

This is the 1st affidavit  
of Qubo Liu in this case  
and was made on January 15, 2024

No. S-224444  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

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, Qubo Liu of Suite 202 - 2232 West 41<sup>st</sup> Avenue, Vancouver, businesswoman, AFFIRM  
THAT:

1. I am a shareholder of Canadian Dehua International Mines Group Inc. ("**CDI**" or the "**Company**"), and as such have personal knowledge of the facts and matters hereinafter deposed to save and except where the same are stated to be made upon information and belief and where so stated, I verily believe them to be true.
2. All amounts are in Canadian dollars unless otherwise indicated. All capitalized terms used herein but not defined are as defined in the Petition or the Notice of Application filed by CDI on December 1, 2023 (the "**Notice of Application**").
3. I am authorized to make this Affidavit on behalf of the Petitioner and the Petitioner has authorized the filing of the Notice of Application.
4. Since the filing of the Notice of Application, the Company and the potential purchaser have furthered negotiations for the purchase of CDI's indirect interest in HD Mining which owns the Murray River project. In order to give quicker effect to the Deposit Trust Agreement I

have travelled to Hong Kong to support the Company's efforts in progressing the proposed transaction. Mr. Liu, the sole director, of the Company is currently in Beijing to conduct the negotiations in person.

5. The potential purchaser has also been in discussions with Huiyong to also purchase some or all of its shares in HD Mining. The potential purchaser has advised the Company that it is their intention to purchase a controlling interest in HD Mining , on terms that are mutually acceptable, and once an agreement in principle is reached they will provide the deposit as set out in the Deposit Trust Agreement and to be held in accordance with the Deposit Trust Agreement.
6. The potential purchaser has also requested alterations to the deal terms that do not change the purchase price.
7. The Company has offered to sell all of its interest and holdings in Murray River to the potential purchaser, however, the Company's interest would only give the potential purchaser a minority interest in HD Mining.
8. The Company has been working as expeditiously as possible to close a transaction and the terms of a transaction for CDI's interest in HD Mining are advanced and agreed, including the potential purchase price of approximately \$100 million USD.

9. The Company has until now been negotiating the terms of the transactions directly with the potential purchaser and Huiyong. The Company now knows that getting to a definitive agreement will take longer than expected and is seeking to obtain greater support from the Monitor to advance the transactions and to provide the Court and other stakeholders with comfort that the transactions are progressing. As part of that support and oversight, the Monitor will be invited to attend the meetings with the potential purchaser and will have greater visibility into the efforts of the Company to complete this sale to exit the CCAA Proceedings.

AFFIRMED BEFORE ME at Hong Kong  
Special Administrative Region, on January  
15<sup>th</sup> 2024

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A Commissioner for taking Affidavits for  
British Columbia

*Wei Kang*  
Canadian (B.C.) Barrister & Solicitor  
18/F, UNITED CENTRE,  
95 QUEENSWAY,  
HONG KONG  
A COMMISSIONER FOR TAKING  
AFFIDAVITS FOR BRITISH COLUMBIA

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QUBO LIU




**ENDORSEMENT OF INTERPRETER**

I, Wei Kang of 18/F, United Centre 15 Queenway, Hong Kong a  
Lawyer called to the Bar in the Province of British Columbia, certify that:

1. I have a knowledge of the English and Mandarin Chinese languages and I am competent to interpret from one to the other.
2. I am advised by the person swearing or affirming the affidavit and believe that the person swearing or affirming the affidavit understands the Mandarin Chinese language.
3. Before the affidavit on which this endorsement appears was made by the person swearing or affirming the affidavit I correctly interpreted it for the person swearing or affirming the affidavit from the English language into the Mandarin Chinese language and the person swearing or affirming the affidavit appeared to fully understand the contents.

15 January 2024  
Dated

  
Signature of Interpreter

Wei Kang  
Canadian (B.C.) Barrister & Solicitor  
18/F, UNITED CENTRE,  
95 QUEENSWAY,  
HONG KONG  
A COMMISSIONER FOR TAKING  
AFFIDAVITS FOR BRITISH COLUMBIA

No. S224444  
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ARRANGEMENT ACT,  
R.S.C. 1985, c. C-36, AS AMENDED

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PETITIONER

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**AFFIDAVIT**

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CDB/day