



No. S-224444
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

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

PETITIONER

NOTICE OF APPLICATION

Name of applicant: the Petitioner

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

TAKE NOTICE that an application will be made by the applicant to the Honourable Mr. Justice Walker at the courthouse at 800 Smithe Street, Vancouver, BC, V6Z 2E1 on May 8, 2024, at 9:00 a.m. for the orders set out in Part 1 below.

The applicant estimates that the application will take 1 Hour.

This matter is not within the jurisdiction of an Associate Judge. Justice Walker is seized of this matter.

Part 1: ORDER(S) SOUGHT

1. An Order substantially in the form attached hereto as **Schedule "B"**, which provides the following additional relief:
 - (a) an extension of the stay of proceedings (the "**Stay of Proceedings**") granted in the Initial Order up to and including June 10, 2024;
2. Such other relief as this Honourable Court may deem just.

Part 2: FACTUAL BASIS

1. Pursuant to an order (the "**Initial Order**"), as amended and restated from time to time, of the Supreme Court of British Columbia (the "**Court**") made on June 3, 2022, Canadian Dehua International Mines Group Inc. ("**CDI**" or the "**Petitioner**") are granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the

"**CCAA**"), and FTI Consulting Canada Inc. ("**FTI**") was appointed monitor (and in such capacity, the "**Monitor**").

Background

2. The Petitioner, Canadian Dehua International Mines Group Inc. ("**CDI**") is a company incorporated pursuant to the laws of British Columbia.
3. CDI is a company that invests in, and operates, mining assets in British Columbia and elsewhere.
4. CDI was incorporated in 2004 in order to develop underground core mining properties.
5. CDI primarily cooperated on mining projects with major Chinese mining companies and steel factories as partners. However, for various reasons, a number of the projects did not proceed as planned. This has resulted in significant debt and limited revenue while CDI finds new buyers and develops new mining projects.
6. The Wapiti River coal project is a large-scale underground mine at the senior exploration stage which is also located near Tumbler Ridge, British Columbia (the "**Wapiti Project**"). The Petitioner is the sole shareholder in the Wapiti Coking Coal Mines Corporation, the company that owns and operates the Wapiti Project.
7. The Murray River project involves the construction, operation and decommissioning of an underground coal mine and supporting infrastructure near Tumbler Ridge British Columbia (the "**Murray River Project**"). The Murray River Project would produce six million tonnes of metallurgic coal per year for an estimated life of 25 years.
8. CDI (indirectly holding 20.4%) and the Huiyong Holding Group (55%) are currently holding discussions with potential purchasers to sell their interests in the Murray River Coal Property.
9. The Pacific Iron project is a large-scale underground iron project located on Vancouver Island (the "**Pacific Iron Ore Project**"). CDI holds 80% of the shares of Vancouver Island Iron Ore Corporation, which owns and operates the Pacific Iron Ore Project.

Anticipated Restructuring

10. CDI has been addressing its insolvency through a number of steps which include:
 - (a) streamlining the go-forward operations of CDI; and
 - (b) pursuing discussions with potential financiers and purchasers in order to secure long-term funding for the projects that may form the basis of CDI's go-forward business.

11. The Petitioner is continuing to work with the potential purchaser of an interest in HD Mining to move to definitive documents.
12. The Petitioner seeks an extension of the stay to June 10, 2024 (the "**Stay Extension**").
13. The Petitioner, with assistance of the Monitor, is seeking a short extension to investigate the feasibility of the options presented by the Monitor in the Twelfth Report.

Part 3: LEGAL BASIS

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

Extension of the Stay of Proceedings is Appropriate

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

CCAA s. 11.02.

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

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

4. Extending the relief granted by the Initial Order, as amended and restated, including the Stay of Proceedings, is appropriate and necessary to enable the Petitioner to pursue the

transactions, and investigate the alternative to the transaction presented in the Monitor's Twelfth Report for the benefit of the Petitioner's stakeholders in a future plan of arrangement.

5. The Petitioner submits that, in these circumstances, it is necessary and appropriate that the Stay of Proceedings be extended to June 10, 2024.

Part 4: MATERIAL TO BE RELIED ON

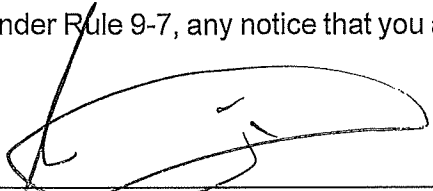
1. Twelfth Report of the Monitor dated May 6, 2024;
2. Affidavit #2 of Wen-Shih Yang to be filed; and
3. Any such further materials as counsel advises and this Honourable Court permits.

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

- (a) file an application response in Form 33;
- (b) file the original of every affidavit, and of every other document, that
 - (i) you intend to refer to at the hearing of this application, and
 - (ii) has not already been filed in the proceeding; and
- (c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:
 - (i) a copy of the filed application response;
 - (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
 - (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

May 6, 2024

Dated _____



 Signature of lawyer for filing party
 DLA Piper (Canada) LLP (Jeffrey D. Bradshaw)
 Lawyer for the Petitioner

To be completed by the court only:

Order made

in the terms requested in paragraphs _____ of Part 1
of this notice of application

with the following variations and additional terms:

Date: _____

Signature of Judge Master

APPENDIX

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

THIS APPLICATION INVOLVES THE FOLLOWING:

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

Schedule "A"

(Service List)

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Service List

(Last Updated: January 16, 2024)

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<p>Bennett Jones LLP 666 Burrard Street, Suite 2500 Vancouver, BC V6C 2X8</p> <p>Attention: David E. Gruber and Mia Laity</p> <p>Email: gruberd@bennettjones.com laitym@bennettjones.com morenoe@bennettjones.com</p> <p>Telephone: 604.891.5150</p> <p><i>Counsel for the Monitor</i></p>	<p>Dentons 250 Howe St. 20th Floor Vancouver, BC V6C 3R8</p> <p>Attention: Jordan Schultz and Eamonn Watson</p> <p>Email: jordan.schultz@dentons.com eamonn.watson@dentons.com avic.arenas@dentons.com chelsea.denton@dentons.com</p> <p>Telephone: 604.691.6452 604.629.4997</p> <p><i>Counsel for China Shougang International Trade & Engineer Corporation</i></p>
<p>Harper Grey LLP 650 W Georgia St #3200 Vancouver, BC V6B 4P7</p> <p>Attention: Erin Hatch and Roselle Wu</p> <p>Email: ehatch@harpergrey.com rwu@harpergrey.com</p> <p>Telephone: 604.895.2818</p> <p><i>Counsel for Canada Zhonghe Investment Ltd.</i></p>	<p>Fasken 1500 – 1055 W Georgia St. Vancouver, BC V6E 4N7</p> <p>Attention: Kibben Jackson and Mihai Tomos</p> <p>Email: kjackson@fasken.com mtomos@fasken.com</p> <p>Telephone: 604.631.4786 403.261.7386</p> <p><i>Counsel for Canadian Kailuan Dehua Mines Co., Ltd.</i></p>
<p>Lawson Lundell LLP Suite 1600 Cathedral Place 925 W Georgia St. Vancouver, BC V6C 3L2</p> <p>Attention: William L. Roberts</p> <p>Email: wroberts@lawsonlundell.com</p> <p>Telephone: 604.631.9163</p> <p><i>Counsel for Accurate Court Bailiff Services Ltd.</i></p>	<p>McMillan LLP 550 Burrard Street, Suite 2900 Vancouver, BC V6C 0A3</p> <p>Attention: Bernhard Zinkhofer</p> <p>Email: Bernhard.Zinkhofer@mcmillan.ca</p> <p>Telephone: 604.689.9111 604.685.7084</p> <p><i>Counsel for HBIS Group International Holding Co., Limited</i></p>

<p>BLG 1200 Waterfront Centre, 200 Burrard St., P.O. Box 48600, Vancouver, BC, Canada V7X 1T2</p> <p>Attention: Ryan Laity and Jennifer Pepper</p> <p>Email: RLaity@blg.com JPepper@blg.com</p> <p>Telephone: 604.632.3544</p> <p><i>Counsel for Huiyong Holdings (BC) Ltd.</i></p>	<p>Weiheng Law 16th Floor, Tower A, China Technology Trading Building No. 66 North Fourth Ring West Road, Haidian District, Beijing</p> <p>Attention: Wei Heng</p> <p>Email: weiheng@weihenglaw.com</p> <p>Telephone: +86-10-62684688</p> <p><i>Counsel for Feicheng Mining Co., Ltd</i></p>
<p>McMillan LLP Royal Centre, 1055 W. Georgia Street, Suite 1500 PO Box 11117 Vancouver, BC, Canada V6E 4N7</p> <p>Attention: Daniel Shouldice</p> <p>Email: Daniel.Shouldice@mcmillan.ca</p> <p>Telephone: 604.691.6858</p> <p><i>Counsel for HD Mining International Ltd.</i></p>	
<p>Bullmoose Mining Ltd 3577 West 34Th Ave Vancouver BC, V6N 2K7</p>	<p>Canada Revenue Agency C/O N.Sindu (462-11) 9755 King George Blvd. Surrey, BC, V3T 5E6</p>
<p>CIBC – CEBA 400 Burrard Street Vancouver, BC V6C 3M5</p>	<p>Canadian Dehua Lvliang International Mines Corp. 310-1155 Pender St. West Vancouver, BC V6E 2P4</p>

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Schedule "B"

(Draft Order)

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**ORDER MADE AFTER APPLICATION
(STAY EXTENSION ORDER)**

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BEFORE)	THE HONOURABLE JUSTICE WALKER)	May 8, 2024
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ON THE APPLICATION of the Petitioner coming on for hearing at 800 Smithe Street, Vancouver, BC V6Z 2E1 on May 8, 2024, and on hearing Jeffrey D. Bradshaw, counsel for the Petitioner and those other counsel listed on Schedule "A" hereto; AND UPON READING the material filed herein; AND UPON BEING ADVISED that the creditors and others who are likely to be affected by the charges created herein were given notice; AND pursuant to the Companies' Creditors Arrangement Act, R.S.C. 1985 c. C-36 as amended (the "**CCAA**"), the British Columbia Supreme Court Civil Rules and the inherent jurisdiction of this Honourable Court; and further to the Initial Order pronounced by this Court on June 3, 2022 (the "**Order Date**") as revised, amended and restated from time to time including pursuant to the Amended and Restated Initial Order pronounced by this Court on June 9, 2022 (the "**ARIO**"), as amended from time to time; including the Sixth Amended and Restated Initial Order pronounced by this Court on September 11, 2023 (the "**Sixth ARIO**");

THIS COURT ORDERS that:

1. Any capitalized terms not herein defined shall have the meaning as set out in the Sixth ARIO;
2. The stay of proceedings set out in paragraph 15 of the Sixth ARIO granted by the Honourable Justice Walker is hereby extended up to and including June 10, 2024;
3. This Order and all of its provisions are effective as of 12:01 a.m. local Vancouver time on the Order Date;
4. Endorsement of this Order by counsel appearing on this application is hereby dispensed with.

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

Signature of lawyer for the Petitioner
DLA Piper (Canada) LLP (Jeffrey D. Bradshaw)

BY THE COURT

REGISTRAR

SCHEDULE "A"

NAME OF COUNSEL	PARTY REPRESENTING
Eamonn Watson	China Shougang International Trade & Engineering Corporation
David Gruber	The Monitor, FTI Consulting Canada Inc.
Erin Hatch	Canada Zhonghe Investment Ltd.

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File No.: 080762-00014

CDB/day

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