



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.**

**ELEVENTH REPORT OF THE MONITOR**

**March 14, 2024**

## INTRODUCTION AND PURPOSE

1. This report (“**Eleventh 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:
  - (a) CDI was incorporated in British Columbia on December 29, 2004;
  - (b) The Company is owned 50% by Mr. Naishun Liu (“**Mr. Liu**”) and 50% by his spouse, Mrs. Qubo Liu (“**Mrs. Liu**”);
  - (c) Mr. Liu is the sole director and officer of the Company;
  - (d) The Company currently owns 100% of the shares of two mining projects and a drilling company, namely Wapiti Coking Coal Mines Corporation (“**Wapiti**”), Canadian Bullmoose Mines (“**CBM**”) and Canada Dehua Drilling Ltd. (“**CDD**”);
  - (e) CDI has a partial ownership interest in the following companies:
    - i. Canadian Kailuan Dehua Mines Co., Ltd. (“**CKD**”);
    - ii. Canadian Dehua Lvliang Corp. (“**CDLV**”) which holds a 40% interest in HD Mining International Ltd. (“**HD Mining**”);
    - iii. Vancouver Island Iron Ore Corporation (“**VIIO**”); and
    - iv. An interest in a mining project referred to as Iron Ross.

3. On April 6, 2022, China Shougang International Trade & Engineering Corporation (“**Shougang International**”) filed a petition for a bankruptcy order against CDI (the “**Bankruptcy Application**”).
4. In response to the Bankruptcy Application, on June 3, 2022, CDI sought and obtained a stay of proceedings pursuant to the provisions of the CCAA.
5. 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, as well as approving a Debtor-in-possession loan facility (the “**DIP Loan**”) in an amount not to exceed \$350,000.
6. The ARIO also granted a charge for the DIP Loan (the “**DIP Lender’s Charge**”) against the assets of the Company subordinate only to the Administration Charge.
7. 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.
8. On August 18, 2022, the Company sought and obtained an order approving a Sales and Investment Solicitation Process (the “**SISP Order**”).
9. In addition, on August 18, 2022, the Company was granted a Second Amended and Restated Initial Order (the “**SARIO**”) which included an extension of its stay of proceedings to December 1, 2022, in addition to increasing the approved amount of the DIP Loan and DIP Lender’s Charge to \$820,000.
10. On November 30, 2022, the Company was granted a Third Amended and Restated Initial Order (the “**TARIO**”) which included an extension of its stay of proceedings to March 17, 2023, in addition to increasing the approved amount of the DIP Loan and DIP Lender’s Charge to \$1,090,000.



11. On November 30, 2022, the Company was also granted a Modified Sales and Investment Solicitation Process (the “**Modified SISP Order**”). The Modified SISP Order expanded the company’s sale process by including its shares of the Bullmoose Project and its shares of the Murray River Project.
12. On March 9, 2023, the Company was granted a Fourth Amended and Restated Initial Order (the “**Fourth ARIO**”) which included an extension of its stay of proceedings to June 23, 2023.
13. On June 15, 2023, the Company was granted a Fifth Amended and Restated Initial Order (the “**Fifth ARIO**”) which included an extension of its stay of proceedings to September 15, 2023, in addition to increasing the amount of the approved DIP Loan and DIP Lender’s Charge to \$1,390,000.
14. On September 11, 2023, the Company was granted a Sixth Amended and Restated Initial Order (the “**Sixth ARIO**”) which included an extension of its stay of proceedings to November 17, 2023.
15. On November 14, 2023, the Company sought and was granted an extension of its stay of proceedings to December 8, 2023.
16. On December 5, 2023, the Company sought and was granted an extension of its stay of proceedings to January 19, 2024.
17. On January 17, 2024, the Company sought and was granted an extension of its stay of proceedings to March 19, 2024 in addition to an increase in the amount of the approved DIP Loan and DIP Lender’s Charge to \$1,680,000.
18. The purpose of the Eleventh Report of the Monitor is to provide this Honourable Court with an update on the following:
  - (a) The status of the Company’s sales and investment solicitation process;

- (b) The Company's actual cash receipts and disbursements as compared to a forecast prepared by the Company and attached as Appendix C to the Monitor's Ninth Report;
- (c) The Company's cash flow forecast for the period of the extension of the stay of proceedings being sought by the Company; and
- (d) The Monitor's views on the relief being sought by the Company with respect to its CCAA proceedings.

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**

- 19. 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**").
- 20. 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.
- 21. 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.
- 22. 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.
- 23. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.



## THE STATUS OF THE AMENDED SISP

### The Potential Purchaser

24. As indicated in the Tenth Report, on January 29, 2024 a call with the Chairman of the Board of the Potential Purchaser (the “**Chairman**”) was set up with representatives of the Company and a mandarin speaking representative of the Monitor.
25. The Chairman confirmed that he had been advised of CDI’s insolvency proceeding and confirmed the Potential Purchaser’s interest in acquiring both of the Wapiti and Murray River mining projects.
26. The Chairman advised that due to the size of the capital commitment that is required subsequent to either acquisition in order to get the mining projects to commercial production, it was seeking to partner with a Hong Kong based company.
27. The Chairman noted that its proposed Hong Kong based partner was intending to seek a resolution of its board to pursue the partnership with the Potential Purchaser, however due to the Chinese New Year holiday that meeting was not scheduled to take place until March 2024.
28. As at the date of this report, the Monitor is unaware of any further developments with respect to the Potential Purchaser or the outcome of its proposed partnership with the Hong Kong based company.
29. The Chairman also confirmed his understanding that the Company was not committed to the Potential Purchaser and that CDI was holding discussions with other parties.

## The HD Mining Potential Purchaser

30. As indicated in the Tenth Report, another potential purchaser has emerged with respect to CDI's indirect interest in HD Mining International Limited ("**HD Mining**") (owner of the Murray River mining project). The potential purchaser (the "**HD Mining Potential Purchaser**") is also a China based company and interested in acquiring all of the shares of HD Mining.
31. HD Mining is 55% owned by Huiyong Holdings (BC) Ltd. ("**Huiyong**"), 40% owned by CDLV (which is 51% owned by CDI) and 5% owned by Staray Capital Limited (a Hong Kong based company).
32. The Monitor has received a certified English translated copy of an Equity Transfer Framework Agreement (the "**Framework**") which was prepared by in-house legal counsel for Huiyong's parent company in Beijing. The Framework was signed in China on February 28, 2024 by the HD Mining Potential Purchaser, Huiyong and CDLV.
33. The Framework outlines the proposed terms of an agreement to be negotiated as between the HD Mining Potential Purchaser, Huiyong and CDLV.
34. The significant terms of the Framework are as follows:
  - (a) CDLV would receive US\$220 million for its 40% interest in HD Mining;
  - (b) The definitive agreements would be negotiated with the support of Canadian legal counsel;
  - (c) Closing of the transaction would occur within three months from the date of the Framework; and
  - (d) Within 16 business days from the date of finalizing the Framework (expected to be no later than March 26, 2024), the HD Mining Purchaser would provide a deposit of RMB40 million (approximate \$7.5 million) to an account designated by CDLV.



35. If consummated, this would equate to an allocation to CDI of approximately US\$112 million prior to any income taxes payable.
36. Accordingly, the closing of this transaction could substantively address CDI's liquidity issue and form the basis of a plan of arrangement to its creditors.
37. Although the Monitor has not seen any documentation regarding CDLV's deposit, the Monitor has been advised that CDI's portion of the deposit (approximately RMB20 million) is intended to be held by Beijing Shuailing Trading Co., Ltd. ("BSTC").
38. The Monitor understands that BSTC is owned and controlled by two shareholders; Fushun Liu (Naishun Liu's younger brother) and Yunmao Liu (Qubo Liu's younger brother). Fushun Liu is the legal representative entitled to sign agreements on behalf of BSTC.
39. The Monitor has advised the Company that it would expect to be provided with a copy of a formal trust agreement as between CDI and BTSC prior to the receipt of the deposit.
40. The Monitor notes that the Framework is subject to confidentiality as terms are still being worked out as between the HD Mining Purchaser and Staray Capital Limited.
41. Accordingly, the Monitor has not attached a copy of the translated Framework to this report. However, should this Honourable Court wish to review a copy the Monitor would be pleased to provide one in a sealed supplemental report.



## PROJECTED CASH FLOW

42. The following summarizes the actual receipts and disbursements of the Company since the commencement of these proceedings to March 10, 2024:

<b>Cash Flow Variance Analysis</b>			
<b>For Ninety-three week period ending March 10, 2024</b>			
<i>(CAD thousands)</i>	<b>Actual</b>	<b>Forecast</b>	<b>Variance</b>
			<b>\$</b>
<b>Receipts</b>			
Other	1	1	-
<b>Total Receipts</b>	<u>1</u>	<u>1</u>	<u>-</u>
<b>Disbursements</b>			
Licence Fees	203	226	(23)
Automobile Expenses	7	7	-
Bank Charges	0	1	(0)
Supplies	0	0	-
Telephone and Communication	-	-	-
Travelling Expenses	2	4	(2)
Taxes	-	-	-
Interest Expenses	-	-	-
Wages and Benefits	60	60	-
Due Diligence Expenses	12	62	(50)
Professional fees	900	1,124	(224)
<b>Total Disbursements</b>	<u>1,184</u>	<u>1,483</u>	<u>(299)</u>
<b>Net Change in Cash</b>	(1,184)	(1,483)	299
<b>DIP Financing / (Repayments)</b>	1,184	1,640	(456)
<b>Opening Cash</b>	-	-	-
<b>Ending Cash</b>	<u>\$ 1</u>	<u>157</u>	<u>\$ (157)</u>

43. The variances noted are the result of comparing the actual receipts and disbursements against the Company's forecast that was attached to the Ninth Report of the Monitor (the "**January Forecast**").
44. The Monitor notes that the positive variances to the January Forecast are primarily timing differences that are expected to reverse during the Stay Extension Period. The Monitor notes that Mrs. Liu has been in Hong Kong for most of the past two months and accordingly has not been able to transfer funds into the CDI account in order to make payments.

45. As a result of the positive variances, the Company has only drawn \$1,184,291 of funding against an approved DIP Loan of \$1,680,000.
46. As at March 10, 2024, the Company held cash of approximately \$1,000.
47. The Monitor notes that professional fees in the aggregate amount of approximately \$180,000 are currently outstanding. The Monitor has spoken with Mrs. Liu about bringing the professional fees current which she has agreed to prioritize.
48. Accordingly, the Administration Charge is expected to continue to be adequate.
49. Attached as Appendix A to this report is a cash flow statement prepared by the Company that extends to April 14, 2024.
50. The cash flow assumes the stay of proceedings being sought by the Company to April 19, 2024 (the “**Stay Extension Period**”), is approved by this Honourable Court.
51. The cash flow statement indicates that the current amount of the approved DIP Loan is adequate for the Stay Extension Period and accordingly no additional funding is required.

## **THE CLAIMS PROCESS**

52. The Monitor has been advised by the Company’s counsel that no further work has been expended on the resolution of claims.
53. The Company’s counsel has indicated that it does not intend to until a definitive agreement of purchase and sale has been entered into for either of the Wapiti shares or HD Mining shares held by CDI.
54. The Monitor is of the view that this is prudent given the limited financial resources of the Company.



## THE LETTER FROM WEST MOBERLY FIRST NATIONS

55. Attached as Appendix B, is a copy of a letter forwarded to the Monitor by Chief Roland Willson of the West Moberly First Nations (“WMFN”).
56. The letter indicates that WMFN would oppose any development of the Wapiti project or CDI’s other coal assets.
57. The Monitor notes that the letter does not request a response. The letter was forwarded by the Monitor to the Company’s legal counsel.
58. The Monitor is advised by the Company and its legal counsel that they do not agree with the assertions made in the letter and they will deal with it at the time a definitive agreement of purchase and sale is achieved.
59. The Monitor has also been provided with copies of correspondence from other First Nations supporting CDI’s projects.

## THE MONITOR'S VIEWS ON THE RELIEF BEING SOUGHT

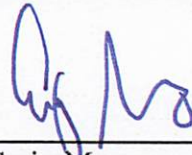
60. The Monitor understands that the Company is seeking to extend the stay of proceedings to April 19, 2024.
61. Absent an extension, the stay of proceedings would expire on March 19, 2024.
62. The Monitor has considered the tests that the Court must be satisfied with in order to grant an extension of 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 circumstances exist that make the order appropriate.
63. The Monitor is of the view that the Company is acting in good faith and with due diligence.
64. As noted in previous reports of the Monitor, the Monitor is of the view that the only path to a recovery by the Company's unsecured creditors is through the sale of one or more of CDI's assets.
65. The Company's shareholder is providing the funding necessary for the restructuring proceedings on very favourable terms which in the Monitor's view stands as a testament to the shareholder's belief that a transaction will be consummated to underwrite a plan of arrangement to the Company's creditors.
66. The Monitor advises that although the Company wanted to seek a longer stay extension, it agreed to a shorter one to allow the Monitor to verify the receipt of the deposit from the HD Mining Purchaser, at which time the Monitor believes a longer extension would be warranted to negotiate a binding agreement of purchase and sale.



67. Accordingly, the Monitor supports the Company's request for an extension of the stay of proceedings to April 19, 2024.

All of which is respectfully submitted this 14<sup>th</sup> day of March, 2024.

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



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

# APPENDIX A



**Canadian Dehua International Mines Group Inc.**  
Cash Flow Statement  
For the 98-week period ending April 14, 2024

(CAD thousands)	Week Ending	Notes	Week 1 to	Week 94	Week 95	Week 96	Week 97	Week 98	Total
			Week 93	Forecast	Forecast	Forecast	Forecast	Forecast	
			Actual	17-Mar	24-Mar	31-Mar	7-Apr	14-Apr	
<b>Receipts</b>									
Other		[1]	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1
<b>Total Receipts</b>			<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>
<b>Disbursements</b>									
Licence Fees		[2]	(203)	-	-	-	-	-	(203)
Automobile Expenses		[3]	(7)	-	-	-	-	-	(7)
Bank Charges			(0)	-	-	-	-	-	(1)
Travelling Expenses		[4]	(2)	-	-	-	-	-	(2)
Wages and Benefits		[5]	(60)	-	-	-	-	-	(60)
Due Diligence Expenses		[6]	(12)	-	-	-	-	-	(12)
Professional Fees		[7]	(900)	(180)	-	-	(40)	-	(1,119)
<b>Total Disbursements</b>			<b>(1,184)</b>	<b>(180)</b>	<b>-</b>	<b>-</b>	<b>(40)</b>	<b>-</b>	<b>(1,404)</b>
<b>Net Change in Cash</b>			<b>(1,184)</b>	<b>(180)</b>	<b>-</b>	<b>-</b>	<b>(40)</b>	<b>-</b>	<b>(1,403)</b>
DIP Financing / (Repayments)		[7]	1,184	180	-	-	40	-	1,404
<b>Opening Cash</b>		[8]	<b>-</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>-</b>
<b>Ending Cash</b>			<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 1</b>

Qubo Liu, Chief Financial Officer  
Canadian Dehua International Mines Group Inc.

**Notes:**

Management has prepared this Cash Flow Statement solely for the purposes of determining the liquidity requirements of the Company during the CCAA. 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") is not expected to have any operating revenue during the CCAA Proceedings.
- [2] Licence Fees relate to the renewal of nine mining licenses related to the Bullmoose Project
- [3] Automobile Expenses relate to car insurance for CDI's automobiles
- [4] Travelling Expenses relate to August 2022 and 2023 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 operations and an employee responsible for external communication. Mr. Liu confirmed that payments were made up to January 2023. Both employees have agreed that the remaining accumulating salaries will be paid after the CCAA proceedings, therefore wages have been removed from the forecast.
- [6] Due Diligence Expenses relate to site visit expenses to accompany interested parties for site visits.
- [7] Professional fees include the Company's legal counsel, as well as the Monitor and Monitor's legal counsel. The aggregate amount of professional fee outstanding is \$179,661, with \$120,583 for the Company's legal counsel, \$41,958 for the Monitor and \$17,120 for the Monitor's legal counsel.
- [8] Total approved Debtor-in-possession ("DIP") financing amount is \$1,680,000 with \$1,184,291.10 withdrawn to date. As limited activities are occurring, the Monitor expects the remaining DIP loan will be enough to cover the extension to April 14, 2024.
- [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 B





**WEST MOBERLY FIRST NATIONS**



Post Office Box 90, Moberly Lake, British Columbia, V0C 1X0

[中文翻译如下 Chinese Translation Follows]

September 30, 2023

Craig Munro  
Managing Director  
FTI Consulting Canada Inc.

Dear Mr. Munro, Je aa haanach'e,

**Re: Sale of Assets of Canadian Dehua International Mines Group Inc.**

I am the Chief of West Moberly First Nations, an indigenous government in north-east British Columbia ("**West Moberly**"). I represent my people of Dunne-za and Cree heritage who have lived in this area since time immemorial. We are holders of inherent rights and rights recognized by Treaty No. 8 with Canada, and stewards of our lands and waters. I am writing to you, the court-appointed monitor of Canadian Dehua International Mines Group Inc. ("**CDI**"), to provide information to a potential commercial acquiror of the assets of CDI as well as the Court as it determines how to deal with CDI in proceedings pursuant to the *Companies Creditors Arrangement Act*.

***West Moberly is opposed to the development of CDI's coal assets.***

For decades West Moberly has sought to protect its way of life from the unreasonable encroachment of industrial development. In 2020 we entered into the *Intergovernmental Partnership Agreement for the Conservation of the Central Group of the Southern Mountain Caribou*, along with the governments of British Columbia and Canada, which imposed significant restrictions on coal mining in our territory. In addition, the 2021 decision of the British Columbia Supreme Court in *Yahey v. British Columbia* held that, in light of the Treaty rights of First Nations and the cumulative effects of existing development, further natural resources development in our region cannot be carried out without our consent. British Columbia's formal adoption of the United Nations Declaration on the Rights of Indigenous Peoples has further established our rights into law. Another British Columbia Supreme Court decision earlier this week clarified that First Nations must be consulted before any mineral claims are staked in their territories.

All of the above developments make clear that there can be no mining for coal in our traditional territory without our free, prior and informed consent. The coal mining assets held by CDI, including the interests held in the Wapiti, Bullmoose, and Murray River projects, all sit squarely within West Moberly's territory and within the boundaries of Treaty No. 8. We understand now that CDI is considering a sale of its interests in the Wapiti project to a new owner from China.

Any potential buyer of CDI's coal assets should be very clear: we will oppose, including through litigation if necessary, any development of coal projects in our territory that are conducted



without our consent. The Wapiti and Bullmoose coal assets – as well as other CDI coal properties, whether wholly or partially owned – sit within areas of high cultural and environmental value for our people, and include high value caribou habitat, and for the foreseeable future any development of those sites are incompatible with our objective to recover caribou populations. We wish to warn any bidder for these assets that the likelihood of their development is extremely low, and any financial commitments they may make at this time for their acquisition will result only in a loss.

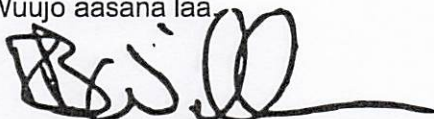
***CDI has a history of acting in bad-faith***

Your reports in your capacity as court-appointed Monitor have stated that you believe CDI is acting in good faith. Our experience with CDI's principal, Mr. Naishan Liu, is quite different. We have observed how the management of CDI has misled both us and its business partners, resulting in broken trust. We refer in particular to actions with respect to the Gething mine now owned by Canadian Kailuan Dehua Mines Co., Ltd. ("**CKD**"), in which CDI now has a minority interest. Prior to 2008, CDI was the sole owner of the Gething mine and Mr. Naishan Liu was spearheading its development. CDI brought in additional investors from China and kept a minority stake, yet Mr. Liu remained in a leadership role (much in the same way it now proposes to do with a new investor into Wapiti). For years, West Moberly had consistently expressed its fierce opposition to the development of the Gething mine in light of cultural and environmental concerns. After many discussions, Mr. Liu and CKD agreed with West Moberly in writing to defer the development of the Gething mine and to focus their attentions elsewhere. Despite his commitment, shortly after Mr. Liu had obtained some assurance that his other projects could proceed, Mr. Liu then caused CKD to backtrack on the commitment to West Moberly and continued to pursue the development of Gething. Mr. Liu's breach of his commitments to West Moberly resulted in a rupture of trust not only with West Moberly but also with his own partners in the CKD venture, partners who were apparently unaware of his prior commitment to West Moberly to defer the Gething project, and the same partners who are now owed significant debts by CDI. To this day the Gething mine remains unpermitted in large part due to our continuing opposition, resulting in a financial loss to CKD and its investors.

Again, we urge any buyer of CDI's Wapiti or other coal assets to recognize that our opposition to their development means their commercial value will not be realized. We would expect this position to be made clear to potential buyers in advance of any commitments to purchase being made.

CDI's coal assets may have some conservation value for which CDI can receive certain limited funds from conservation organizations that would work in partnership with West Moberly. We are in a position to pursue that discussion should the Monitor and CDI so wish.

Wuujo aasana laa.



Chief Roland Willson  
West Moberly First Nations





WEST MOBERLY FIRST NATIONS



Post Office Box 90, Moberly Lake, British Columbia, V0C 1X0

2023年9月30日

Craig Munro  
总经理  
FTI Consulting Canada Inc.

尊敬的 Munro 经理, Je aa haanach'e,

关于：加拿大德华国际矿业集团公司资产出售事宜

我是不列颠哥伦比亚省东北部的原住民政府西莫伯利原住民（“西莫伯利”）的首领。我是我们 Dunne za和Cree 族人的代表，我们自古以来就生活在这片地区。我们系与加拿大签订的

《8号条约》所承认之固有权利及权利的持有者，同时也是我们土地和水域的管理者。您作为法院指定的加拿大德华国际矿业集团公司（Canadian Dehua International Mines Group Inc.，以下简称德华公司）的监督员，我致函于您的目的在于，向德华公司资产的潜在商业购买者及法院提供信息，以便法院确定根据《公司债权人安排法案》在诉讼过程中对待 德华公司的方式。

西莫伯利反对开发德华公司的煤炭资产。

数十年以来，西莫伯利一直在努力保护自己的生活方式，使其免受工业发展的不合理侵犯。2020年，我们与不列颠哥伦比亚省和加拿大政府签订了《保护南部山栖北美驯鹿中央群政府间伙伴关系协定》，该协定对该地区的煤矿开采活动进行了重大限制。此外，2021年，在Yahey 诉不列颠哥伦比亚省案件中，不列颠哥伦比亚最高法院裁定认为，鉴于原住民的条约权利及现有开发活动产生的累积影响，未经我们同意，不得在这片地区进行进一步自然资源开发。不列颠哥伦比亚省正式通过《联合国土著人民权利宣言》，进一步将我们的权利纳入法律。本周早些时候，不列颠哥伦比亚最高法院的另一项裁决也明确，在原住民领土上攫取任何矿产之前必须征求原住民的意见。

所有上述发展情况均表明，未经我们自由、事先和知情同意，不得在我们的传统领土上进行煤炭开采。德华公司持有的煤矿资产，包括Wapiti、Bullmoose和Murray River项目权益，都位于西莫伯利的领土及《8号条约》调整的边界内。我们目前了解到德华公司正在考虑将其在Wapiti项目中的权益出售给一家来自中国的新所有权人。

德华公司煤炭资产的任何潜在购买者必须非常清楚：我们反对（包括必要时通过诉讼）在未经我们同意的情况下在我们的领土上开发煤炭项目。Wapiti、Bullmoose煤炭资产以及德华公



司的其他煤炭资产，无论是否由德华公司全部或部分拥有，均位于对我们原住民具有较高文化和环境价值的地区，包括具有高价值的驯鹿栖息地，在可预见的未来，在这些地区进行任何开发活动都不符合我们恢复驯鹿种群的目标。我们希望对这些资产的竞标人发出警示，他们进行开发的可能性极低，他们此时可能为收购做出的任何财务承诺都只会以遭受损失而告终。

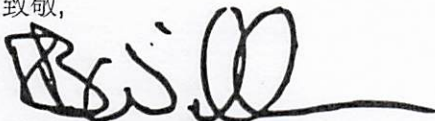
**德华公司存在不诚信行为历史。**

您方以法院指定监督员的身份作出的报告表明，您方认为德华公司诚信行事。但我们与德华公司负责人刘奈山先生打交道的经历却截然不同。我们曾观察到德华公司的管理层是如何误导我们及其商业伙伴的，并因此导致双方失去信任。我们特此提及有关加拿大开滦德华矿业有限公司(“开滦德华公司”)目前拥有的Gething 矿山的行动，德华公司目前拥有该矿山的少数股权。2008年之前，德华公司是Gething 矿山的唯一所有者，刘奈山先生负责该矿山的开发。德华公司从中国引进了更多投资者，而自己则保留了少数股权，但刘先生仍担任领导(这与德华公司现在提议对Wapiti新投资者采取的方式大致相同)。多年来，基于文化及环境考虑，西莫伯利一直强烈反对开发Gething 矿山。经过多次讨论，刘先生和开滦德华公司与西莫伯利达成书面协议，同意推迟Gething 矿山的开发，并将注意力集中在其他地方。尽管刘先生做出了承诺，但在刘先生获得其他项目可以继续进行的保证后不久，刘先生就让开滦德华公司背弃了对西莫伯利做出的承诺，继续开发 Gething 矿山。刘先生违背了其向西莫伯利的承诺，这不仅导致其与西莫伯利之间的信任关系破裂，还导致了刘先生与其在开滦德华公司合资公司的合作伙伴之间的信任关系破裂，这些合作伙伴显然不知道刘先生之前向西莫伯利做出的推迟Gething项目开发的承诺，并且目前德华公司拖欠这些合作伙伴巨额债务。直到今天，由于我们持续反对，Gething 项目仍未获批，这给开滦德华公司及其投资者造成了经济损失。

我们再次敦促德华公司 Wapiti 矿山或其他煤炭资产的任何购买方认识到，我们反对开发这些煤炭资源即意味着这些资源的商业价值将无法实现。我们希望在潜在购买者作出任何购买承诺之前向他们表明这一立场。

德华公司的煤炭资产可能具有一定的保护价值，因此德华公司可以从与西莫伯利合作的保护组织获得某些有限的资金。如果监管员和德华公司希望继续进行讨论，我们将继续进行讨论。

致敬，



首领 Roland Willson

西莫伯利原住民 (West Moberly First Nations)