



This is the 1st affidavit of Wen-Shih Yang in this case and was made on March 7, 2023.

No. S-224444
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

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

PETITIONER

AFFIDAVIT

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

1. I am a legal administrative assistant employed by DLA Piper (Canada) LLP, counsel for the petitioner, Canadian Dehua International Mines Group Inc., in this action, and therefore have personal knowledge of the matters herein after deposed to, except where stated to be based on information and believe, and where so stated I do verily believe the same to be true.
2. Attached hereto and marked as **Exhibit "A"** is a true copy of an email from Naishun Liu dated March 7, 2023.

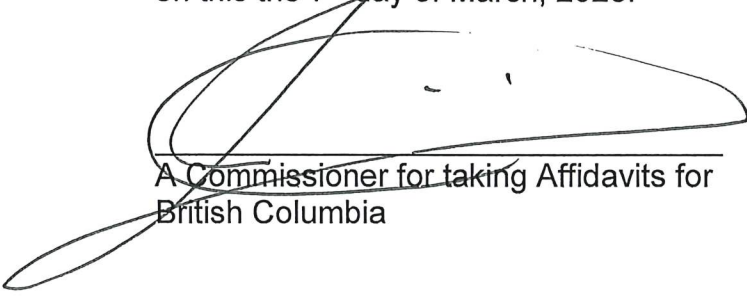
SWORN BEFORE ME at Vancouver,
British Columbia, on March 7, 2023

A Commissioner for taking Affidavits for
British Columbia.

WEN-SHIH YANG

JEFFREY BRADSHAW
Barrister & Solicitor
DLA Piper (Canada) LLP
666 Burrard Street, Suite 2800
Vancouver, BC V6C 2Z7
604.643.2941

This is **Exhibit "A"** referred to in the Affidavit of Wen-Shih Yang sworn before me at Vancouver, British Columbia on this the 7th day of March, 2023.



A Commissioner for taking Affidavits for
British Columbia

Yang, Dannis

From: 刘乃顺 <Ins9168@hotmail.com>
Sent: Tuesday, March 07, 2023 2:10 PM
To: He, Weiguo (William); Brousson, Colin; jeff; Yang, Dannis; Chun, Daisy
Subject: [EXTERNAL] "Some Developments"

DLA Piper (Canada) LLP ALERT: This is an external email. Do not click links or open attachments unless you recognize the sender's email address and know the content is safe.

Good afternoon,

I have been in China, acting on behalf of the Petitioner, to solicit interest in the Petitioner's assets in accordance with the sales process. My efforts have resulted in fruitful negotiations with one potential purchaser who is coming to Canada to perform confirmatory due diligence. This is the same party that we disclosed at the last hearing. Through our discussions, we have also received interest from a steel company who is interested in building a relationship with the potential purchaser for the materials produced from the mine. They are also coming to Canada at the same time to perform due diligence with the potential purchaser of 60% of the Petitioner's interest in the mine project.

While we had hoped that the due diligence would be conducted in December or January, there were a number of delays (including Covid lockdowns in China and the national holidays) and the visas were only obtained by the representatives of the potential purchaser in the last week of February. Everyone is working towards a trip to British Columbia before the end of March. We have also requested time with the ministry during the time that the potential purchaser is in British Columbia and have forwarded that correspondence to the Monitor to include in their report.

Assuming that the trip is able to be completed on the timeline we hope, we expect to be able to move to definitive documents quite quickly following the end of the due diligence, and the Petitioner has instructed counsel to start drafting definitive documents so that can be accomplished. The Petitioner is requesting that the stay be extended to permit the current activity towards a deal to continue. The Monitor has confirmed that the cash on hand will be sufficient to continue the restructuring through to the end of the requested stay extension and we are not seeking an increase in the interim financing facility or the related charge at this time.

For certainty, the Petitioner will continue to solicit interest and pursue any viable offer from potential purchasers according to the modified sales process and we are of the opinion that this deal, as currently proceeding, is the most efficient method of reaching a payout or plan and a successful exit from the CCAA proceedings.

I am willing to swear this in an affidavit to the above but unfortunately, given the difficulties of having one sworn in time for the hearing, and given the very recent developments, I ask that you bring this email to the attention of the Court. Thank you.

Respectfully,
Naishun Liu

No. S-224444
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AFFIDAVIT

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File No.: 080762-00014

JDB/day