



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

**NOTICE OF APPLICATION**

**Name of applicant:** the Petitioner

To: the Service List (attached hereto as **Schedule "A"**)

TAKE NOTICE that an application will be made by the applicant to the Honourable Mr. Justice Walker at the courthouse at 800 Smithe Street, Vancouver, BC, V6Z 2E1 on August 18, 2022 at 10:00 a.m. for the orders set out in Part 1 below.

**Part 1: ORDER(S) SOUGHT**

1. A Second Amended and Restated Initial Order (the "**Second ARIO**"), amending and restating the initial order pronounced June 9, 2022 (the "**Initial Order**"), substantially in the form attached hereto as **Schedule "B"**, which provides the following additional relief:
  - (a) an extension of the stay of proceedings (the "**Stay of Proceedings**") granted in the Initial Order up to and including December 1, 2022; and
  - (b) an increase in the DIP Facility and Interim Lender's Charge up to the maximum amount of \$820,000.
2. An Order approving the Sales and Investment Solicitation Process substantially in the form attached hereto as **Schedule "C"**; and
3. Such other relief as this Honourable Court may deem just.

**Part 2: FACTUAL BASIS**

1. Pursuant to an order (the “**Initial Order**”) of the Supreme Court of British Columbia (the “**Court**”) made on June 3, 2022, Canadian Dehua International Mines Group Inc. (“**CDI**” or the “**Petitioner**”) were granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), and FTI Consulting Canada Inc. (“**FTI**”) was appointed monitor (and in such capacity, the “**Monitor**”).
2. Also pursuant to the terms of the Initial Order, the Court granted:
  - (a) an initial stay of proceedings until June 9, 2022 (the “**Stay Period**”); and
  - (b) the Administration Charge.
3. Pursuant to an order issued by the Court on June 3, 2022, the Court:
  - (a) ordered that the Petitioner shall deliver further evidence to the Court regarding the contemplated transactions and/or investments relating to the Wapiti Project and the Murray River Project (the “**Project Evidence**”);
  - (b) granted the Petitioner short leave to file any such Project Evidence under seal at the June 9, 2022 hearing;
  - (c) directed the Monitor to provide the Monitor’s position on the prospects of preserving the Petitioner’s business as a going concern in a CCAA proceeding; and
  - (d) granted the Monitor short leave to file a confidential report, if deemed necessary by the Monitor, under seal at the June 9, 2022 hearing.
4. On June 9, 2022, the Court amended and restated the Initial Order (the “**ARIO**”) and:
  - (a) Extended the Stay Period to August 19, 2022;
  - (b) Approved interim financing by way of a credit facility (the “**DIP Facility**”) from Qubo Liu (the “**DIP Lender**”), and granted the Interim Lender’s Charge;
  - (c) Granted the Directors’ and Officers’ Charge; and
  - (d) Granted the Claims Process Order.

**Background**

5. The Petitioner, Canadian Dehua International Mines Group Inc. (“**CDI**”) is a company incorporated pursuant to the laws of British Columbia.

6. CDI is a company that invests in, and operates, mining assets in British Columbia and elsewhere.
7. CDI was incorporated in 2004 in order to develop underground core mining properties.
8. CDI primarily cooperated on mining projects with major Chinese mining companies and steel factories as partners. However, for various reasons, a number of the projects did not proceed as planned. This has resulted in significant debt and limited revenue while CDI finds new buyers and develops new mining projects.

### **Anticipated Restructuring**

9. CDI intends to address its insolvency through a number of steps which include:
  - (a) continuing to pursue and completing transactions outlined in the sealed Project Evidence;
  - (b) streamlining and focusing the go-forward operations of CDI;
  - (c) commencing the Sales and Investment Solicitation Process ("**SISP**") that would seek to sell the Wapiti Project; and
  - (d) pursuing discussions with potential financiers in order to secure long-term funding for the projects that may form the basis of CDI's go-forward business (subject to the SISP);

all under the supervision of the Court and with the assistance of the Monitor.

### **Interim Lending**

10. The amended cash flow forecast provided by the Petitioner, and prepared with the assistance of the Monitor and included in the Second Report (the "**Amended Cash Flow Statement**"), projects that the Petitioner will require up to \$820,000 (from the start of the proceedings) to meet its ongoing liabilities incurred up to (and including) the week ending December 25, 2022.
11. The Monitor notes in its First Report that the terms of the DIP Facility as set out in the DIP Commitment Letter are more favourable than those that are typically included in third party interim financing in CCAA proceedings.
12. The Petitioners seek an increase in the amount that can be borrowed under the DIP Facility, and a corresponding increase in the Interim Lender's Charge to permit the Petitioner to complete, with the assistance of the Monitor, the first phase of the SISP.
13. The Petitioner is not aware of any other parties prepared to fund CDI or these proceedings other than the current DIP Lender.

### **Extension of the Stay of Proceedings**

14. The Petitioner requires an extension of the Stay of Proceedings to maintain the status quo while they develop, approve and carry on pursuing certain project related transactions, and implement the SISP.
15. The Petitioner seeks an extension of the stay to December 1, 2022.
16. If the increase to the DIP Facility and the Interim Lender's Charge is granted, the Petitioner projects it will have sufficient liquidity to pay its liabilities incurred during the extension period.

### **Sale and Investment Solicitation Process ("SISP")**

17. The Petitioner is seeking an order authorizing them to, with the consent of the Monitor, commence a SISP materially on the terms as set out hereto as Schedule "C" which is intended to solicit interest in and opportunities for a sale of or investment in the Petitioner's interests in the Wapiti Project or investment in the Petitioner generally.
18. The Wapiti River coal project is a large-scale underground mine at the senior exploration stage which is also located near Tumbler Ridge, British Columbia (the "**Wapiti Project**"). The Petitioner is the sole shareholder in the Wapiti Coking Coal Mines Corporation, the company that owns and operates the Wapiti Project.
19. Mr. Liu, on the behalf of the Petitioner, has been furthering the discussions with the potential sale or investment parties as set out it in the Confidential Supplement to the First Report. In addition to those parties, Mr. Liu has conducted significant efforts since the last hearing to identify and attract further potential partners that he expects will participate in the SISP.

### **Part 3: LEGAL BASIS**

1. The Petitioner relies on:
  - (a) the CCAA;
  - (b) *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**");
  - (c) *Supreme Court Civil Rules*, in particular Rules 8-1, 13-1, and 22-4;
  - (d) the inherent and equitable jurisdiction of this Court; and
  - (e) such further and other legal bases and authorities as counsel may advise and this Court may permit.

### **Extension of the Stay of Proceedings is Appropriate**

2. Subsection 11.02(2) of the CCAA provides that the Petitioner may apply for an extension of the Stay of Proceedings for a period that a court considers necessary on any terms that a court may impose. Subsection 11.02(3) of the CCAA provides that the Court shall not make the order extending the Stay of Proceedings unless:
  - (a) the applicant satisfies the Court that circumstances exist that make the order appropriate; and
  - (b) in the case of an order under subsection (2), the applicant also satisfies the Court that the applicant has acted, and is acting, in good faith and with due diligence.

CCAA s. 11.02.

3. In determining whether the appropriate circumstances exist to extend the Stay of Proceedings, the Court should inquire whether the order sought advances the remedial purpose of the CCAA.

*North American Tungsten Corp. (Re)*, 2015 BCSC 1376 at para. 25.

4. Extending the relief granted by the Initial Order and the ARIIO, including the Stay of Proceedings, is appropriate and necessary to enable the Petitioner to complete transactions for the benefit of the Petitioner's stakeholders and conduct the SISF.
5. The Petitioner, with the assistance of the Monitor, has been working in good faith and with due diligence to advance these CCAA proceedings, in pursuit of a restructuring that will maximize value for their stakeholders.
6. The Petitioner submits that, in these circumstances, it is necessary and appropriate that the Stay of Proceedings be extended to December 1, 2022.

### **The Interim Financing Facility and Interim Financing Charge are Appropriate**

7. Section 11.2(4) of the CCAA vests the Court with the jurisdiction to grant an interim financing charge over the assets of the debtor in priority to the claim of any secured creditor of the debtor, on notice to the secured creditors who are likely to be affected by such security or charge. In deciding whether to make an order for an interim lender's charge, the court will consider, among other factors:
  - (a) the period during which the debtor is expected to be subject to CCAA proceedings;
  - (b) how the debtor's business and financial affairs are to be managed during the proceedings;
  - (c) whether the debtor's management has the confidence of its major creditors;

- (d) whether the loan would enhance the prospects of a viable compromise or arrangement being made in respect of the debtor;
- (e) the nature and value of the debtor's property;
- (f) whether any creditor would be materially prejudiced as result of the security or charge; and
- (g) the monitor's report, if any.

CCAA s. 11.2.

8. In order to continue the Petitioner's operations, advance the restructuring efforts, the Petitioner requires the amounts as forecasted in the Amended Cash-Flow Statement. Without such financing, the Petitioner will be unable to continue its operations, conduct the SISP, and enter into favourable transactions all of which will be to the detriment of the Petitioner, its creditors, and other stakeholders.
9. Further, the Petitioner and the Monitor are of the view that the DIP Facility is on more favourable terms than any other potentially available third party financing. The Petitioner and the Monitor are of the view that the increase of the DIP Facility on offer from the DIP Lender is in the best interest of the Petitioner and all of the stakeholders.

*Re: Target Canada Co.*, 2015 ONSC 303, at paras. 67-70

10. As such, the Petitioner submits that it is appropriate in these circumstances to grant the increase to the DIP Facility and the Interim Lender's Charge.

*Canwest Global Communications Corp.*, *Re*, 2009 CarswellOnt 6184 at paras. 44-48  
 ("Canwest Global")

### **Sales and Solicitation Process**

11. The Petitioner rely on the Court's inherent jurisdiction pursuant to s. 11 of the CCAA for approval of the SISP.
12. The proposed SISP has the following material elements (all capitalized terms not herein defined, have the meaning as set out in the SISP):
  - (a) A Teaser Letter and to be sent out to any of the Known Potential Bidders within 3 business days of the granting of the order approving the SISP;
  - (b) A Non-Disclosure Agreement will be prepared, and due diligence materials will be compiled to be available to parties after they execute the NDA;

- (c) Potential bidders will be required to submit certain information about themselves to determine if they are Qualified Bidders;
  - (d) Qualified Bidders will submit non-binding letters of the intent for either a Sale Proposal or an Investment Proposal on or before the LOI Deadline of November 18, 2022;
  - (e) The Petitioner and the Monitor, will evaluate the LOIs and determine which of the Qualified Bidders should proceed to Phase 2 of the SISP; and
  - (f) The Petitioner will return to this Honourable Court on or before December 1, 2022, to confirm the conduct of Phase 2 of the SISP.
13. The proposed SISP was developed in consultation with, and is supported by, the Monitor.
14. The SISP, as contemplated, focuses initially on the sale of the Petitioner's interest in the Wapiti Project, for the following reasons:
- (a) The Petitioner's direct holdings in the Wapiti Project are the most attractive, and the least complicated assets to offer for sale or investment as they do not require the cooperation of any third parties, and therefore the assets that can be most quickly realised upon to facilitate an exit of these within proceedings;
  - (b) The Petitioner's interests in the Wapiti Project are already being marketed by the Petitioner, albeit not formally within these proceedings, and the Petitioner is aware of a number of interested parties who are already familiar with the Wapiti Project;
  - (c) A sale or investment in the Wapiti Project, given the preliminary interest of third parties, indicates that it has the potential to be able to raise a purchase price or investment that can satisfy all claims against the Petitioner;
  - (d) HD Mining owns the Murray River project and the majority shareholder of HD Mining is Huiyong Holdings Ltd. ("**Huiyong**") with a 55% interest. CDI is a 51% shareholder of CDLV which in turn owns 40% of HD Mining (another third shareholder has 5% of HD Mining). As a result of its majority ownership, a representative of Huiyong has been in discussions with parties seeking to acquire both Huiyongs's shares of HD Mining together with the Petitioner's interest in HD Mining. The Petitioner doesn't wish to risk these potential sales by formally adding the Petitioner's interest in CDLV to the SISP at this stage;
  - (e) The sale of the Wapiti Project should allow the Petitioner to provide a restructuring plan without requiring the expense and time of litigation over certain creditor claims or disputes about the best approach to marketing certain other CDI assets, such as the Petitioner's shareholding interest in Canadian Kailuan Dehua Mines Co., Ltd. ("**CKD**"); and

- (f) In addition to the specific marketing of the Wapiti Project for sale, the SISP allows for the recapitalization, arrangement or other form of investment in the Petitioner generally.
15. The proposed SISP will also provide a timeline for resolution of the sale or investment in the Wapiti Project which has been a request of some of CDI's creditors.
16. The Petitioner submits that the proposed SISP is the best available and most practical method for the Petitioner to realize on the Petitioner's Wapiti Project asset and attract investment generally all for the benefit of its creditors in a timely manner.

**Part 4: MATERIAL TO BE RELIED ON**

1. The First Report of the Monitor dated June 8, 2022;
2. The Second Report of the Monitor, dated June 24, 2022;
3. The Third Report of the Monitor, dated August 15, 2022;
4. The Affidavit #1 of Naishun Liu, dated May 31, 2022; and
5. Any such further materials as counsel advises and this Honourable Court permits.

The applicant estimates that the application will take 1 day.

- This matter is within the jurisdiction of a master.
- This matter is not within the jurisdiction of a master and Mr. Justice Walker is seized of this matter.

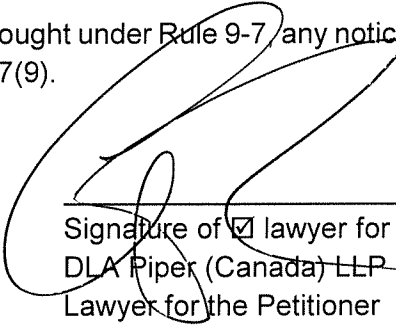
TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this notice of application, you must, within 5 business days after service of this notice of application or, if this application is brought under Rule 9-7, within 8 business days after service of this notice of application,

- (a) file an application response in Form 33;
- (b) file the original of every affidavit, and of every other document, that
  - (i) you intend to refer to at the hearing of this application, and
  - (ii) has not already been filed in the proceeding; and
- (c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:
  - (i) a copy of the filed application response;



- (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
- (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

August 16, 2022 \_\_\_\_\_  
 Dated

  
 \_\_\_\_\_  
 Signature of  lawyer for filing party  
 DLA Piper (Canada) LLP (Colin D. Brousson)  
 Lawyer for the Petitioner

**To be completed by the court only:**

Order made

in the terms requested in paragraphs \_\_\_\_\_ of Part 1 of this notice of application

with the following variations and additional terms:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_

Signature of  Judge  Master

**APPENDIX**

*The following information is provided for data collection purposes only and is of no legal effect.*

**THIS APPLICATION INVOLVES THE FOLLOWING:**

- discovery: comply with demand for documents
- discovery: production of additional documents
- oral matters concerning document discovery
- extend oral discovery
- other matter concerning oral discovery
- amend pleadings
- add/change parties
- summary judgment
- summary trial
- service
- mediation
- adjournments
- proceedings at trial
- case plan orders: amend
- case plan orders: other
- experts
- none of the above

**Schedule "A"**

(Service List)

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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

**Service List**

**(Last Updated: August 15, 2022)**

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<p>Lawson Lundell LLP Suite 1600 Cathedral Place 925 W Georgia St. Vancouver, BC V6C 3L2</p> <p><b>Attention: William L. Roberts and Alexis Teasdale</b></p> <p>Email: <a href="mailto:wroberts@lawsonlundell.com">wroberts@lawsonlundell.com</a> <a href="mailto:ateasdale@lawsonlundell.com">ateasdale@lawsonlundell.com</a></p> <p>Telephone: 604.631.9163 403.218.7564</p> <p><i>Counsel for Accurate Court Bailiff Services Ltd.</i></p>	<p>McMillan LLP 550 Burrard Street, Suite 2900 Vancouver, BC V6C 0A3</p> <p><b>Attention: Bernhard Zinkhofer</b></p> <p>Email: <a href="mailto:Bernhard.Zinkhofer@mcmillan.ca">Bernhard.Zinkhofer@mcmillan.ca</a></p> <p>Telephone: 604.689.9111 604.685.7084</p> <p><i>Counsel for HBIS Group International Holding Co., Limited</i></p>

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<p>McMillan LLP Royal Centre, 1055 W. Georgia Street, Suite 1500 PO Box 11117 Vancouver, BC, Canada V6E 4N7</p> <p><b>Attention: Daniel Shouldice and Vicki Tickle</b></p> <p>Email: <a href="mailto:Daniel.Shouldice@mcmillan.ca">Daniel.Shouldice@mcmillan.ca</a>; <a href="mailto:Vicki.Tickle@mcmillan.ca">Vicki.Tickle@mcmillan.ca</a></p> <p>Telephone: 604.691.6858</p> <p><i>Counsel for HD Mining International Ltd.</i></p>	
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<p>CIBC – CEBA 400 Burrard Street Vancouver, BC V6C 3M5</p>	<p>Canadian Dehua Lvliang International Mines Corp. 310-1155 Pender St. West Vancouver, BC V6E 2P4</p>

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**Schedule "B"**

(Second ARIO Order)





2. The time for service of the Petitioner's Notice of Application dated August 12, 2022 is abridged such that this Application is properly returnable today.

## **JURISDICTION**

3. The Petitioner is a company to which the CCAA applies.

## **PLAN OF ARRANGEMENT**

4. The Petitioner shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

## **POSSESSION OF PROPERTY AND OPERATIONS**

5. Subject to this Order and any further Order of this Court, the Petitioner shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"), and continue to carry on its business (the "**Business**") in the ordinary course and in a manner consistent with the preservation of the Business and the Property. The Petitioner shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively, "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for carrying out the terms of this Order.
6. The Petitioner shall be entitled, but not required, to pay the following expenses which may have been incurred prior to the Order Date:
  - (a) all outstanding wages, salaries, employee and pension benefits (including long and short term disability payments), vacation pay and expenses (but excluding severance pay) payable before or after the Order Date, in each case incurred in the ordinary course of business and consistent with the relevant compensation policies and arrangements existing at the time incurred (collectively "**Wages**"); and

- (b) the fees and disbursements of any Assistants retained or employed by the Petitioner which are related to the Petitioner's restructuring, at their standard rates and charges, including payment of the fees and disbursements of legal counsel retained by the Petitioner, whenever and wherever incurred, in respect of:
  - (i) these proceedings or any other similar proceedings in other jurisdictions in which the Petitioner or any subsidiaries or affiliated companies of the Petitioner are domiciled;
  - (ii) any litigation in which the Petitioner is named as a party or is otherwise involved, whether commenced before or after the Order Date; and
  - (iii) any related corporate matters.
  
- 7. Except as otherwise provided herein, the Petitioner shall be entitled to pay all expenses reasonably incurred by the Petitioner in carrying on the Business in the ordinary course following the Order Date, and in carrying out the provisions of this Order, which expenses shall include, without limitation:
  - (a) all expenses and capital expenditures reasonably incurred and which are necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services, provided that any capital expenditure exceeding \$50,000 shall be approved by the Monitor;
    - (i) all obligations incurred by the Petitioner after the Order Date, including without limitation, with respect to goods and services actually supplied to the Petitioner following the Order Date (including those under purchase orders outstanding at the Order Date but excluding any interest on the Petitioner's obligations incurred prior to the Order Date); and
    - (ii) fees and disbursements of the kind referred to in paragraph 5(b) which may be incurred after the Order Date.
  
- 8. The Petitioner is authorized to remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from Wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes or any such claims which are to be paid pursuant to Section 6(3) of the CCAA;
  - (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Petitioner in connection with the sale of goods and services by the Petitioner, but only where such Sales Taxes accrue or are collected after the Order Date, or where such Sales Taxes accrued or were collected prior to the Order Date but not required to be remitted until on or after the Order Date; and
  - (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal property taxes, municipal business taxes or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors.
9. Until such time as a real property lease is disclaimed in accordance with the CCAA, the Petitioner shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated between the Petitioner and the landlord from time to time ("**Rent**"), for the period commencing from and including the Order Date, twice-monthly in equal payments on the first and fifteenth day of the month in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including Order Date shall also be paid.
10. Except as specifically permitted herein, the Petitioner is hereby directed, until further Order of this Court:

- (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Petitioner to any of its creditors as of the Order Date except as authorized by this Order;
- (b) to make no payments in respect of any financing leases which create security interests;
- (c) to grant no security interests, trust, mortgages, liens, charges or encumbrances upon or in respect of any of its Property, nor become a guarantor or surety, nor otherwise become liable in any manner with respect to any other person or entity except as authorized by this Order;
- (d) to not grant credit except in the ordinary course of the Business only to its customers for goods and services actually supplied to those customers, provided such customers agree that there is no right of set-off in respect of amounts owing for such goods and services against any debt owing by the Petitioner to such customers as of the Order Date; and
- (e) to not incur liabilities except in the ordinary course of Business.

## RESTRUCTURING

11. Subject to such requirements as are imposed by the CCAA, the Petitioner shall have the right to:

- (a) permanently or temporarily cease, downsize or shut down all or any part of its Business or operations and commence marketing efforts in respect of any of its redundant or non-material assets and to dispose of redundant or non-material assets not exceeding \$50,000 in any one transaction or \$200,000 in the aggregate;
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and
- (c) pursue all avenues of refinancing for its Business or Property, in whole or part;

all of the foregoing to permit the Petitioner to proceed with an orderly restructuring of the Business (the "**Restructuring**").

12. The Petitioner shall provide each of the relevant landlords with notice of the Petitioner's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Petitioner's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors who claim a security interest in the fixtures, such landlord and the Petitioner, or by further Order of this Court upon application by the Petitioner, the landlord or the applicable secured creditors on at least two (2) clear days' notice to the other parties. If the Petitioner disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any dispute concerning such fixtures (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Petitioner's claim to the fixtures in dispute.
13. If a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then: (a) during the period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours on giving the Petitioner and the Monitor 24 hours' prior written notice; and (b) at the effective time of the disclaimer, the landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims the landlord may have against the Petitioner, or any other rights the landlord might have, in respect of such lease or leased premises and the landlord shall be entitled to notify the Petitioner of the basis on which it is taking possession and gain possession of and re-lease such leased premises to any third party or parties on such terms as the landlord considers advisable, provided that nothing herein shall relieve the landlord of its obligation to mitigate any damages claimed in connection therewith.
14. Pursuant to Section 7(3)(c) of the Personal Information Protection and Electronics Documents Act, S.C. 2000, c. 5 and Section 18(1)(o) of the Personal Information Protection Act, S.B.C. 2003, c. 63, and any regulations promulgated under authority of either Act, as applicable (the "**Relevant Enactment**"), the Petitioner, in the course of these proceedings, is permitted to, and hereby shall, disclose personal information of identifiable individuals in its possession or control to stakeholders, its advisors,

prospective investors, financiers, buyers or strategic partners (collectively, "**Third Parties**"), but only to the extent desirable or required to negotiate and complete the Restructuring or to prepare and implement the Plan or transactions for that purpose; provided that the Third Parties to whom such personal information is disclosed enter into confidentiality agreements with the Petitioner binding them in the same manner and to the same extent with respect to the collection, use and disclosure of that information as if they were an organization as defined under the Relevant Enactment, and limiting the use of such information to the extent desirable or required to negotiate or complete the Restructuring or to prepare and implement the Plan or transactions for that purpose, and attorning to the jurisdiction of this Court for the purposes of that agreement. Upon the completion of the use of personal information for the limited purposes set out herein, the Third Parties shall return the personal information to the Petitioner or destroy it. If the Third Parties acquire personal information as part of the Restructuring or the preparation and implementation of the Plan or transactions in furtherance thereof, such Third Parties may, subject to this paragraph and any Relevant Enactment, continue to use the personal information in a manner which is in all respects identical to the prior use thereof by the Petitioner.

#### **STAY OF PROCEEDINGS, RIGHTS AND REMEDIES**

15. Until and including December 1, 2022, or such later date as this Court may order (the "**Stay Period**"), no action, suit or proceeding in any court or tribunal (each, a "**Proceeding**") against or in respect of the Petitioner or the Monitor, or affecting the Business or the Property, shall be commenced or continued except with the written consent of the Petitioner and the Monitor or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Petitioner or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.
16. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Petitioner or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Petitioner and the Monitor or leave of this Court.

17. Nothing in this Order, including paragraphs 14 and 15, shall: (i) empower the Petitioner to carry on any business which the Petitioner is not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a mortgage, charge or security interest (subject to the provisions of Section 39 of the CCAA relating to the priority of statutory Crown securities); or (iv) prevent the registration or filing of a lien or claim for lien or the commencement of a Proceeding to protect lien or other rights that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such lien, claim for lien or Proceeding except for service of the initiating documentation on the Petitioner.

#### **NO INTERFERENCE WITH RIGHTS**

18. During the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Petitioner, except with the written consent of the Petitioner and the Monitor or leave of this Court.

#### **CONTINUATION OF SERVICES**

19. During the Stay Period, all Persons having oral or written agreements with the Petitioner or mandates under an enactment for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or the Petitioner, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, or terminating the supply of such goods or services as may be required by the Petitioner, and that the Petitioner shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the Order Date are paid by the Petitioner in accordance with normal payment practices of the Petitioner or such other practices as may be agreed upon by the supplier or service provider and the Petitioner and the Monitor, or as may be ordered by this Court.



## **NON-DEROGATION OF RIGHTS**

20. Notwithstanding any provision in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the Order Date, nor shall any Person be under any obligation to advance or re-advance any monies or otherwise extend any credit to the Petitioner on or after the Order Date. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

## **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

21. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against the directors or officers of the Petitioner with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Petitioner whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Petitioner, if one is filed, is sanctioned by this Court or is refused by the creditors of the Petitioner or this Court. Nothing in this Order, including in this paragraph, shall prevent the commencement of a Proceeding to preserve any claim against a director or officer of the Petitioner that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such Proceeding except for service of the initiating documentation on the applicable director or officer.

## **APPOINTMENT OF MONITOR**

22. FTI Consulting Canada Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Petitioner with the powers and obligations set out in the CCAA or set forth herein, and that the Petitioner and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Petitioner pursuant to this Order, and shall cooperate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

23. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:
- (a) monitor the Petitioner's receipts and disbursements;
  - (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
  - (c) advise the Petitioner in its development of the Plan and any amendments to the Plan;
  - (d) assist the Petitioner, to the extent required by the Petitioner, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
  - (e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Petitioner, to the extent that is necessary to adequately assess the Petitioner's business and financial affairs or to perform its duties arising under this Order;
  - (f) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
  - (g) perform such other duties as are required by this Order or by this Court from time to time.
24. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof, and nothing in this Order shall be construed as resulting in the Monitor being an employer or a successor employer, within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.

25. Nothing herein contained shall require or allow the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Fisheries Act*, the *British Columbia Environmental Management Act*, the *British Columbia Fish Protection Act* and regulations thereunder (the "**Environmental Legislation**") , provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. For greater certainty, the Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.
26. The Monitor shall provide any creditor of the Petitioner with information provided by the Petitioner in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Petitioner is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Petitioner may agree.
27. In addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the rights and protections afforded the Monitor by the CCAA or any applicable legislation.

#### **ADMINISTRATION CHARGE**

28. The Monitor, counsel to the Monitor, if any, and counsel to the Petitioner shall be paid their reasonable fees and disbursements, in each case at their standard rates and

charges, by the Petitioner as part of the cost of these proceedings. The Petitioner is hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor and counsel to the Petitioner on a periodic basis and, in addition, the Petitioner is hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Petitioner, retainers in the amount[s] of \$50,000 respectively to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

29. The Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the British Columbia Supreme Court who may determine the manner in which such accounts are to be passed, including by hearing the matter on a summary basis or referring the matter to a Registrar of this Court.
30. The Monitor, counsel to the Monitor, if any, and counsel to the Petitioner shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$350,000, as security for their respective fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order which are related to the Petitioner's restructuring. The Administration Charge shall have the priority set out in paragraphs 33 and 35 hereof.

#### **INTERIM FINANCING**

31. The Petitioner is hereby authorized and empowered to obtain and borrow under a credit facility from Qubo Liu (in such capacity, the "**Interim Lender**") in order to finance the continuation of the Business and preservation of the Property, provided that borrowings under such credit facility shall not exceed \$820,000 unless permitted by further Order of this Court.
32. Such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Petitioner and the Interim Lender dated as of June 8, 2022 (the "**Commitment Letter**"), filed.
33. The Petitioner is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and

other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the Commitment Letter or as may be reasonably required by the Interim Lender pursuant to the terms thereof, and the Petitioner is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the Interim Lender under and pursuant to the Commitment Letter and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

34. The Interim Lender shall be entitled to the benefit of and is hereby granted a charge (the "**Interim Lender's Charge**") on the Property. The Interim Lender's Charge shall not secure an obligation that exists before this Order is made. The Interim Lender's Charge shall have the priority set out in paragraphs 40 and 42 hereof.

35. Notwithstanding any other provision of this Order:

- (a) the Interim Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under any of the Definitive Documents or the Interim Lender's Charge, the Interim Lender, upon 7 days notice to the Petitioner and the Monitor, may exercise any and all of its rights and remedies against the Petitioner or the Property under or pursuant to the Commitment Letter, Definitive Documents and the Interim Lender's Charge, including without limitation, to cease making advances to the Petitioner and set off and/or consolidate any amounts owing by the Interim Lender to the Petitioner against the obligations of the Petitioner to the Interim Lender under the Commitment Letter, the Definitive Documents or the Interim Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Petitioner and for the appointment of a trustee in bankruptcy of the Petitioner; and
- (c) the foregoing rights and remedies of the Interim Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Petitioner or the Property.

36. The Interim Lender, in such capacity, shall be treated as unaffected in any plan of arrangement or compromise filed by the Petitioner under the CCAA, or any proposal filed by the Petitioner under the *Bankruptcy and Insolvency Act* of Canada (the "**BIA**"), with respect to any advances made under the Definitive Documents.

#### **DIRECTORS AND OFFICERS INDEMNIFICATION AND CHARGE**

37. The Petitioner shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Petitioner after the commencement of the within proceedings, except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.
38. The directors and officers of the Petitioner shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' and Officers' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$200,000, as security for the indemnity provided in paragraph 37 of this Order. The Directors' and Officers' Charge shall have the priority set out in paragraphs 40 and 42 herein.
39. Notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Petitioner's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 37 of this Order.

#### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

40. The priorities of the Administration Charge, Interim Lender's Charge, and the Directors' and Officers' Charge shall be as follows:

First – Administration Charge (to the maximum amount of \$350,000);

Second – Interim Lender's Charge (to the maximum amount of \$820,000);

Third – Directors and Officers' Charge (to the maximum amount of \$200,000).

(collectively, the "**Charges**")

41. Any security documentation evidencing, or the filing, registration or perfection of, the Charges shall not be required, and that the Charges shall be effective as against the Property and shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered or perfected subsequent to the Charges coming into existence, notwithstanding any failure to file, register or perfect the Charges.
42. The Charges shall constitute a mortgage, security interest, assignment by way of security and charge on the Property and the Charges shall rank in priority to all other security interests, trusts, liens, mortgages, charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**"), in favour of any Person, save and except those claims contemplated by section 11.8(8) of the CCAA.
43. Except as otherwise expressly provided herein, or as may be approved by this Court, the Petitioner shall not grant or suffer to exist any Encumbrances over any Property that rank in priority to, or *pari passu* with the Charges, unless the Petitioner obtains the prior written consent of the Monitor, and the beneficiaries of the Charges.
44. The Administration Charge, the Director's and Officers' Charge, the Commitment Letter, the Definitive Documents and the Interim Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the Interim Lender shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, mortgage, security agreement, debenture, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Petitioner; and notwithstanding any provision to the contrary in any Agreement:
  - (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive

Documents shall create or be deemed to constitute a breach by the Petitioner of any Agreement to which it is a party;

- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Petitioner entering into the Commitment Letter, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Petitioner pursuant to this Order, the Commitment Letter or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

45. THIS COURT ORDERS that any charge created by this Order over leases of real property in Canada shall only be a charge in the Petitioner's interest in such real property leases.

#### **SERVICE AND NOTICE**

46. The Monitor shall (i) without delay, publish in the National Edition of the Globe and Mail a notice containing the information prescribed under the CCAA, (ii) within five days after Order Date, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Petitioner of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

47. The Petitioner and the Monitor are at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Petitioner's creditors or other interested parties at their respective addresses as last shown on the records of the Petitioner and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be



received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

48. Any Person that wishes to be served with any application and other materials in these proceedings must deliver to the Monitor by way of ordinary mail, courier, personal delivery or electronic transmission a request to be added to a service list (the "**Service List**") to be maintained by the Monitor. The Monitor shall post and maintain an up to date form of the Service List on its website at: <http://cfcanada.fticonsulting.com/canadiandehuainternational>
49. Any party to these proceedings may serve any court materials in these proceedings by emailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor shall post a copy of all prescribed materials on its website at: <http://cfcanada.fticonsulting.com/canadiandehuainternational>
50. Notwithstanding paragraphs 40 and 41 of this Order, service of the Petition, the Notice of Hearing of Petition, any affidavits filed in support of the Petition and this Order shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c. C-50, and regulations thereto, in respect of the Federal Crown, and the *Crown Proceeding Act*, R.S.B.C. 1996, c. 89, in respect of the British Columbia Crown.

## GENERAL

51. The Petitioner or the Monitor may from time to time apply to this Court for directions in the discharge of its powers and duties hereunder.
52. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Petitioner, the Business or the Property.
53. THIS COURT REQUESTS the aid and recognition of other Canadian and foreign Courts, tribunal, regulatory or administrative bodies, including any Court or administrative tribunal of any federal or State Court or administrative body in the United States of America, to act in aid of and to be complementary to this Court in carrying out the terms of this Order where required. All courts, tribunals, regulatory and

administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Petitioner and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Petitioner and the Monitor and their respective agents in carrying out the terms of this Order.

54. Each of the Petitioner and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada, including acting as a foreign representative of the Petitioner to apply to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the *United States Bankruptcy Code*, 11 U.S.C. §§ 101-1330, as amended.
55. The Petitioner may (subject to the provisions of the CCAA and the BIA) at any time file a voluntary assignment in bankruptcy or a proposal pursuant to the commercial reorganization provisions of the BIA if and when the Petitioner determines that such a filing is appropriate.
56. The Petitioner is hereby at liberty to apply for such further interim or interlocutory relief as it deems advisable within the time limited for Persons to file and serve Responses to the Petition.
57. Leave is hereby granted to hear any application in these proceedings on two (2) clear days' notice after delivery to all parties on the Service List of such Notice of Application and all affidavits in support, subject to the Court in its discretion further abridging or extending the time for service.
58. Any interested party (including the Petitioner and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to all parties on the Service List and to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
59. Endorsement of this Order by counsel appearing on this application is hereby dispensed with.

60. This Order and all of its provisions are effective as of 12:01 a.m. local Vancouver time on the Order Date.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

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Signature of  lawyer for the Petitioner  
DLA Piper (Canada) LLP (Colin D. Brousson)

BY THE COURT

---

REGISTRAR

**SCHEDULE "A"**

<b>NAME OF COUNSEL</b>	<b>PARTY REPRESENTING</b>
Jordan Schultz and Eamonn Watson	China Shougang International Trade & Engineering Corporation
David Gruber	The Monitor, FTI Consulting Canada Inc.

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.

PETITIONERS

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**ORDER MADE AFTER APPLICATION**

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DLA Piper (Canada) LLP  
Barristers & Solicitors  
2800 Park Place  
666 Burrard Street  
Vancouver, BC V6C 2Z7

Tel. No. 604.687.9444  
Fax No. 604.687.1612

File No.: 080762-00014

CDB/day

**Schedule "C"**

(SISP Order)

**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.

PETITIONERS

**ORDER MADE AFTER APPLICATION**

**(APPROVAL OF SALES AND INVESTMENT SOLICITATION PROCESS)**

BEFORE ) THE HONOURABLE JUSTICE WALKER ) August 18, 2022  
)  
)  
)  
)

ON THE APPLICATION of the Petitioner coming on for hearing at 800 Smithe Street, Vancouver, BC V6Z 2E1 on August 18, 2022 and on hearing Colin D. Brousson and Jeffrey D. Bradshaw, counsel for the Petitioner and those other counsel listed on **Schedule "A"** hereto; AND UPON READING the material filed herein; AND UPON READING the material filed, including the Third Report of the Monitor dated August \_\_\_\_, 2022; AND pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), the British Columbia Supreme Court Civil Rules and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS that:

**SERVICE**

1. The time for service of the Notice of Application dated August 16, 2022, is abridged such that the Notice of Application is properly returnable today and service of the Notice of Application on any interested party is hereby dispensed with.

**APPROVAL OF SALES AND INVESTMENT SOLICITATION PROCESS**

2. The sale and investment solicitation process attached as **Schedule "B"** to this Order (the "**SISP**") is approved.

**GENERAL**

3. The Petitioner, Monitor, or any interested party, may from time to time apply to this Court for advice and directions with respect to the SISP, on reasonable notice to the Service List (as defined in the Initial Order).
4. Endorsement of this Order by counsel appearing on this application, other than counsel for the Petitioner, is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

\_\_\_\_\_  
Signature of  lawyer for the Petitioner  
DLA Piper (Canada) LLP (Colin D. Brousson)

BY THE COURT

\_\_\_\_\_  
REGISTRAR



**SCHEDULE "A"**

<b>NAME OF COUNSEL</b>	<b>PARTY REPRESENTING</b>
Jordan Schultz and Eamonn Watson	China Shougang International Trade & Engineering Corporation
David Gruber and Devon A. Luca	The Monitor, FTI Consulting Canada Inc.
Kibben Jackson and Mihai Tomos	Canadian Kailuan Dehua Mines Co., Ltd.

## SCHEDULE "B"

### Sale and Investment Solicitation Process Outline

#### Introduction

On June 3, 2022, Canadian Dehua International Mines Group Inc. (the "**Petitioner**") to the initial order (the "**Initial Order**") granted by the Supreme Court of British Columbia (the "**Court**"), obtained relief under the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**") from the Court that, among other things, commenced the CCAA proceedings (the "**CCAA Proceedings**"), granted an initial stay of proceedings in respect of the Petitioners (the "**Stay**") and appointed FTI Consulting Canada Inc. as monitor (the "**Monitor**").

The Wapiti River coal project is a large-scale underground mine at the senior exploration stage which is located near Tumbler Ridge, British Columbia (the "**Wapiti Project**"). The Petitioner is the sole shareholder in the Wapiti Coking Coal Mines Corporation, the company that owns and operates the Wapiti Project.

On August \_\_\_\_, 2022, the Petitioners obtained a further amended and restated version of the Initial Order from the Court (the "**Second Revised Amended and Restated Initial Order**") that, among other things,

- (a) extended the Stay to December 1, 2022;
- (b) authorized the Petitioners to pursue all avenues of refinancing or sale of its business or property, in whole or part, subject to prior approval of the Court before any material refinancing or sale is concluded;
- (c) approved the Sale and Investment Solicitation Process set forth herein (the "**SISP**"); and
- (d) approved the procedures set forth in this documents (the "**SISP Process Outline**").

To facilitate an efficient and thorough SISP, the Petitioners will:

- (a) create a form of non-disclosure agreement ("**NDA**") and established a confidential online data site, maintained by the Monitor, to facilitate due diligence investigations by Qualified Bidders (defined below) who enter into a NDA with the Petitioner; and
- (b) finalize a list of potential bidders, including (i) parties that have approached the Petitioner or the Monitor indicating an interest in the Opportunity (defined below), (ii) domestic and international strategic and financial parties who the Petitioner, in consultation with the Monitor, believe could be interested in purchasing all or part of the Assets (defined below) or investing in the Petitioner pursuant to the SISP (including, without limitation, any parties with whom the Petitioner was in contact with prior to the Initial Order as part of the Petitioner's strategic review process) and (iii) any other parties reasonably suggested by a stakeholder as a potential bidder who may be interested in the Opportunity (collectively, "**Known Potential Bidders**").

**Opportunity**

1. The SISP is intended to solicit interest in and opportunities for a sale of or investment in the Petitioner’s interests in the Wapiti Project or the Petitioner generally (the “**Opportunity**”). The Opportunity may include one or more of a recapitalization, arrangement or other form of investment in the Petitioner, or a sale of all, substantially all or part of the Petitioner’s interests in the Wapiti Project (the “**Assets**”).
2. Except to the extent otherwise set forth in a definitive sale or investment agreement with a successful bidder, any sale of the Assets or investment in the Petitioner will be on an “as is, where is” basis and without surviving representations or warranties of any kind, nature, or description by the Petitioner, the Monitor or any of their respective agents, advisors or estates, and, in the event of a sale, all of the right, title and interest of the Petitioner in and to the Assets to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to Court orders, except as otherwise provided in such Court orders.

**Timeline**

3. The following table sets out the key milestones under the SISP:

<b>Milestone</b>	<b>Deadline</b>
Teaser Letter sent to potential Known Potential Bidders	As soon as practicable and, in any case, not later than August 23, 2022
Phase 1 Non-Binding LOIs Bid Deadline	November 18, 2022 (the “ <b>LOI Deadline</b> ”)
Phase 2 Bid Deadline	To be specified in Phase 2 Bid Process Letter, but in any case not later than February 18, 2023

4. The Petitioner may, with the consent of the Monitor, and in consultation with affected stakeholders, shorten any of the deadlines specified above. The Petitioner is also at liberty, on notice to the Service List, to make application to the Court to terminate the within SISP should it believe that it can present a Plan to the creditors in the CCAA Proceeding without the need to complete the SISP as contemplated herein.

**Solicitation of Interest: Notice of the SISP**

5. The SISP will include a notification process and up to two phases of activity for qualified interested bidders (“**Phase 1**” and “**Phase 2**”, respectively). As soon as reasonably practicable, but in any event by no later than August 23, 2022:
  - (a) The Petitioner will cause a notice of the SISP (and such other relevant information which the Petitioner, in consultation with the Monitor, considers appropriate) (the “**Notice**”) to be published in such publications as the Petitioner, in consultation with the Monitor, consider appropriate, if any.

## PHASE 1: NON-BINDING LOIs

### Phase 1 Qualified Bidders

6. Any Known Potential Bidder or other third party who contacts either the Petitioner or Monitor to express interest in participating in the SISP (each, a "**Potential Bidder**") must provide an executed NDA to the Petitioner and a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the direct and indirect principals of the Potential Bidder.
7. A Potential Bidder (who has delivered the executed NDA and letter as set out above) will be deemed a "**Phase 1 Qualified Bidder**" only if the Petitioner, in its reasonable business judgment and in consultation with the Monitor, determines that such Potential Bidder is likely, based on the availability of financing, experience and other considerations, to be able to timely consummate a sale or investment pursuant to the SISP.
8. At any time during Phase 1 of the SISP, the Petitioner may, in its reasonable business judgment with the consent of the Monitor, eliminate a Phase 1 Qualified Bidder from the SISP, in which case such bidder will be eliminated from the SISP and will no longer be a "Phase 1 Qualified Bidder" for the purposes of the SISP.
9. The Petitioner, in consultation with the Monitor, reserves the right to limit any Phase 1 Qualified Bidder's access to any confidential information (including any information in the data room) and to customers and suppliers of the Petitioner, where, in the Petitioner's opinion after consultation with the Monitor, such access could negatively impact the SISP, the ability to maintain the confidentiality of the confidential information, the Petitioner or the Assets.
10. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information of the Petitioner and the Assets in connection with their participation in the SISP and any transaction they enter into with the Petitioner.

### Non-Binding Letters of Intent from Qualified Bidders

11. A Phase 1 Qualified Bidder that wishes to pursue the Opportunity further must deliver a non-binding letter of intent (an "**LOI**") to the Monitor and the Petitioner at the addresses specified in Schedule "1" attached hereto (including by email or fax transmission), so as to be received by them not later than 5:00 PM (Pacific Time) on or before November 18, 2022, or such other date as the Petitioner may advise in accordance with paragraph 4 (the "**Phase 1 Bid Deadline**").
12. Subject to paragraph 11, an LOI so submitted will be considered a qualified LOI (a "**Qualified LOI**") only if:
  - (a) it is submitted on or before the Phase 1 Bid Deadline by a Phase 1 Qualified Bidder;
  - (b) it contains an indication of whether the Phase 1 Qualified Bidder is proposing:
    - (i) to acquire all, substantially all or a portion of the Assets (a "**Sale Proposal**"); or

- (ii) a recapitalization, arrangement or other form of investment in the Petitioner for the Assets or generally (an "**Investment Proposal**");
- (c) in the case of a Sale Proposal, it identifies or contains the following:
  - (i) the purchase price or price range in Canadian dollars, including details of any liabilities to be assumed by the Phase 1 Qualified Bidder and key assumptions supporting the valuation;
  - (ii) a description of the Assets that is expected to be subject to the transaction and any of the Assets expected to be excluded;
  - (iii) a description of the Phase 1 Qualified Bidder's proposed treatment of material agreements (if any);
  - (iv) a specific indication of the financial capability of the Phase 1 Qualified Bidder and the expected structure and financing of the transaction;
  - (v) a description of the conditions and approvals required for the Phase 1 Qualified Bidder to be in a position to submit a final and binding offer, including any anticipated corporate, security-holder or other internal approvals and any anticipated impediments for obtaining such approvals;
  - (vi) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer;
  - (vii) a description of all conditions to closing that the Phase 1 Qualified Bidder expects to include in its final and binding offer, including without limitation any regulatory approvals and any form of agreement required from a government body, stakeholder or other third party ("**Third Party Agreement**") and an outline of the principal terms thereof; and
  - (viii) any other terms or conditions of the Sale Proposal that the Phase 1 Qualified Bidder believes are material to the transaction;
- (d) in the case of an Investment Proposal, it identifies the following:
  - (i) a description of how the Phase 1 Qualified Bidder proposes to structure the proposed investment;
  - (ii) the aggregate amount of the equity and/or debt investment to be made in the Petitioner in Canadian dollars;
  - (iii) key assumptions supporting the Phase 1 Qualified Bidders' valuation;
  - (iv) a description of the Phase 1 Qualified Bidder's proposed treatment of any liabilities, material contracts and employees;
  - (v) a specific indication of the sources of capital for the Phase 1 Qualified Bidder and the structure and financing of the transaction;

- (vi) a description of the conditions and approvals required for the Phase 1 Qualified Bidder to be in a position to submit a final and binding offer, including any anticipated corporate, security-holder or other internal approvals and any anticipated impediments for obtaining such approvals;
  - (vii) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer;
  - (viii) a description of all conditions to closing that the Phase 1 Qualified Bidder expects to include in its final and binding offer, including without limitation any regulatory approvals and any Third Party Agreement required and an outline of the principal terms thereof; and
  - (ix) any other terms or conditions of the Investment Proposal which the Phase 1 Qualified Bidder believes are material to the transaction;
- (e) in the case of either a Sale Proposal or an Investment Proposal, it contains such other information as reasonably requested by the Petitioner or the Monitor.
13. For the avoidance of doubt, the completion of any Sale Proposal or Investment Proposal shall be subject to the approval of the Court and the requirement of approval of the Court may not be waived.

#### **Preliminary Assessment of Phase 1 Bids and Subsequent Process**

14. Following the Phase 1 Bid Deadline, the Petitioner, in consultation with the Monitor, will assess the Qualified LOIs. If it is determined by the Petitioner, in consultation with the Monitor, that a Phase 1 Qualified Bidder that has submitted a Qualified LOI: (i) has a bona fide interest in completing a Sale Proposal or Investment Proposal (as the case may be); and (ii) has the financial capability (based on availability of financing, experience and other considerations) to consummate such a transaction based on the financial information provided, then such Phase 1 Qualified Bidder will be deemed a **"Phase 2 Qualified Bidder"**, provided that the Petitioner may, in its reasonable business judgment and with the approval of the Monitor, limit the number of Phase 2 Qualified Bidders (and thereby eliminate some bidders from the process) taking into account the factors identified in paragraph 15 below and any material adverse impact on the operations and performance of the Petitioner. Only Phase 2 Qualified Bidders shall be permitted to proceed to Phase 2 of the SISP.
15. As part of the assessment of Qualified LOIs and the determination of the process subsequent thereto, the Petitioner, with the approval of the Monitor, shall determine the process and timing to be followed in pursuing Qualified LOIs based on such factors and circumstances as they consider appropriate in the circumstances including, but not limited to: (i) the number of Qualified LOIs received, (ii) the extent to which the Qualified LOIs relate to the same Assets or involve Investment Proposals predicated on certain Assets, (iii) the scope of the Assets to which any Qualified LOIs may relate, and (iv) whether to proceed by way of sealed bid or auction (with or without a Stalking Horse Bidder) with respect to some or all of the Assets.
16. Upon the determination by the Petitioner, and with the approval of the Monitor, of the manner in which to proceed to Phase 2 of the SISP, the Petitioner, and with the approval

of the Monitor, will prepare a bid process letter for Phase 2 (the "**Bid Process Letter**"), and the Bid Process Letter will be (i) sent by the Monitor to all Phase 2 Qualified Bidders, and (ii) posted by the Monitor on the website the Monitor maintains in respect of this CCAA proceeding.

## **PHASE 2: FORMAL OFFERS AND SELECTION OF SUCCESSFUL BIDDER**

17. Paragraphs 19 to 25 below and the conduct of Phase 2 are subject to paragraphs 15 and 16, and any adjustments made to Phase 2 in accordance with the Bid Process Letter and any further Court order regarding the SISP.
18. For certainty, the conduct of Phase 2 as outlined in paragraphs 19 to 25 is an anticipated outline of the conduct of Phase 2. The Petitioner, in consultation with the Monitor, will return to the Court with an application to commence Phase 2 on or before December 1, 2022, at which time the conduct of Phase 2 will be confirmed.

### **Due Diligence**

19. The Petitioner, in consultation with the Monitor, shall in its reasonable business judgment and subject to competitive and other business considerations, afford each Phase 2 Qualified Bidder such access to due diligence materials and information relating to the Assets and the Petitioner as they deem appropriate. Due diligence access may include management presentations, on-site inspections, and other matters which a Phase 2 Qualified Bidder may reasonably request and as to which the Petitioner, in their reasonable business judgment and after consulting with the Monitor, may agree. The Petitioner will designate a representative to coordinate all reasonable requests for additional information and due diligence access from Phase 2 Qualified Bidders and the manner in which such requests must be communicated. Neither Petitioner nor the Monitor will be obligated to furnish any information relating to the Assets or the Petitioner to any person other than to Phase 2 Qualified Bidders. Further and for the avoidance of doubt, selected due diligence materials may be withheld from certain Phase 2 Qualified Bidders if the Petitioner, in consultation with the Monitor, determine such information to represent proprietary or sensitive competitive information.

### **Formal Binding Offers**

20. Phase 2 Qualified Bidders that wish to make a formal offer to purchase or make an investment in the Petitioner or its Assets shall submit a binding offer that complies with all of the following requirements prior to the date set out in the Bid Process Letter (the "**Phase 2 Bid Deadline**"):
  - (a) the bid shall comply with all of the requirements set forth in respect of Phase 1 Qualified LOIs;
  - (b) the bid (either individually or in combination with other bids that make up one bid) is an offer to purchase or make an investment in some or all of the Assets of the Petitioner and is consistent with any necessary terms and conditions communicated to Phase 2 Qualified Bidders;
  - (c) the bid includes a letter stating that the Phase 2 Qualified Bidder's offer is irrevocable until the selection of the Successful Bidder (as defined below),

provided that if such Phase 2 Qualified Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder;

- (d) the bid includes duly authorized and executed transaction agreements, including the purchase price, investment amount and any other key economic terms expressed in Canadian dollars (the "**Purchase Price**"), together with all exhibits and schedules thereto, all applicable ancillary agreements with all exhibits and schedules thereto (or term sheets that describe the material terms and provisions of such agreements), and proposed order to approve the sale by the Court;
- (e) the bid includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Petitioner, with the assistance of the Monitor to make a determination as to the Phase 2 Qualified Bidder's financial and other capabilities to consummate the proposed transaction;
- (f) the bid is not conditioned on (i) the outcome of unperformed due diligence by the Phase 2 Qualified Bidder, apart from, to the extent applicable, to the disclosure of due diligence materials that represent proprietary or sensitive competitive information which was withheld in Phase 2 from the Phase 2 Qualified Bidder and/or (ii) obtaining financing;
- (g) the bid fully discloses the identity of each entity that will be entering into the transaction or the financing;
- (h) the bid includes a commitment by the Phase 2 Qualified Bidder to provide a non-refundable deposit in the amount of not less than 10% of the purchase price offered upon the Phase 2 Qualified Bidder being selected as the Successful Bidder and in any event, prior to service of the materials for the Sale Approval Motion (as defined below);
- (i) the bid includes acknowledgements and representations of the Phase 2 Qualified Bidder that: (i) the transaction is on an "as is, where is" basis; (ii) it has had an opportunity to conduct any and all due diligence regarding the Assets and the Petitioner prior to making its offer (apart from, to the extent applicable, the disclosure of due diligence materials that represent proprietary or sensitive competitive information which were withheld in Phase 2 from the Phase 2 Qualified Bidder); (iii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in making its bid; and (iv) it 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 Petitioner or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Petitioner;
- (j) the bid includes evidence, in form and substance reasonably satisfactory to the Petitioner and the Monitor, of authorization and approval from the Phase 2 Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction agreement(s) submitted by the Phase 2 Qualified Bidder;



- (k) the bid contains other information required by the Petitioner or the Monitor including, without limitation, such additional information as may be required in the event Phase 2 is supplemented in accordance with paragraph 16 to contemplate that an auction of certain Assets be conducted; and
  - (l) the bid is received by the Phase 2 Bid Deadline.
21. Following the Phase 2 Bid Deadline, the Petitioner, in consultation with the Monitor, will assess the Phase 2 bids received. The Petitioner, in consultation with the Monitor, will designate the most competitive bids that comply with the foregoing requirements to be “**Qualified Bids**”. No Phase 2 bids received shall be deemed not to be Qualified Bids unless the Monitor so approves. Only Phase 2 Qualified Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).
22. The Monitor shall notify each Phase 2 Qualified Bidder in writing as to whether its bid constituted a Qualified Bid within three (3) business days of the Phase 2 Bid Deadline, or at such later time as the Petitioner and the Monitor, deem appropriate.
23. The Petitioner, may, in consultation with the Monitor, aggregate separate bids from unaffiliated Phase 2 Qualified Bidders (if, and only if, such aggregation is reasonably practicable to effect a transaction without overlap) to create one “Qualified Bid”.

#### **Selection of Successful Bid**

24. The Petitioner, in consultation with the Monitor, (a) will review and evaluate each Qualified Bid, provided that each Qualified Bid may be negotiated between the Petitioner, in consultation with the Monitor, and the applicable Phase 2 Qualified Bidder, and may be amended, modified or varied to improve such Phase 2 Qualified Bid as a result of such negotiations, and (b) identify the highest or otherwise best bid (the “**Successful Bid**”), and the Phase 2 Qualified Bidder making such Successful Bid, the “**Successful Bidder**”) for any particular Assets or the Petitioner, in whole or part. The Petitioner’s determination of any Successful Bid, with the assistance of the Monitor, shall be subject to approval by the Court.

#### **Sale Approval Motion Hearing**

25. At the hearing of the motion to approve any transaction with a Successful Bidder (the “**Sale Approval Motion**”), the Petitioner shall seek, among other things, approval from the Court to consummate any Successful Bid. All the Phase 2 Qualified Bids other than the Successful Bid, if any, shall be deemed rejected by the Petitioner on and as of the date of approval of the Successful Bid by the Court.

#### **Confidentiality, Stakeholder/Bidder Communication and Access to Information**

26. All discussions regarding an LOI, Sale Proposal or Investment Proposal must be directed through the Petitioner. Under no circumstances should any stakeholder of the Petitioner be contacted directly without the prior consent of the Petitioner. Any such unauthorized contact or communication could result in exclusion of the interested party from the SISF process.

27. Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Phase 1 Qualified Bidders, LOIs, Phase 2 Qualified Bidders, Phase 2 Qualified Bids, the details of any bids submitted or the details of any confidential discussions or correspondence between the Petitioner, the Monitor and such other bidders or Potential Bidders in connection with the SISP, except to the extent the Petitioner, with the approval of the Monitor and consent of the applicable participants, are seeking to combine separate bids from Phase 1 Qualified Bidders or Phase 2 Qualified Bidders.
28. The Petitioner, in consultation with the Monitor, may consult with the legal and financial advisers to parties with a material interest in the CCAA proceedings regarding the status of the SISP to the extent considered appropriate (subject to taking into account, among other things, whether any particular party is a Potential Bidder, Phase 1 Qualified Bidder, Phase 2 Qualified Bidder or other participant or prospective participant in the SISP or involved in a bid), provided that any such party has entered into confidentiality arrangements satisfactory to Petitioner.

### **Supervision of the SISP**

29. The Monitor will participate in the conduct of the SISP in the manner set out in this SISP Process Outline and the Initial Order and is entitled to receive all information in relation to the SISP. Ultimately, the Court will have the final word on approval of any Sale Proposals or Investment Proposals.
30. This SISP does not, and will not be interpreted to create any contractual or other legal relationship between the Petitioner and any Phase 1 Qualified Bidder, any Phase 2 Qualified Bidder or any other party, other than as specifically set forth in a definitive agreement that may be signed with the Petitioner.
31. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any LOI, Phase 2 bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.
32. The Petitioner shall have the right to modify the SISP (including, without limitation, pursuant to the Bid Process Letter) with the prior written approval of the Monitor if, in their reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP; provided that the Service List in this CCAA proceeding shall be advised of any substantive modification to the procedures set forth herein.

**Schedule "1"**

**Address for Submitting LOIs and Phase 2 Bids**

**Canadian Dehua International Mines Group Inc.**

202-2232 West 41st Avenue  
Vancouver, BC V6M 1Z8

Email: [Ins9168@hotmail.com](mailto:Ins9168@hotmail.com)  
Attn : Naishun Liu, Director

**with copies to:**

**DLA Piper (Canada) LLP**

Suite 2800, Park Place  
666 Burrard St  
Vancouver BC V6C 2Z7  
Canada

Fax: +1 604.605.4875  
Email: [colin.brousson@dlapiper.com](mailto:colin.brousson@dlapiper.com)  
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**FTI Consulting Canada Inc.**

700 West Georgia Street  
Vancouver, BC V7Y 1C7

Email: [Craig.Munro@fticonsulting.com](mailto:Craig.Munro@fticonsulting.com)  
Attn : Craig Munro, Managing Director

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.

PETITIONERS

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**ORDER MADE AFTER APPLICATION**

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CDB/day

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Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**  
**IN THE MATTER OF THE COMPANIES' CREDITORS**  
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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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**NOTICE OF APPLICATION**

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