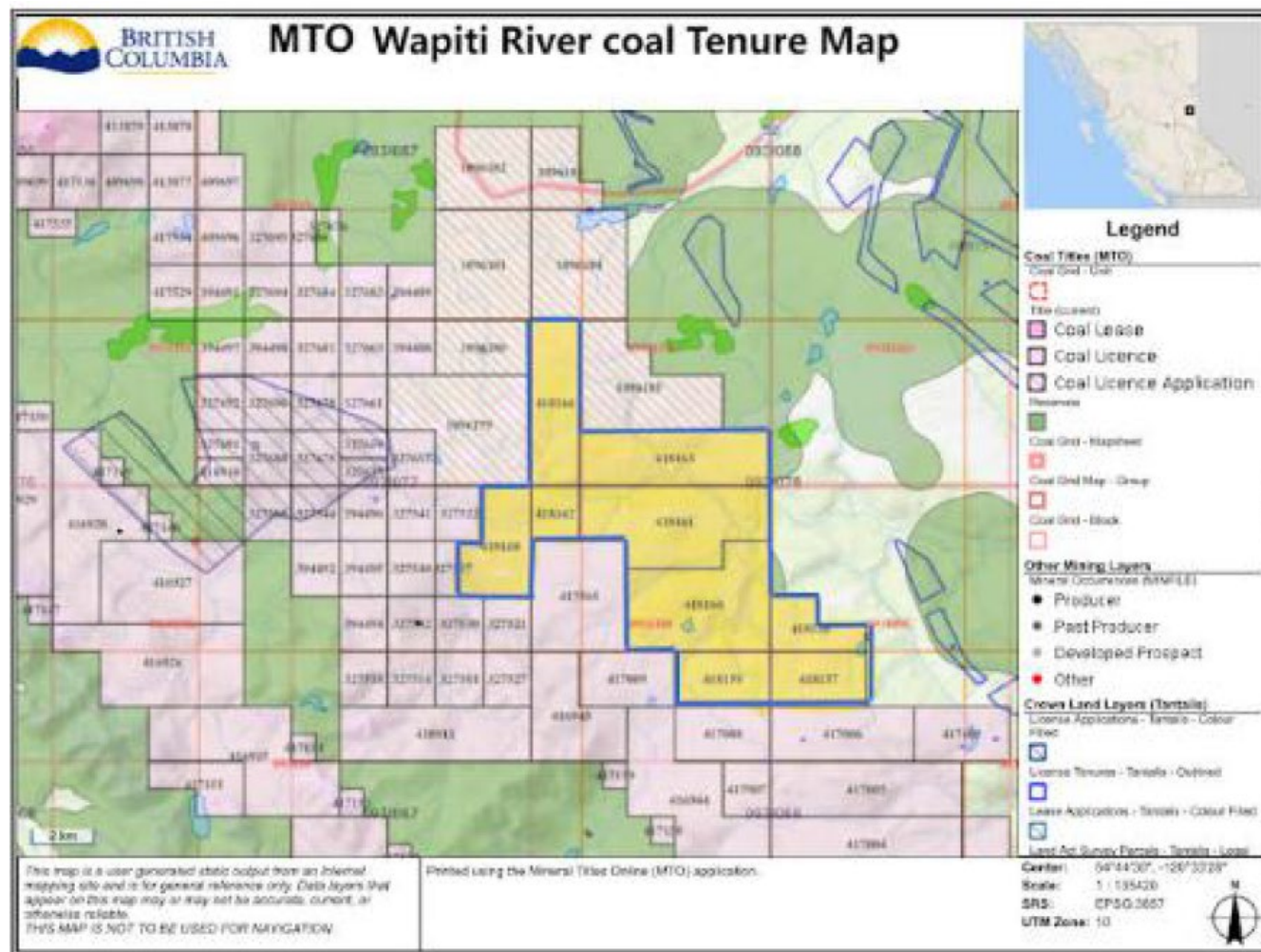
Through its subsidiary Wapiti, CDI is selling its interest in the Wapiti Coalfield.

Geography:

- Wapiti Coalfield is located in the northeastern part of BC, Canada. It is 1,028.7 kilometers westward to Prince Rupert Port by railway, of which 982 kilometers are already fully operational by the CN railways, and 46.7 kilometers of new railways are planned.

License and Property Certificate:

- The Wapiti Property Certificate (Mining Licence) owned by CDI was issued by the Ministry of Mines of BC in May 2012, as highlighted in the diagram to the right.



The Wapiti Project

Geological Exploration:

- From June 2012 to April 2013, CDI Company carried out the detailed geological exploration of the first well field. Geological drilling and logging were completed. More than 11,000 boxes of coal cores were preserved on site. The hydraulic test of the water pattern packer, the single-hole pumping test, and the simple water pattern observation were completed. Purchased ground radar topographic survey data and made 1:5000 and 1:10000 coalfield topographic maps. Four pieces of 2D seismic data were purchased and interpreted.

Geological Conditions:

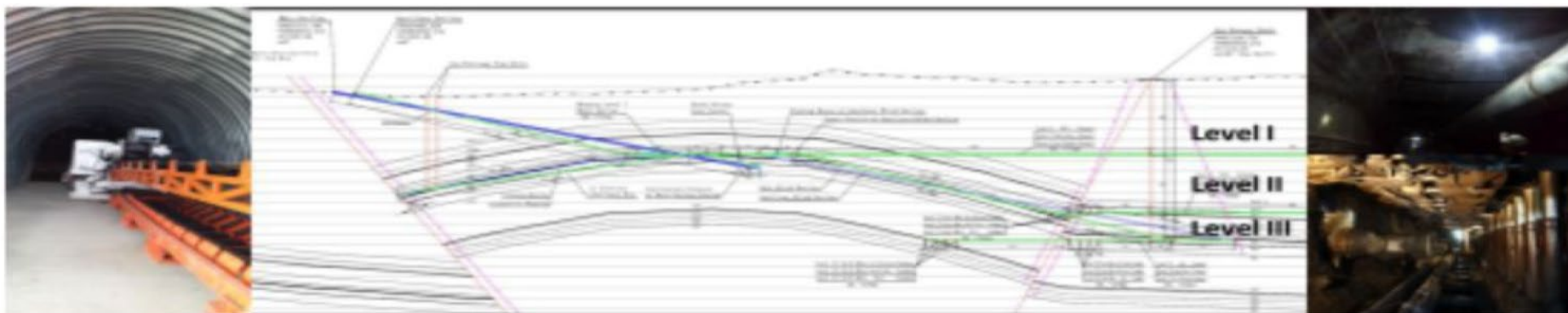
- The geological structure of the Wapiti coalfield is of medium complexity. According to the data analysis of 97 gas test samples from the first well of coalfield exploration, the gas content of each coal seam in the area is relatively low as a whole, and only the lower part of the A5 coal seam is larger than 10 m³/t. Generally, it belongs to the nitrogen-biogas zone, and some coal seams belong to the biogas zone. On the whole, the gas content of each coal seam is relatively low. The hydrogeological type is medium fissure type.

Mineable Coal Seams Distribution:

- According to the detailed survey and exploration report of the Wapiti No. 1 Mine Field created by the Shandong Geological Exploration Institute, the Wapiti No. 1 Mine Field has 14 mineable coal seams. The total thickness of the layer is 30.44 meters.

Minable coal seam resources reserves

- The 19.42 km² first well field of the Wapiti project has a resource of about 393 million tons. According to the NI43-101 resource technical report completed by the American Norwest Consulting Company in 2015, the 37.5km² minable coal seam resource is 758.6 million tons, of which the minable coal seam resource of about 19.42 km² is estimated to be 393 million tons.
- Comprehensive speculation: the high-quality coking coal resources of the Wapiti Coalfield are estimated to be greater than 2 billion tons, and it is currently one of the largest high-quality coking coal integrated coalfields in the world.



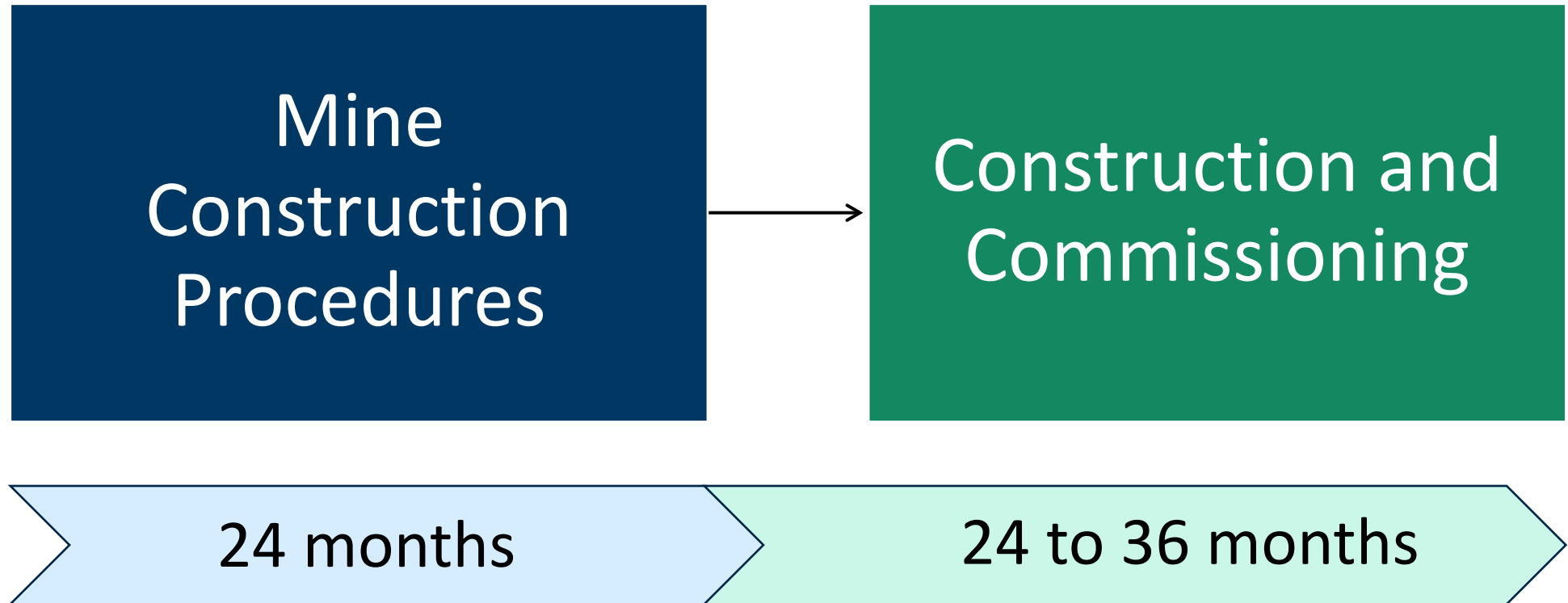
The Wapiti Project – Cont'd.

Mine Design

Disclaimer: The following information has been derived from a feasibility study completed by Beijing Huayu Engineering Co. Ltd.

- The mine is developed with inclined shafts (two inclined shafts) according to the
 - **Main Inclined Shaft (Belt Inclined Shaft):**
 - the inclined length is 1282 meters;
 - the inclination angle is 16 degrees;
 - the belt conveyor is 1.6 meters; and
 - the bottom of the well reaches the B3 coal seam.
 - **Auxillary Inclined Shaft (Personnel/Material Inclined Shaft):**
 - the inclined length is 863 meters;
 - the inclination angle is 20 degrees;
 - the bottom reaches the B5 coal seam; and
 - double-drum single-rope winding mine hoist.
- There are 20 mining areas in total, which are divided into three levels:
 - The first level is +775m;
 - The second level is +500m; and
 - The third level is +370m.
- Two ventilation shafts: Mechanical ventilation and Extraction ventilation.
 - In the initial stage, the mine adopts the central split ventilation, and the later stage adopts the partition ventilation.
- Four lane system is adopted in the under group, namely the tape alley, the transportation alley and the two sub-lanes.

The Wapiti Project – Proposed Construction Plan



Notes:

- Mine construction procedures include the construction of supporting facilities such as special railway lines.
- Based on current estimates, the project is expected to take a total of 48 to 60 months to be completed.

Process Timeline

Actions	Date
Distribution of Asset Teaser	August 23, 2022
NDA's Provided	August 23, 2022
Access to the Data Room	August 23, 2022 to November 17, 2022
Deadline for Non-binding Letters of Interest*	November 18, 2022

* Following the deadline for Non-binding Letters of Interest, CDI will seek to negotiate a definitive agreement with the preferred proponent or proponents.

Drill Samples



Boxed Drill Samples

