



NO. S-224444
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF A PLAN OR COMPROMISE AND ARRANGEMENT OF
CANADIAN DEHUA INTERNATIONAL MINES GROUP INC.

THIRD REPORT OF THE MONITOR

AUGUST 16, 2022

INTRODUCTION AND PURPOSE

1. This report (“**Third Report**”) has been prepared by FTI Consulting Canada Inc. in its capacity as the court-appointed Monitor (the “**Monitor**”) of Canadian Dehua International Mines Group Inc. (“**CDI**” or the “**Company**”) by an order of the Supreme Court of British Columbia (the “**Court**”) pronounced June 3, 2022 (the “**Initial Order**”) pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985 c.36, as amended (the “**CCAA**”).
2. As detailed in the First Report, CDI was incorporated in British Columbia on December 29, 2004 in order to invest in and develop mining assets in British Columbia and other jurisdictions.
3. The Company is owned 50% by Mr. Naishun Liu (“**Mr. Liu**”) and 50% by his spouse, Mrs. Qubo Liu (“**Mrs. Liu**”). Mr. Liu is the sole director and officer of the Company.
4. The Company currently owns 100% of the shares of two mining projects and a service company:
 - (a) Wapiti Coking Coal Mines Corporation (“**Wapiti**”);
 - (b) Canada Dehua Drilling Ltd. (“**CDD**”); and
 - (c) Canadian Bullmoose Mines (“**CBM**”).
5. In addition to the above wholly owned companies, CDI has a partial ownership interest in the following mining companies:
 - (a) Canadian Kailuan Dehua Mines Co., Ltd. (“**CKD**”);
 - (b) Canadian Dehua Lvliang Corp. (“**CDLV**”) which holds a 40% interest in HD Mining International Ltd. (“**HD Mining**”); and
 - (c) Vancouver Island Iron Ore Corporation (“**VIIO**”).

6. Finally, the Company holds an interest in a mining project referred to as Iron Ross.
7. On April 6, 2022, China Shougang International Trade & Engineering Corporation (“**Shougang International**”) filed a petition for a bankruptcy order against CDI (the “**Bankruptcy Application**”).
8. In response to the Bankruptcy Application, on June 3, 2022 CDI sought and obtained a stay of proceedings which the Company deemed necessary to allow it the time to pursue an orderly transaction to divest some of its holdings in order to raise sufficient cash to address CDI’s liquidity issues, including the claim of Shougang International.
9. On June 9, 2022 CDI was granted an Amended and Restated Initial Order (the “**ARIO**”) which included an extension of its stay of proceedings to August 19, 2022.
10. On June 28, 2022 the Company sought and obtained the approval of a claims process (the “**Claims Process Order**”) which set a claims bar date of August 15, 2022.
11. The purpose of the Third Report of the Monitor is to provide this Honourable Court with an update on the following:
 - (a) The status of the Wapiti and CDLV transactions subsequent to the Second Report;
 - (b) The Company’s actual cash receipts and disbursements as compared to the cash flow projection included as Appendix B to the First Report;
 - (c) The status of the claims process; and
 - (d) The Monitor’s views on the relief being sought by the Company with respect to its CCAA proceedings.

12. The reports of the Monitor and other information in respect of these proceedings are posted on the Monitor's website at <http://cfcanada.fticonsulting.com/canadiandehuainternational>

TERMS OF REFERENCE

13. In preparing this report, the Monitor has relied upon unaudited financial information, other information available to the Monitor and, where appropriate, the Company's books and records and discussions with various parties (collectively, the "**Information**").
14. The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.
15. The Monitor has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
16. Future oriented financial information reported or relied on in preparing this report is based on assumptions regarding future events; actual results may vary from forecast and such variations may be material.
17. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

THE COMPANY'S ASSETS

18. As noted previously, the Company holds interests in several mining projects. Attached as Appendix A is a summary of the projects in which CDI holds an interest.
19. As indicated in the summary, the Company has made significant investments in several mining projects in the province of British Columbia with the majority of the investment funds being spent on consulting reports including geological, pre-feasibility and environmental studies.
20. The company has minimal physical assets.
21. Accordingly, the projects in which CDI has invested will require substantial further investment prior to the commencement of any commercial mining activity on any of the mine sites.
22. Given the further investment requirement and the state of the projects' development, it is expected that interested parties will want to perform substantive due diligence prior to making a proposal to acquire or invest in any of the Company's assets.

THE CKD INDEMNITY

23. One of CDI's investments is its 24% holding in Canadian Kailuan Dehua Mines Co., Ltd ("**CKD**").
24. The other shareholders in CKD are Shougang International Canada Investment Ltd., an affiliate of Shougang International (25%) and Canada Zhonghe Investment Ltd. ("**Zhonghe**") (51%).

25. CDI's contribution to the CKD joint venture was a mine site in northeastern BC referred to as the Gething Coal Project.
26. At the time of the formation of the CKD joint venture, CDI agreed to indemnify CKD for any losses it might suffer as a result of CDI's transfer of the Gething Coal Project to CKD (the "**CKD Indemnity Claim**").
27. Subsequent to the formation of the CKD joint venture, CKD registered a security interest over CDI's shares of CKD in support of the CKD Indemnity Claim, although CDI does not recognize CKD's security interest.
28. Although CKD was excluded from having to file a proof of claim pursuant to the Claims Process Order, its counsel was ordered by the Court to provide a copy of a report prepared by Ernst & Young relating to the potential quantum of the CKD Indemnity Claim (the "**EY Report**").
29. In accordance with the terms of the order, counsel to CKD provided the EY Report to counsel for each of the Monitor, the Company and Shougang International.
30. The original EY Report provided a detailed calculation of the potential quantum of the CKD Indemnity Claim.
31. In addition, counsel to CKD provided a second report prepared by a different tax advisor for the purpose of updating the EY Report, taking into account new tax rates since the issuance of the EY Report.
32. The reports were provided by CKD subject to keeping its content confidential.
33. Accordingly, the Monitor can provide the reports to the Court on a sealed basis if the Court wishes to review them, however as discussed in a subsequent section of this report the Monitor is of the view that it is unnecessary at this time for CKD to file a proof of claim.

THE WAPITI AND CDLV TRANSACTIONS

34. As detailed in the First Report and Second Report, the Company has been in discussions with potential purchasers seeking to acquire CDI's shares in Wapiti and CDLV.

Wapiti

35. Since the date of the Second Report, Mr. Liu has continued to pursue those discussions and as of July 29, 2022 travelled to China so that he could arrange in person meetings with those interested parties.
36. Subsequent to the date of the Second Report, three new parties (the "**New Parties**") contacted Mr. Liu expressing their interest in Wapiti; two based in China and the other based in Hong Kong.
37. Given the quarantine period required for entry into China, Mr. Liu was not able to conduct any in-person meetings until his release from quarantine which occurred recently.
38. Subsequent to his release from quarantine, he has held an in-person meeting with one of the New Parties and is arranging meetings with representatives of the other New Parties.
39. Mr. Liu is also setting up a meeting with representatives of the interested party noted in the First Report, and has arranged for the author of the feasibility report for the Wapiti mine to also be present at that meeting.

40. The Monitor is of the view that Mr. Liu’s trip to China is a positive development so that in-person meetings with interested parties may be held and that in conjunction with the Sale and Investor Solicitation Process (the “**SISP**”) discussed in a subsequent section of this report, appropriate steps are being taken by CDI with respect to securing a transaction for Wapiti.

CDLV

41. As indicated in previous reports, HD Mining is the company that owns the Murray River project. 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.
42. As a result of its majority ownership, a representative of Huiyong (the “**Advisor**”) has been in discussions with parties seeking to acquire Huiyongs’s shares of HD Mining.
43. There are currently two parties that have expressed an interest in acquiring the shares of HD Mining and these parties have been in discussions with the Advisor.
44. One of these parties has also contacted Mr. Liu about acquiring CDI’s shares in CDLV.
45. As indicated in the Second Report, the Advisor has retained the services of a China based consulting firm (the “**Consultant**”) to prepare an independent feasibility study of the Murray River project so that it can be provided to these interested parties as part of their due diligence (the “**Consultant’s Report**”).
46. Given that the Advisor has retained the services of the Consultant, CDI has no direct contact with the Consultant and is receiving all of its progress reports from the Advisor.

47. The Monitor requested that the Company contact the Advisor to determine the expected timing for the Consultant's report, however at the date of this report the Company has not been provided with an update.
48. Consistent with the Monitor's expectations, the discussions with the two potential purchasers have not advanced since the date of the Second Report. The Monitor would not expect substantive progress on the potential sale until the Consultant's Report is finalized.

PROJECTED CASH FLOW

49. The following summarizes the actual receipts and disbursements of the Company since the commencement of these proceedings to August 14, 2022:

Cash Flow Variance Analysis				
For Eleven Week period ending August 14, 2022				
(CAD thousands)	Actual	Forecast	Variance	Variance
			\$	%
Total Receipts	0	0	-	0 %
Disbursements				
Automobile Expenses	3	3	0	2 %
Bank Charges	0	0	0	116 %
Telephone and Communication	-	1	(1)	(100)%
Travelling Expenses	2	3	(1)	(25)%
Wage and Benefits	9	17	(9)	(51)%
Due Diligence Expenses	-	-	-	0 %
Professional	200	200	(0)	(0)%
Total Disbursements	<u>214</u>	<u>224</u>	<u>(10)</u>	<u>(5)%</u>
Net Change in Cash	(214)	(224)	10	(5)%
DIP Financing / (Repayments)	350	300	50	17 %
Opening Cash	-	-	-	0 %
Ending Cash	\$ 136	\$ 76	\$ 60	79 %

50. As indicated, the actual receipts and disbursements are consistent with the cash flow statement filed as Appendix B to the First Report.

51. Subsequent to the Second Report, there have been two additional drawdowns on the DIP Facility; each in the amount of \$100,000 resulting in total advances of \$350,000.
52. As at August 14, 2022, the Company held cash of approximately \$136,000.
53. The Company has paid the Monitor's fees up to the end of July 2022 and the Company's counsel's fees up to the end of June 2022. The Monitor's counsel was provided with a retainer in accordance with the Initial Order and accordingly the Administration Charge is expected to continue to be adequate.
54. Attached as Appendix B to this report is a cash flow statement prepared by the Company that extends to December 25, 2022.
55. The cash flow assumes the stay of proceedings being sought by the Company to December 1, 2022 is approved by this Honourable Court.
56. The cash flow statement indicates an additional cash need of \$470,000 which is proposed to be funded through an increase in the DIP Facility.
57. The Monitor understands that should the Court grant the extension of the stay of proceedings and approve the SISP being sought by the Company, Mrs. Liu is agreeable to providing the funding on the same terms and conditions as the DIP Facility for the continuation of these proceedings, with just the amendments necessary to the DIP Facility to reflect the revised total amount. A blackline version highlighting the revisions to the Amended DIP Facility is attached as Appendix C.
58. The Monitor contacted two third party DIP lenders on a no name basis to determine if either party would provide funding to CDI.
59. Consistent with the Monitor's expectations, both parties responded that they would not be able to structure a DIP loan to a company unless it had physical assets.

60. Accordingly, the Monitor recommends that should this Honourable Court grant the Company an extension of its current stay of proceedings, the DIP Facility and DIP Charge should be increased to provide the funding required to maintain the Company's operations and secure the continued support of its professionals to assist CDI through its CCAA proceedings.

THE CLAIMS PROCESS

61. As indicated previously, on June 28, 2022 the Company sought and obtained an order of this Court approving the commencement of a claims process.
62. In accordance with the terms of the Claims Process Order, the Monitor conducted the following:
- (a) On June 29, 2022 electronic copies of the Claims Package were posted to the Monitor's website;
 - (b) On June 30, 2022 the Monitor forwarded a Claims Package to each party that appeared on the service list or had requested a Claims Package as well as to all known creditors of the Company to the last known address of each creditor as indicated in CDI's books and records;
 - (c) Two of the known creditors were located in China, accordingly a copy of the Claims Package was forwarded by Fedex delivery to Shougang International and by registered mail to Feicheng Mining Co. ("**Feicheng**");
 - (d) As the Company had no email address for a contact person at Feicheng, the Monitor forwarded a copy of the Claims Package by electronic mail to Feicheng's general email address;
 - (e) On July 5, 2022 the Monitor caused the Notice to Creditors to be published in the Globe and Mail (National Edition); and

- (f) On July 8, 2022 a copy of the Claims Package was forwarded by electronic mail to the legal counsel for each of Shougang International and Zhonghe.
63. With respect to the claim of Feicheng, the Monitor also reviewed the Arbitration Order issued by the China International Economic and Trade Arbitration Commission and determined that WeiHeng Law had represented Feicheng in the arbitration process.
64. Accordingly, the Monitor obtained the email address for the Managing Partner of WeiHeng Law from its public website and forwarded a copy of the Claims Package to the Managing Partner.
65. As of the date of this report, the Monitor has received 8 proofs of claim in the approximate amount of \$83.4 million.
66. The Monitor, in conjunction with the Company is currently reviewing the claims that have been submitted. Based on preliminary discussions with the Company, the Monitor expects that some of these claims will be disputed by the Company.

THE SALE AND INVESTOR SOLICITATION PROCESS

67. As indicated previously, the Company is proposing to initiate a SISP intended to solicit interest in and opportunities for a sale of or investment in the Company's Wapiti project or CDI generally (the "**Opportunity**").
68. The Opportunity may include one or more of a recapitalization, arrangement or other form of investment in CDI, or a sale of all, substantially all or part of the Company's interest in Wapiti.
69. The SISP anticipates a two step approach commencing with a request for letters of interest (the "**LOI Phase**") with a subsequent process to identify a preferred transaction which would be subject to the approval of this Court.

70. An overview of the LOI Phase is summarized as follows:
- (a) Prior to August 23, 2022, the Company will prepare a Teaser Letter to be forwarded to parties already known to have an interest in Wapiti or to any party expressing its interest in the SISP either to the Company or the Monitor (“**Interested Party**”);
 - (b) Any Interested Party will be asked to sign a non-disclosure agreement which upon receipt will be provided access to an electronic data room containing copies of all relevant technical reports and other information;
 - (c) The Company in consultation with the Monitor will cause a notice of the SISP to be published in industry publications considered to be appropriate; and
 - (d) The Company’s counsel will draft an LOI template to be provided to all Interested Parties with a deadline for receipt of non-binding LOI’s set for November 18, 2022.
71. The Company, in consultation with the Monitor will review all LOI’s received and determine which Interested Parties will be selected to proceed to the second phase with a view of negotiating a binding offer.
72. The Company has provided the outline for the second phase of the SISP as detailed in the SISP Outline attached as Appendix C. However, the Company intends to seek the approval of this Court for the second phase of the SISP prior to December 1, 2022, should the Court grant an extension of its current stay of proceedings.
73. The Monitor has reviewed the SISP Outline and believes the process being proposed as well as the timeline for receipt of LOI’s is reasonable given the quantum of the investment required for developing the mine to an operational state and is consistent with SISP’s in other restructuring scenarios.

74. The SISP also provides for a fulsome marketing of the Wapiti asset for sale and allows for the recapitalization, arrangement or other form of investment in CDI generally and will maximize its exposure and potential recovery for all stakeholders.
75. As noted previously, the Company has minimal physical assets and accordingly any recovery for creditors is dependent on the success of securing a transaction for the Company's mining assets.
76. Mrs. Liu has agreed to fund these CCAA proceedings to date at very favourable terms and is prepared to continue to fund the SISP should the Court approve the extension of the Company's stay of proceedings and SISP.
77. As indicated in an earlier section of this report, the option for seeking third party funding appears unrealistic and to date there have been no alternative funding proposals suggested.
78. Although the Company's efforts to date have been viewed as appropriate, the Monitor is of the view that the SISP introduces an element of urgency to the process and the Company has essentially commenced a sale process by engaging with the New Parties.
79. Accordingly, the Monitor believes that the SISP provides the best chance for creditors and possibly shareholders, to achieve a payment of their claims without the risk for creditors providing their own funds to conduct a process.
80. The Monitor has discussed with the Company the possibility of selling some of its other assets in the SISP.

81. With respect to the shares of CDLV, the Company has expressed its reluctance to include it in the SISP at this time. However, it advised the Monitor that it might be prepared to specifically include these shares at a later date once the Consultant's Report has been completed.
82. The Company notes that Huiyong is in discussions with a potential purchaser regarding the sale of its 55% holding in HD Mining. Accordingly, CDI may be able to leverage a deal for the shares it owns through CDLV with the purchaser of Huiyong's interest.
83. The Monitor agrees that a transaction for HD Mining is unlikely to progress until the issuance of the Consultant's Report, but notes that it intends to follow up with the Company regarding the specific inclusion of CDI's shares of CDLV to be sold through the SISP once the report is completed. Further, the Monitor notes that the SISP does contemplate a potential investment in CDI generally.
84. With respect to CDI's shares in CKD, the CKD Indemnity Claim will need to be quantified in order for a purchaser to value CDI's shareholding.
85. Given the preliminary valuations being discussed for CDI's shares of CDLV and Wapiti, the Company does not want to commit the resources to the legal fees that would likely be required to resolve the CKD Indemnity Claim until such time as it is determined to be necessary.
86. The Monitor concurs with the Company's position and is of the view that the decision to include CDI's shares of CKD can be re-visited subsequent to the receipt of LOI's for Wapiti or other CDI investment pursuant to the SISP.
87. The balance of CDI's investments are in early stage exploration projects with limited potential to generate substantive interest or the funds necessary to address the Company's liquidity needs.

88. The Monitor is supportive of the SISP and believes that it strikes a balance between minimizing the costs associated with the Monitor's involvement and providing a process with reasonable timelines to identify a transaction with respect to the Wapiti project or other investment in CDI.
89. Accordingly, the Monitor recommends that this Honourable Court approve the SISP being proposed by the Company.

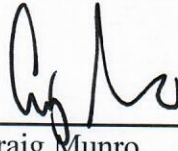
THE COMPANY'S REQUEST TO EXTEND THE STAY OF PROCEEDINGS

90. CDI is seeking an extension of the provisions of the ARIO, including the stay of proceedings, to December 1, 2022. Absent such extension, the stay will expire on August 4, 2022.
91. The Company is seeking an extension for the following reasons:
- (a) To provide the time required to conduct the LOI Phase of its proposed SISP;
 - (b) To review the claims filed in accordance with the Claims Process Order; and
 - (c) To provide time for the Company to hold discussions with its creditors regarding a possible plan of arrangement, with the assistance of the Monitor.
92. The Monitor has considered the tests that the Court must be satisfied with in order to grant an extension of the stay of proceedings to the Company, namely that:
- (a) The Company must be acting in good faith and with due diligence; and
 - (b) The Company satisfy the Court that the circumstances exist that make the order appropriate.

93. As indicated in this report, the Monitor is of the view that the proposed SISP provides creditors with the best chance of a recovery and as a result, the Company should be given time to conduct the LOI Phase which if successful may provide the resources necessary for the Company to make a viable proposal to its creditors.
94. The Monitor is also of the view that the Company is acting in good faith and with due diligence.
95. Accordingly, the Monitor supports the Company's request for an extension of the stay of proceedings to December 1, 2022.

All of which is respectfully submitted this 16th day of August, 2022.

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



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

APPENDIX A

Canadian Dehua International Mines Group Inc. ("CDI")
Project Assessment

Projects	Ownership	Location/Description	Total invested	Description of CAPEX	Status of mine
Wapiti	CDI owns 100% of Wapiti Coking Coal Mines Corporation ("Wapiti")	7,773 hectare site in northeastern BC; intended to produce coking coal	\$ 27,080,000	NI43-101 Technical Report; Detailed Geological Report; Pre-feasibility Study Report; 39 boreholes drilled (\$400k/each); Assessment of the samples obtained from the boreholes; Preliminary research and cooperation discussions held with respect to road and rail access; Water and air quality control monitoring equipment purchased and installed; \$510,333 in reclamation deposits posted	Estimate of \$1.2 billion to build out mine and commence production Next step for project: environmental assessment, apply for mine permit
Murray River	CDI owns 51% of Canadian Dehua Lvliang Corp. ("CDLV"), which owns 40% of HD Mining International Limited ("HD Mining") resulting in an indirect 20.4% holding in HD Mining	16,024 hectare site in northeastern BC; intended to produce coking coal	\$ 4,740,000	Obtained an Environmental Assessment Certificate; Obtained a labor permit; The main inclined shaft has been dug to the D coal seam; \$407,379 in reclamation deposits posted	Chinese Consulting firm working on Murray River technical report
Bullmoose	CDI owns 100% of Canadian Bullmoose Mines ("CBM")	5,761 hectare site in northeastern BC; intended to produce coking coal	\$ 8,065,000	Pre-feasibility study Report; Block Optimization Research Report; Geological Exploration Report; Detailed geological Report; \$222,960 in reclamation deposits posted	Next step of project: consultation with First Nation groups, feasibility assessment, environmental assessment
Iron Ross	CDI owns 100% of Iron Ross	495 hectare site on Vancouver Island;	\$ 740,000	Purchased mineral rights for the site to the for \$600,000; \$7,697 in reclamation deposits posted	Next step of project: consultation with First Nation groups, feasibility assessment, environmental assessment
Pacific Iron	CDI owns 100% of Vancouver Island Iron Ore Corporation ("VIO")	10,354 hectare site on Vancouver Island;	\$ 6,610,000	Preliminary Technical Report; Purchased right to the resources underground for \$5,310,000	Next step of project: consultation with First Nation groups, feasibility assessment, environmental assessment
CKD	CDI owns 24% of Canadian Kailuan Dehua Mines Co., Ltd. ("CKD")	22790 hectare site in northeastern BC; intended to produce coking coal	\$ 1,750,000	Obtained a large sample mine construction permit; Obtained a labor permit	
CDD	no project				
Total			\$ 48,985,000		

APPENDIX B

Canadian Dehua International Mines Group Inc.
Cash Flow Statement
For the 30-week period ending December 25, 2022

(CAD thousands)	Week Ending	Notes	Week 1 to	Week 12	Week 13	Week 14	Week 15	Week 16	Week 17	Week 18	Week 19	Week 20	Week 21	Week 22	Week 23	Week 24	Week 25	Week 26	Week 27	Week 28	Week 29	Week 30	Total
			Week 11	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
Total Receipts		[1]	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Disbursements																							
Automobile Expenses		[2]	(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3)
Bank Charges			(0)	-	-	(0)	-	-	-	(0)	-	-	-	-	(0)	-	-	-	(0)	-	-	(0)	(0)
Telephone and Communication		[3]	-	(1)	-	-	-	(0)	-	-	-	(0)	-	-	-	-	(0)	-	-	-	(0)	-	(3)
Travelling Expenses		[4]	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2)
Wages and Benefits		[5]	(9)	(9)	-	-	-	(9)	-	-	-	-	(9)	-	-	-	(9)	-	-	-	(9)	-	(52)
Due Diligence Expenses		[6]	-	-	-	-	-	-	-	-	-	-	-	-	-	(20)	(20)	-	-	-	-	-	(40)
Professional Fees		[7]	(200)	(16)	(100)	-	-	-	(100)	-	-	-	-	(100)	-	-	-	(100)	-	-	-	(100)	(716)
Total Disbursements			(214)	(26)	(100)	(0)	-	(9)	(100)	(0)	-	(9)	(100)	(0)	-	(29)	(120)	(0)	-	(9)	(100)	(816)	
Net Change in Cash			(214)	(26)	(100)	(0)	-	(9)	(100)	(0)	-	(9)	(100)	(0)	-	(29)	(120)	(0)	-	(9)	(100)	(816)	
DIP Financing / (Repayments)		[8]	350	-	-	-	-	170	-	-	100	-	-	-	100	-	-	-	100	-	-	-	820
Opening Cash		[9]	-	136	110	10	10	10	171	71	71	71	171	162	62	62	162	133	13	13	113	104	-
Ending Cash			\$ 136	\$ 110	\$ 10	\$ 10	\$ 10	\$ 171	\$ 71	\$ 71	\$ 71	\$ 171	\$ 162	\$ 62	\$ 62	\$ 162	\$ 133	\$ 13	\$ 13	\$ 113	\$ 104	\$ 4	\$ 4

Notes:

Management has prepared this Cash Flow Statement solely for the purposes of determining the liquidity requirements of the Company during the CCAA Proceedings. The Cash Flow Statement is based on the probable and hypothetical assumptions detailed below. Actual results will likely vary from performance projected and such variations may be material.

- [1] Canadian Dehua International Mines Group Inc. (CDI) or the "Company" are expected to have no operating revenue during the Forecast Period.
- [2] Automobile Expenses relate to car insurance for automobiles used by CDI.
- [3] Telephone and Communication relate to CDI's internet and telephone services, which is paid with Naishun Liu's credit card and reimbursed through CDI.
- [4] Travel Expenses relate to July 2022 annual site visit to Wapiti Project to collect environmental assessment data.
- [5] Wages and Benefits relate to the two CDI employees' monthly salaries, benefits and taxes. The employees include the General Manager responsible for operation and an employee responsible for external communication.
- [6] Due Diligence Expenses relate to site visits expenses with interested parties during the sales process.
- [7] Professional fees includes the Company's legal counsel, as well as the Monitor and Monitor's legal counsel.
- [8] The debtor sought Debtor-in-possession (DIP) financing for \$350,000 on June 9, 2022. Debtor's counsel will seek additional \$470,000 to fund the Company's costs during the Forecast Period.
- [9] CDI has paid the Monitor a retainer of \$50,000 to support the initial expenses in preparation for the CCAA Proceedings. The retainer has not been reflected in this cash flow.

APPENDIX C

AMENDED DIP COMMITMENT LETTER

Dated as of ~~June 8~~August 16, 2022

WHEREAS the Borrower (as defined below) have requested that the DIP Lender (as defined below) provide financing to fund certain of the Borrower’s obligations during the pendency of the Borrower’s proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”) in the Supreme Court of British Columbia (the “**Court**”) Vancouver Registry Action No. VLC-S-224444 and in accordance with the terms and conditions set out herein;

NOW THEREFORE, the parties, in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of such consideration is hereby acknowledged), agree as follows:

DEFINITIONS:	<p>Capitalized terms not otherwise defined herein shall have the following meanings:</p> <p>“Administration Charge” shall have the meaning ascribed to such term in the ARIO but in no event shall the amount secured by such charge exceed \$500,000, except with the written consent of the DIP Lender;</p> <p>“Business Day” means each day other than a Saturday or Sunday or a statutory or civic holiday in Vancouver, British Columbia;</p> <p>“Default” means an event which, with the giving notice and/or lapse of time would constitute an Event of Default (as defined herein);</p> <p>“DIP Fees and Expenses” means all reasonable and documented fees, including the disbursements and out-of-pocket expenses incurred by the DIP Lender (including reasonable and documented legal, consulting, advisor and other professional fees and expenses, on a full indemnity basis), in connection with the CCAA Proceedings, due diligence, negotiation and documenting of this DIP Commitment Letter, and the enforcement of the DIP Priority Charge.</p> <p>“DIP Obligations” means all obligations of the Borrower to the DIP Lender under or in connection with this DIP Commitment Letter, including all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the DIP Lender in any currency or remaining unpaid by the Borrower to the DIP Lender under or in connection with this DIP Commitment Letter.</p> <p>“Monitor” means FTI Consulting Canada Inc. in its capacity as Monitor of the Borrower.</p>
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DIP BORROWER:	Canadian Dehua International Mines Group Inc. (the “ Borrower ”).
DIP LENDER:	Qubo Liu
PURPOSE:	The proceeds of the DIP Advances (as defined below) shall be used for the purposes set forth in the Cash Flow Projections (as defined below).
COMMITMENT FEE	The DIP Lender does not require an initial commitment fee (the “ Commitment Fee ”).
DIP FACILITY, MAXIMUM AMOUNT AND COMMITMENTS:	A super-priority (debtor-in-possession) term credit facility (the “ DIP Facility ”) up to a principal amount of \$350,000 <u>\$820,000</u> comprised of a maximum commitment of \$350,000 <u>\$820,000</u> (the “ Maximum Commitment ”). All advances by the DIP Lender under the DIP Facility shall be made in increments of \$5,000 and shall be made to the Borrower and shall be referred to herein as “ DIP Advances ”, and each of which shall be individually referred to herein as a “ DIP Advance ”.
MATURITY DATE:	<p>All amounts owing to the DIP Lender under the DIP Facility shall be due and payable in full on the <u>earliest</u> of the occurrence of any of the following (such earliest date being the “Maturity Date”): (i) the date on which the DIP Lender demands repayment of the DIP Facility after the occurrence of an Event of Default (as defined below); (ii) the implementation of a plan of compromise or arrangement within the CCAA Proceedings, which has been approved by the requisite majorities of the Borrower’s respective creditors, by an order made by the Court, and by the DIP Lender; and (iii) the earlier of December 9<u>February 19, 2022</u>2023, or such other later date as may be communicated in writing by the DIP Lender at its sole and unfettered discretion.</p> <p>The commitment in respect of the DIP Facility shall expire on the Maturity Date and all amounts outstanding under or in connection with the DIP Facility shall be repaid in full by no later than the Maturity Date, without the DIP Lender being required to make demand upon the Borrower or to give notice that the DIP Facility has expired and the obligations hereunder are due and payable. The DIP Obligations under this DIP Commitment Letter shall not be fully and finally discharged, and the DIP Priority Charge shall not be released, until all DIP Obligations have been satisfied in full.</p>
INTEREST RATE:	There will be no interest charged on the DIP Facility.
PAYMENTS:	Subject to the terms herein, the Borrower may prepay in full, but not in part, without notice or penalty all amounts outstanding

	<p>under the DIP Facility at any time prior to the Maturity Date.</p> <p>Mandatory prepayments of outstanding DIP Advances and other DIP Obligations shall be required to be made by the Borrower in an amount equal to: (i) 100% of the net sale proceeds from sales of the Collateral (if any); and (ii) 100% of insurance proceeds and expropriation proceeds (if any) in respect of the Collateral (if any).</p>
APPLICATION OF PAYMENTS:	<p>All payments or prepayments on account of the DIP Facility shall be made by the Borrower to the DIP Lender in accordance with the terms herein, and such amounts shall be applied and/or allocated by the DIP Lender to the Borrower's indebtedness to the DIP Lender in its sole discretion, which allocation shall be provided by the DIP Lender to the Borrower and the Monitor on request.</p>
DIP SECURITY:	<p>All obligations of the Borrower under or in connection with the DIP Facility and this DIP Commitment Letter shall, subject to the provisions of this DIP Commitment Letter, be secured by a first-ranking super priority charge (the "DIP Priority Charge") in all of the now owned or hereafter acquired assets, properties and undertakings (collectively, the "Collateral") of each of the Borrower, real and personal, tangible or intangible (the "DIP Security"), subordinate only to the Administration Charge.</p> <p>For the avoidance of doubt, the Borrower hereby mortgage and charge to the DIP Lender, and grant to the DIP Lender a security interest in, and the DIP Lender takes a security interest in, all of the Borrower's right, title and interest in and to the Collateral which security interest is and shall be a general and continuing security for payment, performance and satisfaction of each and every obligation, indebtedness and liability of the Borrower to the DIP Lender, arising pursuant to or in connection with the DIP Facility, present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred, and any ultimate unpaid balance thereof, including all future advances and re-advances, and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether the Borrower be bound alone or with another or others and whether as principal or surety and such security interest shall be part of the DIP Security. The Borrower waives all rights to receive from the DIP Lender a copy of any financing statement, financing change statement or verification statement filed or issued, as the case may be, at any time in respect of the DIP Facility.</p>
DIP ADVANCES UNDER	<p>The Borrower may request a DIP Advance by providing notice to</p>

THE DIP FACILITY:	<p>the DIP Lender before 9:00 a.m. Pacific Time on the second Business Day prior to the date each DIP Advance is to be made. DIP Advances shall only be requested and made in increments of \$5,000.</p> <p>DIP Advances shall be paid to the Borrower and deposited into a bank account at a financial institution (the “Borrower’s Account”) and utilized by the Borrower in accordance with the terms of this DIP Commitment Letter. The Borrower’s Account shall be subject to the DIP Priority Charge. Each of the DIP Advances shall be a draw term loan and may not be re-borrowed once repaid.</p>
CONDITIONS PRECEDENT TO DIP ADVANCES:	<p>The DIP Lender’s agreement to make DIP Advances is subject to satisfaction of the following conditions precedent, as determined by the DIP Lender in its sole discretion (the “Conditions Precedent”):</p> <ol style="list-style-type: none"><li data-bbox="613 810 1404 1136">1. the Borrower’s application materials in connection with their application or ana <u>Second</u> Amended and Restated Initial Order (“<u>Second</u> ARIO” which for greater certainty shall include the DIP Order, as defined below), substantially in the form attached hereto as Schedule “A”, shall be satisfactory to the DIP Lender and such application shall be made on or before June 9 <u>August 19</u>, 2022 (the date on which the application is actually made being the “Application Date”);<li data-bbox="613 1167 1404 1308">2. the Court shall have issued the <u>Second</u> ARIO, which must be satisfactory to the DIP Lender, and which <u>Second</u> ARIO shall not have been amended, restated or modified without the consent of the DIP Lender;<li data-bbox="613 1339 1404 1917">3. the Court shall have issued and entered an order within three calendar days of the Application Date, in form and substance satisfactory to the DIP Lender, approving this DIP Commitment Letter and the DIP Facility, granting the DIP Priority Charge on the Collateral of the Borrower securing all obligations owing by the Borrower to the DIP Lender hereunder including, without limitation, all principal, interest and DIP Lender’s fees and expenses (the “DIP Order”) and such order shall not have been amended, restated or modified without the consent of the DIP Lender. Without limiting the foregoing, the DIP Order shall provide that the DIP Priority Charge shall have priority over all liens, charges, mortgages, encumbrances, hypothecs, and security interests of every kind and nature whatsoever granted by the Borrower or against the Collateral of the Borrower

	<p>(collectively, “Liens”) in form and substance satisfactory to the DIP Lender subject in priority only to the Administration Charge on the Collateral of the Borrower;</p> <ol style="list-style-type: none">4. the DIP Lender shall have received and approved an initial 13 week <u>a revised</u> cash flow projection <u>for the period of the stay extension in the Second ARIO</u> prepared by the Borrower with the assistance of the Monitor reflecting the Borrower’s projected cash requirements, the projected receivables and the projected disbursements of the Borrower, in each case calculated on a weekly basis, in form and substance, and containing such details as shall be, satisfactory to and approved by the DIP Lender attached as Schedule “B” (the “Cash Flow Projection”);5. following the first DIP Advance, the DIP Lender shall have received and approved updated Cash Flow Projections every four weeks, on a 13 week rolling basis, which approval will be granted provided that the Cash Flow Projections are not inconsistent with the previous Cash Flow Projections provided to the DIP Lender;6. the DIP Lender continues to be satisfied that there are no Liens ranking ahead of the DIP Security, except as provided for herein;7. the DIP Lender shall have received from the Borrower a drawdown certificate (the “Drawdown Certificate”) requesting a DIP Advance, with such drawdown certificate to be in substantially the form attached hereto as Schedule “C” and executed by the Borrower;8. the requested DIP Advance shall not, if advanced, cause the aggregate amount of all DIP Advances to exceed the Maximum Commitment;9. all DIP Fees and Expenses shall have been paid to the DIP Lender or will be paid from the proceeds of the requested DIP Advance;10. the Borrower shall be in compliance with all covenants hereunder;11. no Default or Event of Default shall have occurred and be continuing or would result from the making of any requested DIP Advance;12. for greater certainty, the DIP Lender shall not be
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	<p>obligated to make any DIP Advance unless and until all of the foregoing conditions have been satisfied at the time the DIP Advance is to be made.</p>
REPRESENTATIONS AND WARRANTIES:	<p>The Borrower hereby represents and warrants to the DIP Lender, upon which the DIP Lender relies in entering into this DIP Commitment Letter that:</p> <ol style="list-style-type: none">1. the transactions contemplated by this DIP Commitment Letter including the DIP Security:<ol style="list-style-type: none">(a) are within the powers of the Borrower;(b) have been duly authorized by all necessary corporate approval;(c) have been duly executed and delivered by or on behalf of the Borrower;(d) upon the granting of the DIP Order, constitute legal, valid and binding obligations of the Borrower, enforceable in accordance with their terms;(e) upon the granting of the DIP Order, do not require the consent or approval of, registration or filing with, or any other action by, any governmental authority, other than filings that may be made to register or otherwise record the DIP Security;(f) will not violate the charter documents or by-laws of the Borrower or any applicable law relating to the Borrower; and2. no Default or Event of Default has occurred and is continuing.
AFFIRMATIVE COVENANTS:	<p>The Borrower hereby covenants and agrees to, and the DIP Order shall:</p> <ol style="list-style-type: none">1. use the proceeds of the DIP Facility only for the purposes described herein in a manner consistent with the restrictions set out herein and the Cash Flow Projections;2. comply with the provisions of the Court orders made in connection with the CCAA Proceedings (collectively, the “Restructuring Court Orders” and each a “Restructuring Court Order”); provided that if any such Restructuring Court Order contravenes this DIP Commitment Letter or the DIP Facility Documentation in a manner detrimental to the DIP

	<p>Lender, the same shall be an Event of Default hereunder;</p> <ol style="list-style-type: none">3. duly and punctually pay or cause to be paid to the DIP Lender all amounts payable by it under this DIP Commitment Letter (including, without limitation, all DIP Fees and Expenses within five Business Days of receipt by the Borrower of a request for such payment from the DIP Lender);4. forthwith notify the DIP Lender of the occurrence of any Default or Event of Default, or Material Adverse Change or of any event or circumstance that may constitute an adverse change from the Cash Flow Projections; and5. take all actions necessary or available to defend the ARO, the DIP Order and any Restructuring Court Order from any appeal, reversal, modifications, amendment, stay or vacating not expressly consented to in advance by the DIP Lender;
REPORTING REQUIREMENTS:	<p>While any portion of the DIP Facility or any interest thereon remains outstanding, the Borrower shall provide to the DIP Lender an updated, rolling 13 week, Cash Flow Projections every four weeks following delivery of the initial Cash Flow Projections;</p>
NEGATIVE COVENANTS:	<p>The Borrower agrees not to do the following other than with the prior written consent of the DIP Lender:</p> <ol style="list-style-type: none">1. allow the transfer, lease or otherwise dispose of all or any part of its property, assets or undertaking over \$100,000 at any one time or through a series of related transactions, or more than \$1,000,000 in the aggregate, excluding transfers, leases and dispositions (a) in the ordinary course of business and (b) in accordance with any sale and investment solicitation process which might be approved in the CCAA;2. permit any new Liens to exist on any of its properties or assets other than the Administration Charge and Liens in favour of the DIP Lender as contemplated by this DIP Commitment Letter;3. create or permit to exist any other claim, administrative or otherwise, which is senior to or <i>pari passu</i> with the super priority claims of the DIP Lender, other than as provided in the Administration Charge;4. cease (or threaten to cease) to carry on their business or

	<p>activities as they are currently being conducted or change their operations or business practices without the prior approval of the DIP Lender;</p> <ol style="list-style-type: none">5. seek, or consent to the appointment of, a receiver or trustee in bankruptcy without the prior consent of the DIP Lender; or6. transfer the proceeds of any DIP Advance to any other account of any Borrower other than the Borrower's Account.
INDEMNITY:	<p>The Borrower agrees to indemnify and hold harmless, the DIP Lender from and against any and all actions, lawsuits, proceedings (including any investigations or inquires), claims, losses, damages, liabilities or expenses of any kind or nature whatsoever which may be incurred by or asserted against any of the DIP Lender as a result of, in connection with, or in any way related to credit having been extended, suspended or terminated under the DIP Facility, the proposed or actual use of proceeds of the DIP Facility, this DIP Commitment Letter, the CCAA Proceedings, or any bankruptcy or insolvency proceedings, upon demand, to pay and reimburse the DIP Lender for any reasonable legal or other out of pocket fees and expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding (including, without limitation, any inquiry or investigation) or claim (whether or not the DIP Lender is a party to such action or proceeding out of which such expenses arise).</p>
EVENTS OF DEFAULT:	<p>The occurrence of any one or more of the following events shall constitute an event of default (each, an “Event of Default”) under this Commitment Letter:</p> <ol style="list-style-type: none">1. the entry of an order (i) dismissing the CCAA Proceedings or lifting the stay in the CCAA Proceedings to permit the enforcement of any security against the Borrower or the Collateral, the appointment of a receiver, interim receiver or similar official, an assignment in bankruptcy, or the making of a bankruptcy order or receiving order against or in respect of the Borrower, (ii) granting any other claim super priority status or a lien equal or superior to that granted to the DIP Lender other than the Administration Charge, or (iii) staying, reversing, vacating or otherwise modifying this DIP Commitment Letter, any Court Order (including the ARIO and the DIP Priority Charge) or the entry of an order by the Court having the equivalent effect, without the prior written consent of the DIP Lender;2. the ARIO is vacated, stayed or otherwise caused to

	<p>become ineffective or is amended in a manner not acceptable to the DIP Lender (in its sole and absolute discretion);</p> <ol style="list-style-type: none">3. failure of the Borrower to pay amounts that come due under this DIP Commitment Letter due or under the DIP Facility;4. failure of the Borrower to perform or comply with any term, covenant or negative covenant in this DIP Commitment Letter;5. the Borrower ceases (or threatens to) to carry on business in the ordinary course, except where such cessation occurs in connection with a sale of all or substantially all of the assets of the Borrower or other restructuring or reorganization of the Borrower, which has been consented to by the DIP Lender and approved by the Court;6. any action or event after the date hereof (other than the issuance of the ARIO and DIP Order) has occurred which has resulted in, or may result in, a change, condition, event or occurrence, which, when considered individually or together with all other changes, conditions, events or occurrences, could reasonably be expected to have a material adverse effect on: (i) the condition (financial or otherwise), business, performance, prospects beyond the period covered by the Cash Flow Projections, (ii) the ability of the Borrower to carry on its business as presently conducted; (iii) the ability of the Borrower to timely and fully perform any of its obligations under this DIP Commitment Letter or any Court Order; or (iv) the Collateral; (any one of the above circumstances being a “Material Adverse Change”);7. unless consented to by the DIP Lender, the expiry without further extension of the stay of proceedings provided for in the ARIO;8. any representation or warranty made by the Borrower shall prove to have been incorrect or misleading in any material respect when made.
REMEDIES:	Upon the occurrence of an Event of Default, the DIP Lender may, subject to the ARIO, <u>as amended,</u> elect to (i) terminate, or reduce, the Maximum Commitment or the DIP Lender’s commitment to make DIP Advances and (ii) accelerate all amounts outstanding under the DIP Facility. In addition, upon the occurrence of an Event of Default, the DIP Lender may,

	<p>subject to the DIP Order:</p> <ol style="list-style-type: none">1. declare the obligations in respect of the DIP Facility Documentation to be immediately due and payable;2. apply to the Court (i) for the appointment of an interim receiver, a receiver or a receiver and manager of the undertaking, properties and assets of the Borrower, (ii) for the appointment of a trustee in bankruptcy of the Borrower or (iii) seek any other relief in its sole discretion;3. exercise the powers and rights of a secured party under the <i>Personal Property Security Act</i> (BC) or any other legislation of similar effect applicable to the DIP Security; and4. exercise all such other rights and remedies available to it at law or equity.
DIP LENDER APPROVALS:	All consents of the DIP Lender hereunder shall be in writing. Any consent, approval, instruction or other expression of the DIP Lender to be delivered in writing may be delivered by any written instrument, including by way of electronic mail.
CURRENCY:	Unless otherwise stated all monetary dominations shall be in Canadian dollars.
TAXES:	All payments by the Borrower to the DIP Lender, including any payments required to be made from and after the exercise of any remedies available to the DIP Lender upon an Event of Default, shall be made free and clear of, and without reduction for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any kind or nature whatsoever or any interest or penalties payable with respect thereto now or in the future imposed, levied, collected, withheld or assessed by any country or any political subdivision of any country (collectively " Taxes "); provided, however, that if any Taxes are required by applicable law to be withheld (" Withholding Taxes ") from any amount payable to the DIP Lender, the amount so payable to the DIP Lender shall be increased to the extent necessary to yield to the DIP Lender on a net basis after payment of all Withholding Taxes and the Borrower shall provide evidence satisfactory to the DIP Lender that the Taxes have been so withheld and remitted.
EVIDENCE OF INDEBTEDNESS:	The DIP Lender shall open and maintain accounts and records evidencing the DIP Advances. The DIP Lender's accounts and records constitute, in the absence of manifest error, <i>prima facie</i> evidence of the indebtedness of the Borrower to the DIP Lender

	pursuant to the DIP Facility.
FURTHER ASSURANCES:	The Borrower shall at their expense, from time to time do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) and things as the DIP Lender may reasonably request for the purpose of giving effect to this DIP Commitment Letter and the DIP Security.
ENTIRE AGREEMENT; CONFLICT:	This DIP Commitment Letter, including the schedules hereto and the DIP Facility Documentation, constitute the entire agreement between the parties relating to the subject matter hereof.
AMENDMENTS, WAIVERS, ETC.:	No waiver or delay on the part of the DIP Lender in exercising any right or privilege hereunder will operate as a waiver hereof or thereof unless made in writing and signed by an authorized officer of the DIP Lender.
ASSIGNMENT:	Neither this DIP Commitment Letter nor any right and obligation hereunder may be assigned by the Borrower without the prior written approval of the DIP Lender. The DIP Lender may assign its rights and obligations under this DIP Commitment Letter, in whole or in part, to any party without the prior written consent of the Borrower (subject to providing the Monitor with reasonable evidence that such assignee has the financial capacity to fulfill the obligations of the DIP Lender hereunder and, if necessary, approval of the Court).
TIME IS OF THE ESSENCE:	Time is of the essence in this DIP Commitment Letter and the time for performance of the obligations of the Borrower may be strictly enforced by the DIP Lender.
SEVERABILITY:	Any provision in the DIP Commitment Letter which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.
COUNTERPARTS AND FACSIMILE SIGNATURES:	This DIP Commitment Letter may be executed in any number of counterparts and may be transmitted by facsimile or other electronic transmission, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument. Any party may execute this DIP Commitment Letter by signing any counterpart of it.

GOVERNING LAW AND JURISDICTION:	This DIP Commitment Letter shall be governed by, and construed in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein. Each of the parties irrevocably submits to the exclusive jurisdiction of the Court, waives any objections on the ground of venue or forum <i>non conveniens</i> or any similar grounds, and consents to service of process by mail or in any other manner permitted by relevant law.
NOTICES	<p>All notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by electronic mail to the addresses specified below. Any party hereto may change its address or electronic mail address for notices and other communications hereunder by notice to the other parties hereto.</p> <p>If to the Lender:</p> <p>Qubo Liu 3577 West 34th Avenue Vancouver, BC V6N 2K7</p> <p>Attention: Qubo Liu Email: lqb9168@gmail.com</p> <p>If to the Borrower:</p> <p>Canadian Dehua International Mines Group Inc. 202-2232 West 41st Avenue Vancouver, BC V6M 1Z8</p> <p>Attention: Naishun Liu Email: lns9168@hotmail.com</p> <p>with a copy to the Borrower's counsel</p> <p>DLA Piper (Canada) LLP 2800 Park Place 666 Burrard Street Vancouver, BC V6C 2Z7</p> <p>Attention: Colin D. Brousson Email: colin.brousson@dlapiper.com</p> <p>and with a copy to the Monitor:</p> <p>FTI Consulting Canada Inc. 701 West Georgia Street Suite 1450, PO Box 10089 Vancouver, BC V7Y 1B6</p>

	Attention: Craig Munro Email: Craig.Munro@fticonsulting.com
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[The remainder of this page is intentionally left blank.]

IN WITNESS HEREOF, the parties hereby execute this DIP Commitment Letter as at the date first above mentioned.

DIP Lender

Name: _____
QUBO LIU

Canadian Dehua International Mines Group Inc.

Per: _____

Name: NAISHUN LIU

Title: DIRECTOR

I have the authority to bind the corporation

SCHEDULE "A"

DRAFT ARIO

(See Attached)

SCHEDULE "B"
INITIAL CASH FLOW PROJECTIONS

(See Attached)

SCHEDULE "C"

DRAWDOWN CERTIFICATE

TO: Qubo Liu
(the "DIP Lender")

Attention: Qubo Liu
Email: lqb9168@gmail.com

FROM: Canadian Dehua International Mines Group Inc. (, the "Borrower")

DATE: <*>

RE: Drawdown Certificate No. <*>

This Drawdown Certificate is delivered to you, as DIP Lender, pursuant to the DIP Commitment Letter dated as of <*>, 2020 (as amended, restated, modified, supplemented or replaced from time to time, the "DIP Commitment Letter") between the Borrower, as borrower, the DIP Lender as lender. Capitalized terms used but not defined herein shall have the meanings given to them in DIP Commitment Letter.

1. The Borrower hereby requests a DIP Advance on the terms set out below.
2. The drawdown date shall be <*> (the "Drawdown Date"). [a date not earlier than two (2) Business Days from the date this Drawdown Certificate is submitted to the DIP Lender for review]
3. The principal amount of the requested DIP Advance is \$<*> [DIP Advances must be in increments of \$5,000].
4. The undersigned, being the Director of the Borrower, and not in his personal capacity and without liability, do hereby certify that:
 - (a) All of the conditions precedent to a DIP Advance that have not been waived in writing by or on behalf of the DIP Lender have been satisfied.
 - (b) No Default or Event of Default has occurred and is continuing or which would constitute an Event of Default with the giving of notice or lapse of time or both, or will result from the DIP Advance requested hereby.
 - (c) The requested DIP Advance is within the cash flow requirements identified in the applicable Cash Flow Projections and will not result in outstanding DIP Obligations in excess of the DIP Commitment.

The information contained herein is for the benefit of the DIP Lender and may be relied upon for the purposes of making DIP Advances pursuant to the terms of the DIP Commitment Letter.

IN WITNESS WHEREOF, each of the undersigned has duly executed this Drawdown Certificate as of the first date written above.

Canadian Dehua International Mines Group Inc.

Per: _____
Name: _____
Title: _____

I have the authority to bind the corporation

This Drawdown Certificate if approved by the Monitor

FTI Consulting Canada Inc. in its capacity as Monitor

Per: _____
Name: _____
Title: _____

I have the authority to bind the Monitor

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Document comparison by Workshare 10.0 on Tuesday, August 16, 2022
 10:29:40 AM

Input:	
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Document 2 ID	iManage://LOCALDMS/FirmDocs/41438551/2
Description	#41438551v2<FirmDocs> - AMENDED DIP Commitment Letter
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
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Deletions	9
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Style change	0
Format changed	0
Total changes	23