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.

TWENTY FOURTH REPORT OF THE MONITOR

February 3, 2025

FTI

INTRODUCTION AND PURPOSE

1. This report ("**Twenty Fourth 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 from Mrs. Liu (the "**DIP Lender**").

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**") 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 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 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 "**Modifed SISP Order**"). The Modified SISP Order expanded the company's sale process by including its shares of CBM and HD Mining.

12. On March 9, 2023, the Company was granted a Fourth Amended and Restated Initial Order 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 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 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. On March 15, 2024, the Company sought and was granted an extension of its stay of proceedings to April 26, 2024.

19. On April 24, 2024, the Company sought and was granted an extension of its stay of proceedings to May 10, 2024.

20. On May 8, 2024, the Company sought and was granted an extension of its stay of proceedings to June 14, 2024.

21. On June 10, 2024, the Company sought and was granted an extension of its stay of proceedings to July 5, 2024.

22. On July 4, 2024, the Company sought and was granted an extension of its stay of proceedings to August 9, 2024.

23. On August 9, 2024, the Company sought and was granted an extension of its stay of proceedings to August 30, 2024.

24. On August 30, 2024, the Company sought and was granted an extension of its stay of proceedings to September 20, 2024. In addition, the Court directed parties to submit binding offers for the Wapati and Bullmoose assets to the Monitor no later than 4:00 p.m. on September 6, 2024.

25. On September 17, 2024, the Company sought and was granted an extension of its stay of proceedings to October 25, 2024.

26. On October 9, 2024, the Company sought and was granted a Seventh Amended and Restated Initial Order adding Wapiti and CBM as petitioners in these proceedings (collectively with CDI, the "**Petitioners**").

27. On October 10, 2024, the Petitioners filed an application seeking approval of an asset purchase agreement from the DIP Lender for the shares of Wapiti and CBM owned by CDI in addition to the assets of Wapiti and CBM (the "**Assets**") for a purchase price of $1,650,000 (the "**DIP Lender APA**").

28. On October 15, 2024, TaneMahuta Capital Ltd. filed an application, acting as an agent for West Moberly First Nation ("**West Moberly**") for the Assets for a purchase price of $2,000,000 (the "**West Moberly APA**").

29. On October 22, 2024, the Company sought and was granted an extension of its stay of proceedings to November 30, 2024.

30. On November 19, 2024, the Company sought and was granted an extension of its stay of proceedings to February 21, 2025.

31. The purpose of the Twenty Fourth Report of the Monitor is to provide this Honourable Court with an update on the status of the Company's restructuring efforts since the date of the Twenty Third Report.

32. 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

33. 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**").

34. 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.

35. 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.

36. 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.

37. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

THE WEST MOBERLY APA

38. On October 17, 18, 21 and 22, the Court heard submissions from respective counsel with respect to the approval of the DIP Lender APA and the West Moberly APA.

39. The hearing was continued on January 13, 14 and 20 at which time it was adjourned as the DIP Lender and West Moberly (the "**Parties**") had commenced settlement discussions.

40. The Monitor understands that the Parties have now agreed to a settlement the terms of which include an agreement that the DIP Lender will withdraw its application seeking approval of the DIP Lender APA and support a revised agreement of purchase and sale from West Moberly (the "**Revised West Moberly APA**").

41. A copy of the Revised West Moberly APA is attached as Appendix A.

42. The primary terms of the Revised West Moberly APA are as follows:

    (a) West Moberly will purchase the Assets for a purchase price of $2,450,000;

    (b) The purchase price will be satisfied from the $650,000 deposit currently held by the Monitor with the balance payable on closing of the transaction; and

    (c) Closing to occur on February 14, 2025 or such other date as agreed between the Petitioners and West Moberly.

43. The obligation of West Moberly and the Petitioners to complete the transaction is subject to the Petitioner obtaining an order (the "**SAVO**") including the following provisions:

    (a) Approval of the West Moberly APA;

(b) Vesting all of the Assets to West Moberly free and clear of all encumbrances upon the closing of the West Moberly APA;

(c) Approval of the distribution of the sale proceeds as follows:

i. Firstly, payment in the amount of $350,000 for outstanding fees of the professional fees secured by the Administration Charge;

ii. Secondly, payment in the amount of $1,499,331.16 to the DIP Lender in relation to the balance outstanding pursuant to the DIP Lenders Charge;

iii. Thirdly, payment to the Petitioner's legal counsel, the Monitor and the Monitor's legal counsel;

(d) Directing that the balance of the sale proceeds after distribution shall be held by DLA Piper (Canada) LLP in trust pending further Court Order;

(e) Removal of Wapitit Coking Coal Mines Corp. and Canadian Bullmoose Mines Co., Ltd. as Petitioners; and

(f) Approval of releases for the DIP Lender, Shuangshui Lui and Pioneer Exploration Corporation (the "**Released Parties**") in respect of any claims that the Petitioners may have against the Released Parties in respect of the Assets.

44. If this Honourable Court grants the SAVO, the Parties agree to instruct their respective counsel to consent to an order or orders dismissing all of their previous applications with prejudice.

45. The Monitor makes the following comments with respect to the West Moberly APA:

(a) The business and assets of Wapiti and CBM have been extensively marketed;

(b) The sale process was fair and transparent and provided all participants with equal access to information and opportunity to submit an offer;

(c) The purchase price and other terms of the West Moberly APA are fair and reasonable and as demonstrated through the sale process represent the best offer available;

(d) The Monitor has consulted with legal counsel representing Shougang International and Canada Zhonghe Investment Ltd. who are supportive of the West Moberly APA;

(e) The West Moberly APA and settlement reached among the Parties will negate the need for further professional fees in dealing with the competing asset purchase agreements; and

(f) The proceeds from closing the West Moberly APA would satisfy the amounts owing under the Administration Charge and the DIP Lender's Charge and leave residual cash with the Petitioner.

THE RELEASES

46. As set out in the Petitioners' Notice of Application filed on January 28, 2025, factors the Court ought to consider in connection with the application for third party releases are:

(a) Whether the parties to be released were necessary to the restructuring of the debtor;

(b) Whether the claims to be released are rationally connected to the purpose of the restructuring and necessary for it;

(c) Whether the restructuring could succeed without the releases;

(d) Whether the parties being released contributed to the restructuring; and

(e) Whether the releases benefit the debtors as well as the creditors generally.

47. In a liquidating CCAA, these factors have been applied on the basis that the relevant restructuring is the sale of the relevant assets for the benefit of stakeholders.

48. The Monitor observes that Mrs. Liu's involvement was necessary to the restructuring in that advancing the DIP Loan enabled the assets to be marketed in a fulsome manner, and as well, Mr. Liu participated directly in those marketing efforts. The Monitor has been advised that the participation of Shaungshui Liu (the "**DIP Lender's Son**") and Pioneer Exploration Corporation ("**Pioneer**") were necessary to avoid certain of the Wapiti coal licenses from lapsing due to CDI's lack of liquidity, such that they would be available to be sold as part of the restructuring, as discussed further below.

49. The Monitor observes that the claims being released are limited to claims arising out of or in connection with the "Purchased Assets" under the West Moberly APA, and in that sense are rationally connected to the liquidation of those assets for the benefit of stakeholders.

50. The Monitor has actively monitored the settlement negotiations between the DIP Lender and West Moberly and can confirm that the releases were a requirement of the DIP Lender, without which the West Moberly APA could not be presented for approval on a consensual basis.

51. The Monitor is aware that court approved releases in the context of insolvency proceedings are generally only granted in circumstances where the parties being released have contributed to the insolvency proceedings.

52. With respect to the DIP Lender, the Monitor notes the following:

(a) The DIP Lender brought forward a credit bid offer that brought West Moberly forward with its competing offer;

(b) The DIP Lender provided the funding for these insolvency proceedings at very favourable terms; and

(c) The DIP Lender has agreed to withdraw the DIP Lender APA and support the West Moberly APA resulting in a greater recovery for the estate and negating the Company's need to incur further professional fees which would be to the detriment of the estate.

53. With respect to the DIP Lender's Son and Pioneer, certain allegations were made against them during submissions in respect of coal licenses previously held by Wapiti.

54. In the Monitor's Nineteenth Report, the Monitor advised that in November 2021 all 17 licenses held by Wapiti were transferred to Pioneer and in July 2022 nine of the licenses were returned to Wapiti as that was all that CDI could afford to renew.

55. The Monitor understands that the funds to renew the nine licenses returned to Wapiti were financed from a loan that the DIP Lender's son arranged in the amount of $100,000.

56. The debt owing to the DIP Lender's son is noted on as a payable on the August 31, 2022 Wapiti financial statement attached as Appendix A to the Monitor's Eighteenth Report.

57. The Monitor notes that although the optics of the events involving the Wapiti licenses are not ideal, the DIP Lender's son has agreed to waive his claim against Wapiti and Pioneer did return nine of the licences to Wapiti subsequent to the commencement of these proceedings.

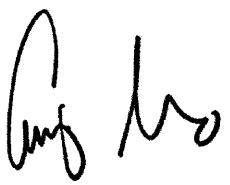
58. Accordingly, the Monitor is of the view that the Released Parties contributed to the advancement of these proceedings and notes that the releases are limited in scope to the Assets.

59. In addition they are part of a commercial settlement that will bring a resolution to a costly sale approval hearing, providing a benefit to stakeholders generally.

60. The Monitor therefore recommends the approval of the West Moberly APA and the granting of the SAVO.

61. All of which is respectfully submitted this 3rd day of February, 2025.

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

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT is made effective as of February 3, 2025

BETWEEN:

CANADIAN DEHUA INTERNATIONAL MINES GROUP INC., (Incorporation Number BC0712504) a company incorporated pursuant to the laws of British Columbia and having an office at Suite 202 – 2232 West 41st Avenue, Vancouver, BC V6M 1Z8 ("**CDI**");

WAPITI COKING COAL MINES CORP., a company incorporated pursuant to the laws of British Columbia with incorporation number BC1028948 ("**Wapiti Sub**"); and

CANADIAN BULLMOOSE MINES CO., LTD., a company incorporated pursuant to the laws of British Columbia with incorporation number BC0907740 ("**Bullmoose Sub**")

(together, the "**Vendors**")

AND:

WEST MOBERLY FIRST NATIONS, an Indian Band pursuant to the *Indian Act* and having an address at PO Box 90, Moberly Lake, BC, V0C 1X0 (the "**Purchaser**")

BACKGROUND

A. The Vendors carry on business of investing in, exploring, developing, and operating underground coal mining projects and supporting infrastructure in British Columbia and elsewhere, including two mining projects described as the Wapiti Project (the "**Wapiti Project**") and the Bullmoose Project (the "**Bullmoose Project**") (the Wapiti Project and the Bullmoose Project are referred to collectively as the "**Projects**"). For certainty, CDI has a number of other assets and projects, including the mining project described as the Murray River Project (the "**Murray River Project**"), that are not subject to, or affected by, this agreement (the "**Excluded Assets and Projects**").

B. The Wapiti Project is operated by the Wapiti Sub. CDI is the legal and beneficial owner of all the issued and outstanding shares in the capital of the Wapiti Sub, being 1,000,000 Voting Common Shares without par value (the "**Wapiti Shares**"), and the Wapiti Sub is the owner of the Wapiti Project, including all permits, mineral interests and coal licenses, geological and exploration data, consultant reports, geological and exploration samples, construction in progress and intellectual property, if any, within the Vendors' estates or control to convey, used or held directly or indirectly by CDI and the Wapiti Sub or either of them in the Wapiti Project (collectively, the "**Wapiti Assets**");

C. CDI is the legal and beneficial owner of the Bullmoose Project, including the Bullmoose Coal Licenses (as defined herein), and all of the issued and outstanding shares in the capital of the Bullmoose Sub, being 8,242,024 Class A Common Voting Shares without par value (the "**Bullmoose Shares**"). Together, CDI and the Bullmoose Sub are the owners of the Bullmoose Project, including all permits, mineral interests and coal licenses, geological and exploration data, consultant reports, geological and exploration samples, construction in progress and intellectual property, if any, within the Vendors' estates or control to convey, used or held

directly or indirectly by CDI or the Bullmoose Sub or either of them in the Bullmoose Project (collectively, the "**Bullmoose Assets**");

D. The Vendors and the Projects are the subject of certain proceedings brought pursuant to the *Companies' Creditors Arrangement Act* (Canada) in the Supreme Court of British Columbia, Vancouver Registry No. S-224444 (the "**CCAA Proceedings**").

E. The Purchaser is a community of Dunne-za, Saulteau, Cree, and Tse'khene peoples located in Treaty No. 8 territory in northeastern British Columbia (where the Projects are located), and has a long history of land stewardship, including the conservation, protection, and recovery of Caribou and Caribou habitat in and around their territory.

F. The Vendors have agreed to sell and the Purchaser has agreed to purchase all of the Vendors' right, title, and interest in and to the assets used or held in or for the Projects, free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein or thereon, on the terms and subject to the conditions set-out herein.

TERMS OF AGREEMENT

In consideration of the premises and the covenants and agreements contained in this Agreement, the parties agree with each other as follows:

1. Interpretation

1.1 In this Agreement:

(a) "**Agreement**" means this agreement and all amendments made hereto by written agreement between the Vendors and the Purchaser;

(b) "**Assets**" means the Wapiti Shares, the Wapiti Assets, the Bullmoose Shares and the Bullmoose Assets;

(c) "**Bullmoose Coal Licenses**" includes the following:

(i) Coal Licenses #417760, #417761, #417762, #417767, #417770, #417771, #417772, #417775, #417776; and

(ii) Any other mineral titles or coal licenses of Vendors related to the Bullmoose Project, if any, within the Vendors' estates or within the Vendors' control to convey, which, for greater certainty, does not include the Murray River Project or any other of the Excluded Assets and Projects ;

(d) "**Closing Date**" means February 14, 2025 or such other date as may be mutually agreed upon in writing by the parties;

(e) "**Time of Closing**" means 12:00 Noon Pacific Time on the Closing Date;

(f) **"Wapiti Coal Licenses"** includes the following:

(i) Coal Licenses #418161, #418162, #418163, #418166, #418168; and

(ii) Any other coal licenses of Vendors related to the Wapiti Project, if any, within the Vendors' estates or within the Vendors' control to convey, which, for

greater certainty, does not include the Murray River Project or any other of the Excluded Assets and Projects;

and any terms used herein denoted with initial capital letters shall have the meanings assigned to them by the provisions of this Agreement.

1.2 The division of this Agreement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "**this Agreement**", "**hereof**", "**hereunder**", and similar expressions refer to this Agreement and not to any particular article, section, or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to articles and sections are to articles and sections of this Agreement.

1.3 In this Agreement words importing the singular number only shall include the plural and vice versa, wordings importing the masculine gender shall include the feminine, and neuter genders and vice versa and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations, and companies. The term "including" means "including without limiting the generality of the foregoing".

1.4 All references to currency herein are to lawful money of Canada.

2. Purchase And Sale Of Assets

2.1 Subject to the terms and conditions of this Agreement, on the Closing Date the Vendors will sell, assign, and transfer to the Purchaser and the Purchaser will purchase from the Vendors, as applicable, all (but not less than all) right, title, and interest in and to the Assets free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein or thereon for a total purchase price of $2,450,000 (the "**Purchase Price**").

2.2 The Purchase Price will be paid and satisfied by release of the full deposit of $650,000 being held by counsel for the court-appointed monitor for the CCAA Proceedings (the "**Monitor**") for the benefit of CDI, as well as the remaining consideration of $1,800,000 (the "**Remaining Consideration**") to be provided to DLA Piper (Canada) LLP, in trust by wire transfer on the Closing Date against delivery to the Purchaser of the documents described in section 9.2.

2.3 The parties agree to use reasonable efforts to agree prior to the Closing Date on an allocation of the Purchase Price among the components of the Assets in accordance with the fair market value of such components on the Closing Date. However, the parties further agree that failure to agree on such an allocation prior to the Closing Date will not render this Agreement unenforceable or result in a termination of this Agreement, and in such case each of the Vendors and the Purchaser will make its own determination of allocation.

3. Mutual Condition.

3.1 The obligation of the parties to complete the transactions contemplated by this Agreement shall be subject to the following mutual condition, which is for the benefit of both the Vendors and the Purchaser:

(a) On or before the Closing Date, the Vendors shall have obtained (at the sole cost of the Vendors) an Order of the Court, substantially in the form attached hereto as Schedule "A" (the "**Approval Order**"):

(i) approving the sale of the Assets to the Purchaser on the terms and conditions of this Agreement;

(ii) specifying that upon the completion of the transactions contemplated by this Agreement, all right, title, and interest in and to the Assets shall vest absolutely in the Purchaser, the Wapiti Sub and the Bullmoose Sub free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, options, trusts or deemed trusts (whether contractual, statutory, or otherwise), encumbrances, liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing, (A.) any encumbrance or charge created by order of the Court in the CCAA Proceeding; (B.) any Claim by Canada Zhonghe Investment Ltd.; and (C.) any Claim by HBIS Group International Holding Co. Limited (formerly Hebei Iron & Steel Group Co., Ltd.);

(iii) approving the distribution of the sale proceeds from the sale of the Purchased Assets; and

(iv) providing a release to Qu Bo Liu, Shuangshi Liu and Pioneer Exploration Corporation (collectively, the "**Released Parties**") in respect of any claims that the Vendors may have against the Released Parties in respect of the Purchased Assets.

4. Deposit

4.1 On September 6, 2024, the Purchaser paid a deposit in the amount of $650,000 to counsel for the Monitor, in accordance with the direction of Justice Walker of the Supreme Court of British Columbia (the "**Deposit**").

4.2 At the Closing, the Deposit shall be paid to CDI on account of the Purchase Price as provided in this Agreement along with the Remaining Consideration.

4.3 If the transactions contemplated by this Agreement are not completed on the Closing Date:

(a) by reason of the failure to obtain the Approval Order;

(b) by reason of the default of the Vendors in the performance or satisfaction of its obligations under this Agreement, or

(c) otherwise through no fault of any party,

the Deposit shall be forthwith returned to the Purchaser.

4.4 If the transactions contemplated by this Agreement are not completed on the Closing Date by reason of the default of the Purchaser in the performance or satisfaction of any of its obligations under this Agreement, the Deposit shall be paid to the Vendors as liquidated damages and

not as a penalty, and upon payment of the Deposit the Vendors and each of them will have no further claim against the Purchaser for any additional damages or loss whatsoever.

5. Vendors' Representations and Warranties

5.1 The parties acknowledge and represent that:

(a) the sale of the Assets is on an "as is, where is" basis;

(b) the Vendors do not make or give any representations or warranties that survive the completion of the transactions contemplated by this Agreement;

(c) the Purchaser has had an opportunity to conduct any and all due diligence regarding the Assets and the Vendors prior to making its offer;

(d) the Purchaser has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in entering into this Agreement and completing the transactions contemplated by this Agreement; and

(e) the Purchaser did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Assets, or the Vendors or the completeness of any information provided in connection therewith, except as expressly stated herein.

6. Vendors' Covenants

6.1 At or before the Time of Closing, the Vendors will deliver to the Purchaser possession of all Assets held by the Vendors.

7. Purchaser's Conditions of Closing

7.1 The obligations of the Purchaser under this Agreement are subject to the following conditions for the exclusive benefit of the Purchaser being fulfilled at the Time of Closing or waived by the Purchaser at or before the Time of Closing:

(a) the Vendors and each of them will have complied with all terms and covenants in this Agreement agreed to be performed or caused to be performed by them at or before the Time of Closing;

(b) no action or proceeding against the Assets or any of the Vendors will be pending or threatened by any person, company, firm, governmental authority, regulatory body, or agency to enjoin or prohibit the purchase and sale of the Assets or any of them as contemplated by this Agreement, or the right of the Purchaser, the Wapiti Sub or the Bullmoose Sub, as applicable, to directly or indirectly own the Assets free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein or thereon as contemplated by this Agreement;

(c) all necessary steps and proceedings will have been taken to permit the Assets to be duly and regularly transferred to and registered in the name of the Purchaser, as applicable, free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein or thereon.

7.2 If on the Closing Date any of the conditions in section 7.1 are not fulfilled or waived as contemplated in section 7.3, the Purchaser may rescind this Agreement by notice in writing to the Vendors. In such event, the Purchaser shall be released from all obligations under this Agreement and the Deposit returned to Purchaser, and the Vendors will also be released unless the Vendors or any one or more of them were reasonably capable of causing such condition or conditions to be fulfilled or the Vendors has breached any of their covenants or agreements in this Agreement.

7.3 The conditions in section 7.1 may be waived in whole or in part by the Purchaser without prejudice to any right of rescission or any other right in the event of the non-fulfillment of any other condition or conditions. A waiver will be binding only if it is in writing.

8. Vendors' Conditions of Closing

8.1 The obligations of the Vendors under this Agreement are subject to the following conditions for the exclusive benefit of the Vendors being fulfilled at the Time of Closing or waived by the Vendors at or before the Time of Closing:

(a) the Purchaser will have complied with all terms, covenants, and agreements in this Agreement agreed to be performed or caused to be performed by it on or before the Time of Closing;

(b) no action or proceeding against the Purchaser will be pending or threatened by any person, company, firm, governmental authority, regulatory body, or agency to enjoin or prohibit the purchase and sale of the Assets or any of them as contemplated by this Agreement or the right of the Purchaser to directly and indirectly own the Assets

(c) A quorum of Council for the Purchaser shall execute a band council resolution, substantially in the form attached at Schedule "B", authorizing the purchase of the Assets by the Purchaser.

8.2 If on the Closing Date any of the conditions in section 8.1 are not fulfilled or waived as contemplated in section 8.3, the Vendors may rescind this Agreement by notice in writing to the Purchaser. In such event, the Vendors and the Purchaser shall be released from all obligations under this Agreement.

8.3 The conditions in section 8.1 may be waived in whole or in part by the Vendors without prejudice to any right of rescission or any other right in the event of non- fulfillment of any other condition or conditions. A waiver will be binding only if it is in writing.

9. Closing

9.1 Closing Location

Unless otherwise agreed to by the parties in writing, the closing of the transactions contemplated by this Agreement (the "**Closing**") will take place at the offices of DLA Piper (Canada) LLP, 2700, 1133 Melville Street, Vancouver, BC V6E 4E5 or by way of exchange of documents, at 12:00 noon Pacific Time on the Closing Date, or such earlier or later date as the parties may agree to in writing. All documents may be delivered electronically, other than payments, share certificates, powers of attorney, and other similar documentation, and, all documents deliverable at closing in accordance with this Agreement shall be tabled and held in escrow until all deliveries are completed, and until all parties have agreed to release the documents and terminate the escrow.

9.2 Vendors' Closing Documents

At the Closing, the applicable Vendors will tender to the Purchaser:

(a) a Court certified copy of the Approval Order and any other orders of the Court as are necessary or advisable to effect the transfer of the Assets in accordance with the terms and conditions of this Agreement;

(b) certified copies of the resolutions of the directors of the applicable Vendors, in form satisfactory to the Purchaser acting reasonably, authorizing the sale of the Assets to the Purchaser, including the transfers of the Shares to the Purchaser;

(c) certified copies of resolutions of the directors of the Wapiti Sub and Bullmoose Sub, as applicable, in form satisfactory to the Purchaser acting reasonably, authorizing the transfer of the Shares to and the registration of the Shares in the name of the Purchaser and the issue of new share certificates representing the Shares in the name of the Purchaser;

(d) share certificates in the name of the applicable Vendors representing the Shares duly endorsed for transfer and duly executed share certificates representing the Shares in the name of the Purchaser;

(e) certified copies of the central securities registers of the Wapiti Sub and Bullmoose Sub recording that the Purchaser is the holder of the Shares, as applicable;

(f) duly signed resignations of the directors and officers of the Wapiti Sub and Bullmoose Sub specified by the Purchaser, or certified copies of shareholder resolutions of each of the Wapiti Sub and Bullmoose Sub, removing the directors and officers of the Wapiti Sub and Bullmoose Sub specified by the Purchaser;

(g) a bill of sale conveying the Assets to the Purchaser;

(h) transfers of the Bullmoose Coal Licenses in the form required by the applicable governmental authority;

(i) possession of any books, records, book accounts, and all other documents, consultant reports, files, records, and other data, financial or otherwise, used or held in or for Wapiti Sub, the Wapiti Project, the Bullmoose Sub, and the Bullmoose Project, including all mineral and coal licenses, geological and exploration data and intellectual property, used or held in or for the Wapiti Project and the Bullmoose Project, to the extent that any such assets listed in this subparagraph (j) are in the Vendors' possession or control; and

(j) such other documents and assurances as may be reasonably required by the Purchaser to give full effect to the intent and meaning of this Agreement.

9.3 Purchaser's Closing Documents

At the Closing, the Deposit shall be paid to the Vendors, and the Purchaser will tender to the Vendors a certified cheque or bank draft payable to the Vendors in the amount of Remaining Consideration.

10. General

10.1 Reliance

The Vendors and each of them acknowledge and agree that the Purchaser has entered into this Agreement relying on the representations, warranties, covenants, and agreements, and other terms and conditions of this Agreement.

10.2 Commissions, Legal Fees

Each of the parties will bear the fees and disbursements of the respective lawyers, accountants, and consultants engaged by them respectively in connection with this Agreement and will not cause or permit any such fees or disbursements to be charged to the Vendors or any of them before the Closing Date.

10.3 Notices

Any demand, notice, or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery, (by registered mail) or by electronic means of communication addressed to the recipient as follows:

To the Vendors or any of them:

DLA Piper (Canada) LLP
2700 – 1133 Melville Street
Vancouver, BC V6E 4E5

Attention: Jeffrey Bradshaw
Email: jeffrey.bradshaw@dlapiper.com

To the Purchaser:

Sage Legal LLP
2312 McNeill Avenue
Victoria BC V8S 2Y9

Attention : Joshua Lam
Email : josh@sagelegal.ca

-and-

Stikeman Elliott LLP
666 Burrard Street, Suite 1700
Vancouver, BC V6C 2X8

Attention : Victor Gerchikov
Email : vgerchikov@stikeman.com

or to such other street address, individual or electronic communication number, or address as may be designated by notice given by either party to the other. Any demand, notice, or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, (if given by registered mail, on the third business day following the deposit thereof in the mail and), if given by electronic communication, on the day of transmittal thereof if given during the

normal business hours of the recipient and on the business day during which such normal business hours next occur if not given during such hours on any day. (If the party giving any demand, notice, or other communication knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of mail, any such demand, notice, or other communication may not be mailed but must be given by personal delivery or by electronic communication.)

10.4 Time of Essence

Time is of the essence of this Agreement.

10.5 Severability

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof, and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

10.6 Further Assurances

Each of the parties will execute and deliver such further documents and instruments and do such acts and things as may, before or after the Closing Date, be reasonably required by the other party to carry out the intent and meaning of this Agreement.

10.7 Proper Law

This Agreement will be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of British Columbia.

10.8 Entire Agreement

This Agreement contains the whole agreement between the Vendors and Purchaser pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations, and discussions between the parties and there are no representations, warranties, covenants, conditions, or other terms other than expressly contained in this Agreement.

10.9 Assignment

This Agreement may not be assigned by any party without the prior written consent of the other party, which consent may be arbitrarily withheld.

10.10 Benefit and Binding Nature of the Agreement

This Agreement enures to the benefit of and is binding upon the parties and their respective successors and permitted assigns.

10.11 Amendments and Waiver

No modification of or amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by both of the parties and no waiver of any breach of any term or provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same, and unless otherwise provided, will be limited to the specific breach waived.

10.12 Counterparts and Delivery

This Agreement may be executed in counterparts and such counterparts together shall constitute a single instrument. Delivery of an executed counterpart of this Agreement by electronic means, including by facsimile transmission or by electronic delivery in portable document format ("**.pdf**"), whether containing signatures by hand of the signatory or computer or machine-generated signatures, shall be equally effective as delivery of a manually executed counterpart hereof, and will constitute delivery of an original document.

[The remainder of this page is intentionally blank]

AS EVIDENCE OF THEIR AGREEMENT the parties have executed this Agreement as of the date and year first above written.

West Moberly First Nations

Per: _____
Authorized Representative

Per: _____
Authorized Representative

Per: _____
Authorized Representative

CANADIAN DEHUA INTERNATIONAL MINES GROUP INC.

Per: _____
Authorized Signatory

WAPITI COKING COAL MINES CORP.

Per: _____
Authorized Signatory

CANADIAN BULLMOOSE MINES CO., LTD.

Per: _____
Authorized Signatory

SCHEDULE "A"
APPROVAL AND VESTING ORDER

SCHEDULE "B"
FORM OF BAND COUNCIL RESOLUTION

[WMFN BCR Letterhead]

Date:

BCR #:

RE: Purchase of Wapiti Coking Coal Mines Corp., Canadian Bullmoose Mines. Co., Ltd., and associated Coal Licenses from Canadian Dehua International Mines Group Ltd.

WHEREAS Canadian Dehua International Mines Group Ltd. ("CDI"), along with its subsidiaries, Wapiti Coking Coal Mines Corp. ("Wapiti Sub") and Canadian Bullmoose Mines Co., Ltd. ("Bullmoose Sub") (collectively, the "Vendors"), carry on business of investing in, exploring, developing, and operating under-ground coal mining projects and supporting infrastructure in British Columbia and elsewhere, including two mining projects described as the Wapiti Project (the "Wapiti Project") and the Bullmoose Project (the "Bullmoose Project") (the Wapiti Project and the Bullmoose Project are referred to collectively as the "Projects");

AND WHEREAS The Wapiti Project is operated by the Wapiti Sub. CDI is the legal and beneficial owner of all the issued and outstanding shares in the capital of the Wapiti Sub, being 1,000,000 Voting Common Shares without par value (the "Wapiti Shares"), and the Wapiti Sub is the owner of the Wapiti Project, including all permits, mineral interests and coal licenses, geological and exploration data, consultant reports, geological and exploration samples, construction in progress and intellectual property, if any, within the Vendors' estates or control to convey, used or held directly or indirectly by CDI and the Wapiti Sub or either of them in the Wapiti Project (collectively, the "Wapiti Assets");

AND WHEREAS CDI is the legal and beneficial owner of the Bullmoose Project, including the Bullmoose Coal Licenses (as defined herein), and all of the issued and outstanding shares in the capital of the Bullmoose Sub, being 8,242,024 Class A Common Voting Shares without par value (the "Bullmoose Shares"). Together, CDI and the Bullmoose Sub are the owners of the Bullmoose Project, including all permits, mineral interests and coal licenses, geological and exploration data, consultant reports, geological and exploration samples, construction in progress and intellectual property, if any, within the Vendors' estates or control to convey, used or held directly or indirectly by CDI or the Bullmoose Sub or either of them in the Bullmoose Project (collectively, the "Bullmoose Assets");

AND WHEREAS The Vendors and the Projects are the subject of certain proceedings brought pursuant to the Companies' Creditors Arrangement Act (Canada) in the Supreme Court of British Columbia, Vancouver Registry No. S-224444 (the "CCAA Proceedings");

AND WHEREAS The Vendors have agreed to sell and West Moberly First Nations ("West Moberly") has agreed to purchase all of the Vendors' right, title, and interest in and to the assets used or held in or for the Projects, free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein or thereon (the "Transaction"), on the terms and subject to

the conditions set-out in the asset purchase agreement, dated February □, 2025 (the "Purchase Agreement");

AND WHEREAS pursuant to their inherent right to self-government, and pursuant to the powers granted to Council under the Indian Act, the Council of West Moberly are empowered to represent and make decisions on behalf of the members of West Moberly, including to enter into agreements with respect to the Transaction;

AND WHEREAS West Moberly has asked for and received legal advice about the Transaction and the Purchase Agreement;

AND WHEREAS Chief Roland Wilson and Council of West Moberly have satisfied themselves that entrance into the Purchase Agreement is in the best interests of West Moberly and all of its members.

BE IT HEREBY RESOLVED THAT:

Council of West Moberly has reviewed and hereby approves the Purchase Agreement dated February □, 2025 between West Moberly and the Vendors;

Council hereby authorizes Chief Roland Willson, or a quorum of Council, to execute and deliver the Purchase Agreement in substantially the form provided, and all other documents or agreements contemplated by the asset purchase agreement, on behalf of West Moberly, its Council, and each of the members of West Moberly, and to do all such further and other acts and things as may be necessary in order to carry out the intent of the Purchase Agreement and perform the obligations of West Moberly under the Purchase Agreement.