

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.**

SUPPLEMENT TO THE TWENTY-SIXTH REPORT OF THE MONITOR

APRIL 21, 2025

INTRODUCTION AND PURPOSE

1. This 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**”) as a Supplement to the Twenty-Sixth Report (the “**Supplemental Twenty-Sixth Report**”).
2. The purpose of the Supplemental Twenty-Sixth Report is to provide this Court with additional details as to a sale and investment solicitation process (the “**SISP**”) proposed by the Company and two stalking horse asset purchase agreements pursuant to the SISP (the “**APAs**”) signed by the Company and Mrs. Liu with respect to the remaining assets owned by CDI.
3. The details of the SISP and APAs are summarized in a subsequent section of this report.
4. 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

5. 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**").
6. 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; and
7. 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.
8. 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.
9. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

THE SISP

10. As noted in the Twenty-Sixth Report of the Monitor, the sale of CDI's interest in the Wapiti project and the Bullmoose project closed on March 28, 2025.
11. The Monitor confirms that its fees and those of its counsel were brought current from the sale proceeds of the Wapiti and Bullmoose sale and is advised by the Company's counsel that the DIP Loan has been repaid.
12. Accordingly, the Company's remaining assets consist of ownership interests as follows:
 - (a) A 24% interest in Canadian Kailuan Dehua Mines Co, Ltd. ("**CKD**");
 - (b) A 51% interest in Canadian Dehua Lvliang Corp. ("**CDLV**") which owns a 40% interest in HD Mining International Limited ("**HD Mining**"), the owner of the Murray River project;
 - (c) A 100% interest in Vancouver Island Iron Ore Corporation ("**VIIO**");
 - (d) A 100% interest in Canadian Dehua Drilling Ltd. ("**CDD**"); and
 - (e) A 100% interest in Iron Ross.
13. The Company is seeking the approval of this Honourable Court for a sale and investment solicitation process (the "**SISP**") to deal with its remaining assets (excluding its interest in CKD).
14. The draft SISP is attached as Schedule "A" to this report. The following is a high-level summary of the proposed SISP:

- (a) The SISP shall be conducted by the Monitor over a 90-day period with support from the Company;
- (b) There will be two stalking horse APAs between the Company and Mrs. Liu (the “**Stalking Horse Bidder**”) which will form the basis of the SISP; one relating to CDI’s interest in the Murray River project (the “**Murray River APA**”) and a second relating to all of CDI’s remaining assets (excluding CDI’s shares in CKD)(the “**Other Assets APA**”) (together with the Murray River APA, the “**SH APAs**”);
- (c) The Monitor, with input from the Company, will prepare a list of potential bidders who may have an interest in acquiring any of CDI’s assets as well as a process summary (the “**Teaser Letter**”) describing the opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP;
- (d) The Monitor will post a notice in the National Post, the Insolvency Insider, and any other newspaper, website, journal or industry publication, as the Monitor in consultation with the Company deems appropriate;
- (e) The Monitor will forward the Teaser Letter to all interested parties identified along with a non-disclosure agreement (“**NDA**”) and to any other party expressing its interest to the Monitor;
- (f) Upon receipt of a signed NDA, the Monitor will provide interested parties with access to a data-room populated by the Monitor with the assistance of the Company containing information relevant to a party assessing the opportunity;
- (g) The deadline for receipt of a binding Asset Purchase Agreement from any interested party will be July 31, 2025 or such other date as set by the Monitor in its discretion (the “**Bid Deadline**”);

- (h) At the Bid Deadline, if there is at least one Qualified Bid (as defined in the SISP), the Monitor may invite the Qualified Bidder and the Stalking Horse Bidder to submit a final Binding APA wherein the parties may increase their purchase price or reaffirm it;
- (i) The Monitor will then evaluate the Binding APAs and determine the highest offer;
- (j) If no other Binding APAs are received by the Bid Deadline the Stalking Horse Bidder will be deemed the Successful Bidder (as defined in the SISP);
- (k) In order for a third party to be the Successful Bidder, the proposed purchase price must be higher than the purchase price indicated in the SH APA by a minimum of 10% in addition to the break fee and expense reimbursement (as defined in the SH APA);
- (l) The Company will then seek approval of this Honourable Court to approve the Binding APAs as determined by the Monitor to be the Successful Bidder(s).
- (m) For ease of reference, the key dates under the SISP proposed by the Monitor are summarized as follows:

Milestone	Deadline
CDI and Monitor to create list of Known Potential Bidders	April 30, 2025
Monitor to prepare and have the Data Room available	May 9, 2025
Monitor to distribute Teaser Letters and NDAs to Known Potential Bidders	May 2, 2025
Bid Deadline	July 31, 2025
Transaction Approval Application Hearing	August 15, 2025
Closing Date Deadline	August 31, 2025

- 15. The dates proposed by the Monitor are slightly different to those suggested in the Company’s SISP primarily to allow time for the Monitor to populate the dataroom.

16. The Monitor's comments on the SISP are as follows:
- (a) The SISP procedures were developed by the Company with consultation from the Monitor and the Stalking Horse Bidder's legal counsel;
 - (b) The timeframes to solicit Binding APAs from interested parties are reasonable and appropriate in light of the Company's circumstances and the current economic environment;
 - (c) The SISP provides adequate time for any party to perform appropriate due diligence and submit a binding APA, given that the Company has been in these CCAA proceedings since June 2022 and certain assets have already been subject to a prior sale and investment solicitation process;
 - (d) The Stalking Horse Bid is intended to either enhance the potential bid values or, in the event there are no other Qualified Bids received prior to the Bid Deadline, facilitate the sale of the remaining assets excluding CDI's interest in CKD;
 - (e) The SISP is a fair and transparent marketing process designed to identify the highest and best offers for CDI's remaining assets and to maximize recoveries; and
 - (f) The SH APAs will act as a floor price for the assets and the intention of the SISP would be to solicit offers in excess of the purchase price indicated in the SH APAs.

17. While the Monitor recognizes that China Shougang International Trade & Engineering Corporation (“**Shougang**”) has reset its bankruptcy application which is supported by Canada Zhonghe Investment Ltd. (“**Zhonghe**”), given the signing of the SH APAs and the fact that the Monitor is the party conducting the proposed SISP, the Monitor questions the benefit of a bankruptcy at this point in these proceedings.

18. The actions being undertaken in the SISP achieve the objectives that would be expected of a Trustee in Bankruptcy and in addition address the uncertainties associated with a bankruptcy including:
 - (a) Whether the SH APAs would be available to a Trustee in Bankruptcy; and

 - (b) Whether the Stalking Horse Bidder would be agreeable to provide the funding necessary to conduct a sale process and subsequent administrative wind up of the Company’s estate.

19. In addition, the Monitor is of the view that the costs of the processes would be similar given that a Trustee in Bankruptcy would need to get up to speed with the proceedings, conduct a SISP and deal with the CKD Indemnity Liability, with no assurance that the Company would provide any assistance.

THE SH APAs

20. As indicated, the Company has negotiated and signed the SH APAs with Mrs. Liu, an overview of which are as follows:
- (a) The Murray River APA is for the shares of CDLV owned by CDI;
 - (b) The purchase price is \$1.4 million, with a deposit of \$140,000 currently paid and held in trust by the Company's counsel;
 - (c) Upon approval of the Murray River APA by the Court, the deposit will be transferred to the Monitor to be held in trust pending closing of the transaction;
 - (d) The Stalking Horse Bidder will provide \$400,000 in additional debtor in possession financing (the "**New DIP Funds**") to be used for funding the fees and expenses of the professionals to conduct the SISP;
 - (e) The Other Assets APA is for CDI's shares of VIIO and CDD in addition to CDI's interest in the Iron Ross project, including certain mineral interests related to Iron Ross that may be owned by CDI.;
 - (f) The purchase price indicated in the Other Asset APA is \$400,000, with a deposit of \$40,000 currently paid and held in trust by the Company's counsel;
 - (g) Upon of the Other Assets APA by the Court, the deposit will be transferred to the Monitor to he held in trust pending closing of the transaction;
 - (h) The New DIP Funds will be credited against the purchase price of the SH APAs in addition to the deposit with the balance of the purchase price paid in cash on closing of the SH APAs;

- (i) In consideration of the Stalking Horse Bidder's expenditure of time, money and agreement to act as the Stalking Horse Bidder, in the event another party is the Successful Bidder (as defined in the SISP) related to the Murray River APA, the Stalking Horse Bidder will be entitled to a break fee in the amount of 5% of the purchase price and an expense reimbursement of a fixed amount of \$50,000;
 - (j) In consideration of the Stalking Horse Bidder's expenditure of time, money and agreement to act as the Stalking Horse Bidder, in the event another party is the Successful Bidder related to the Other Assets APA, the Stalking Horse Bidder will be entitled to a break fee in the amount of 5% of the purchase price; and
 - (k) The only obligation of the Company is to seek the approval of this Honourable Court for the SH APAs and a vesting order with respect to the sale of the shares and the Iron Ross mineral interests.
21. Copies of the SH APAs were emailed to the service list on April 17, 2025. However, based on comments provided by the Monitor subsequent revisions were made. Copies of the SH APAs with the black-lined changes to the SH APAs are attached as Appendices B and C.
22. The Monitor's comments with respect to the SH APAs are as follows:
- (a) As detailed in previous reports of the Monitor, the Murray River project was subject to a previous sale and investment solicitation process during these CCAA proceedings;
 - (b) Although the previous process did result in a letter of interest from a third party, the Company has not been able to convert it into a binding agreement of purchase and sale;

- (c) Accordingly, the SH APAs set a baseline price that may result in superior bids under the SISP and provide certainty to a sale transaction for CDI's remaining assets (excluding the Company's shares of CKD);
 - (d) The Stalking Horse Bidder spent considerable time and resources in performing legal diligence on the potential transaction as well as legal costs drafting and negotiating the SH APAs;
 - (e) The Monitor has assessed break fees and expense reimbursements approved in comparable proceedings and transactions. Although the Break Fee and Expense Reimbursement provisions of the SH APAs are at the higher end of those previously approved across the country, the smaller value of the transactions skews the percentage of the fee in comparison to the transaction value. Accordingly, when compared to the smaller transactions the Break Fee and Expense Reimbursement is in line with comparable transactions and are commercially reasonable in the circumstances; and
 - (f) The Monitor is of the view that the SH APAs are reasonable in the circumstances and will be accretive to the SISP.
23. As a result, the Monitor supports the SISP and the SH APAs as they set a reasonable floor price for the assets, provide certainty to the sale process and allows any party, including the party that signed the previous letter of interest, an opportunity to submit a binding APA.

THE CKD SHARES

24. At the conclusion of the SISP, the only remaining asset of CDI would be its 24% interest in CKD.
25. As detailed in earlier reports, the other shareholders of CKD are Shougang (25%) and Zonghe (51%).
26. CDI's contribution to the CKD joint venture was a mine site in northeastern BC referred to as the Gething Coal Project.
27. At the time of the formation of the CKD joint venture, CDI agreed to indemnify CKD for any losses it might suffer as a result of a tax liability in respect of CDI's transfer of the Gething Coal Project to CKD (the "**CKD Indemnity Liability**").
28. If the Company were to attempt to monetize its interest in CKD, an interested party would likely want to know the quantum of the CKD Indemnity Liability in order to evaluate an offer.
29. The Monitor understands that the Company seeks to set a hearing for the determination of the quantum of the CKD Indemnity Liability prior to June 30, 2025. This would allow the Company to consider its options with respect to the monetization of its interest before the expiration of the stay extension being sought.

THE RELIEF SOUGHT BY THE COMPANY

30. The relief being sought by the Company consists of:
 - (a) Approval of the SISP;
 - (b) Approval of the SH APAs;

- (c) Approval for the New DIP Funds; and
 - (d) Approval of an extension of the current stay of proceedings to August 31, 2025.
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- 31. The Monitor has already provided its support for the approval of the SISP and the SH APAs in previous sections of this report.
 - 32. With respect to the New DIP Funds, the Monitor notes that the professionals are an integral part of the restructuring process in providing assistance to the Company for navigating these proceedings.
 - 33. Accordingly, the Monitor supports the approval for the New DIP Funds so that the fees and expenses of the professionals can be kept current and continue to provide their services to the Company.
 - 34. As indicated previously, the Monitor is of the view that the steps being taken are appropriate and would be expected under any insolvency process.
 - 35. The Company is seeking to extend its stay of proceedings to August 31, 2025, absent which the current stay would expire on April 30, 2025.
 - 36. While the Monitor is sympathetic to the frustration being experienced by Shougang and Zhonghe with respect to the timing of service of the substantive aspects of the Company's application materials, the Monitor notes that the Company has faced several challenges. These include language issues, time zone differences and lack of complete financial records to facilitate the negotiation of the SH APAs. The Monitor is of the view that the Company is acting in good faith and with due diligence in trying to be as timely as possible.

37. As a result, the Monitor is of the view that an extension of the stay of proceedings to August 31, 2025 is warranted in order to provide the Company with the time required for:
- (a) The Monitor to conduct the SISP and conclude a sale of CDI's remaining assets (excluding its shares in CKD);
 - (b) The Company to seek the resolution of the CKD Indemnity Liability and consider its options to monetize this asset; and
 - (c) To finalize its review and resolution of the claims filed in accordance with the Claims Process Order.

All of which is respectfully submitted this 21st day of April, 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

**CANADIAN DEHUA INTERNATIONAL MINES GROUP INC.
SALE AND INVESTMENT SOLICITATION PROCESS**

1. On June 1, 2022, Canadian Dehua International Mines Group Inc. (“**CDI**”) filed a petition for an initial order under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (“**CCAA**”), appointing FTI Consulting Inc. as the monitor (the “**Monitor**”) of the CDI.
2. On June 3, 2022, the Supreme Court of British Columbia (the “**Court**”) issued the initial CCAA order (the “**Initial Order**”). The Initial Order was amended and restated on May 9, 2022, August 18, 2022, November 30, 2022, March 9, 2023, June 15, 2023, September 11, 2023 and October 9, 2024.
3. On April 23, 2025, the Court granted an order, *inter alia*, approving a stalking horse sale and investment solicitation process (“**SISP**”) in respect of the remaining property, assets and undertakings of CDI (with the exception of CDI’s interest in Canadian Kailuan Dehua Mines Co. Ltd.) (collectively, the “**Property**”).
4. The SISP shall be conducted by the Monitor with the assistance of CDI.
5. CDI and Qubo Liu (the “**Stalking Horse Bidder**”) have entered into:
 - (i) a stalking horse asset purchase agreement dated as of April 22, 2025 in respect of CDI’s interest in the Murray River Project; and,
 - (ii) a stalking horse asset purchase agreement dated as of April 22, 2025 in respect of the remaining Property of CDI,

(each a “**Stalking Horse APA**” and together, the “**Stalking Horse APAs**”).

Copies of the Stalking Horse APAs are attached as Exhibits “A” and “B” to the Affidavit of Ashley Kumar made April 17, 2025.

6. The Monitor will solicit bids in accordance with the SISP described herein. All qualified interested parties will be provided with an opportunity to participate in the SISP (the “**Opportunity**”). The SISP is intended to solicit interest in the Property, as further described in the Stalking Horse APAs pursuant to the transactions (the “**Transactions**”).
7. The purpose of the SISP is to determine whether better Transactions than the Transactions contemplated in the Stalking Horse APAs may be obtained for the Property. For the purposes of this SISP, a “**Superior Offer**” shall mean:

a credible, reasonably certain and financially viable offer made by a Qualified Bidder (as defined herein) to be a counterparty to a Transaction, the terms of which offer are more favourable and no more burdensome or conditional than the terms contained in either Stalking Horse APA and which includes at a minimum: (i) a purchase price which exceeds the purchase price in either Stalking Horse APA by an amount of not less than 10%, and (ii) payment in cash of the Break Fee (as defined in the Stalking Horse APAs), the Expense Reimbursement (as defined in the Stalking

Horse APAs), and any amounts outstanding under the Administration Charge and the Interim Lender's Charge at the closing of such transaction.

8. The order of the Court approving the SISP, and any other orders of the Court in these CCAA proceedings, shall exclusively govern the process for soliciting and selecting bids for the sale of the Property free and clear of any and all liabilities and encumbrances (except for those permitted liabilities and encumbrances as agreed by the parties).
9. Unless otherwise indicated herein, any event that occurs on a day that is not a Business Day shall be deemed to occur on the next Business Day (a "**Business Day**" is any day, other than a Saturday or Sunday, on which banks are ordinarily open for business in Vancouver, British Columbia).

Property Subject to the SISP

10. The Property of CDI has been divided into the following parcels (the "**Offering Parcels**"):
 - (a) Parcel 1:
 - Shares in Canadian Dehua Lvliang Corp.
 - (b) Parcel 2:
 - Shares in Canada Dehua Drilling Ltd.
 - Shares in Vancouver Island Iron Ore Corporation
 - Iron Ross Project
11. Bids may be submitted either (i) *en bloc*; or (ii) for one of the Offering Parcels.

Timeline

12. The following table sets out the key milestones under the SISP which are as follows:

Milestone	Deadline
CDI and Monitor to create list of Known Potential Bidders	April 30, 2025
Monitor to prepare and have the Data Room available	April 30, 2025
Monitor to distribute Teaser Letters and NDAs to Known Potential Bidders	May 2, 2025
Bid Deadline	July 31, 2025
Transaction Approval Application Hearing	August 15, 2025
Closing Date Deadline	August 31, 2025

The dates set out in the SISP may be extended by the Monitor in accordance with the terms hereof.

Solicitation of Interest: Notice of the SISP

13. As soon as reasonably practicable, but in any event by no later than April 30, 2025:
- (a) the Monitor, in consultation with CDI will prepare a list of Potential Bidders (as defined herein), including:
 - (i) parties that have approached CDI or the Proposal Trustee indicating an interest in the Opportunity; and
 - (ii) local and international strategic and financial parties who the Monitor, in consultation with CDI believe may be interested in purchasing all or part of the Property,(collectively, "**Known Potential Bidders**");
 - (b) the Monitor will arrange for a notice of the SISP (and such other relevant information which the Monitor, in consultation with CDI, considers appropriate) (the "**Notice**") to be published in the National Post, Insolvency Insider and any other industry publication, website, newspaper or journal as the Monitor, in consultation with CDI, considers appropriate, if any;
 - (c) the Monitor, in consultation with CDI, will prepare a process summary (the "**Teaser Letter**") describing the Opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP and a non-disclosure agreement in form and substance satisfactory to the Monitor and CDI (an "**NDA**").
14. The Monitor shall send the Teaser Letter and NDA to each Known Potential Bidder by no later than May 2, 2025 and to any other party who requests a copy of the Teaser Letter and NDA or who is identified to CDI or the Monitor as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

"As Is, Where Is"

13. Any purchase of the Property will be on an "as is, where is" basis without representations or warranties of any kind, nature or description by CDI or the Monitor or any of their respective directors, officers, partners, employees, agents, advisors or estates, except to the extent as may be set forth in a Binding APA (as defined herein) and approved by the Court.
14. By submitting a bid, each Potential Bidder (as defined herein) shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Property prior to making its bid, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and the Property in making its bid, and that it did not rely upon any written or oral statements, representations, warranties or guarantees, express, implied, statutory or otherwise, regarding the Property or the completeness of any information provided in connection therewith, except as expressly stated in this SISP or as set forth in a Binding APA and approved by the Court.

Participation Requirements

15. Each person who wishes to participate in the SISP (each, a "**Potential Bidder**"), must deliver the following documents to the Monitor by email to Craig Munro at craig.munro@fticonsulting.com, prior to the distribution of any confidential information as follows:
 - (a) an executed NDA; and
 - (b) a letter setting forth the Potential Bidder's (i) identity, (ii) contact information and (iii) full disclosure of its direct and indirect principals;
 - (c) a form of financial disclosure and credit quality support or enhancement that allows the Monitor to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate a transaction; and
 - (d) any other information that the Monitor may reasonably request.

Due Diligence

16. The Monitor, with the assistance of CDI, shall prepare a data room (the "**Data Room**") with additional information considered relevant to the Opportunity, which will provide, among other things, information considered relevant to the SISP, including copies of the Stalking Horse APAs and a template agreement of purchase and sale (an "**APA**"). Neither CDI nor the Monitor or their respective advisors make any representation or warranty whatsoever as to the information (including as to the accuracy or completeness of such information) made available pursuant to the SISP, including in the Data Room, except to the extent expressly contemplated in any definitive agreement with a successful bidder ultimately executed and delivered by CDI.
17. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property in connection with their participation in the SISP and any transaction they enter into with CDI.
18. The Monitor, in consultation with CDI, shall, in its reasonable business judgment and subject to competitive and other business considerations, afford each Potential Bidder such access to due diligence material and information relating to the Property as it deems appropriate. Due diligence access may include management presentations, access to electronic data rooms, on-site inspections, and other matters which a Potential Bidder may reasonably request and as to which the Monitor, in its reasonable business judgment and after consulting with CDI, may agree.
19. The Monitor shall designate a representative to coordinate all reasonable requests for additional information and due diligence access from Potential Bidders and the manner in which such requests must be communicated. Neither CDI nor the Monitor shall be obligated to furnish any information relating to the Property to any person other than to the Potential Bidders. Furthermore, and for the avoidance of doubt, selected due diligence materials may be withheld from certain Potential Bidders if CDI, in consultation with and with the approval of the Monitor, determine such information to represent proprietary or sensitive competitive information.

Bid Deadline

20. A Potential Bidder that desires to make a bid (a "**Qualified Bidder**") shall deliver written copies of its Binding APA (defined herein), substantially in the form of the template APA located in the Data Room, together with a blackline outlining all changes made to the APA and the Deposit (defined herein) in the form of a certified cheque, bank draft or wire transfer (a "**Qualified Bid**"), to the Monitor as follows:

FTI Consulting Inc.
701 West Georgia Street
Suite 1450, PO Box 10089
Vancouver, BC V7Y 1B6

Attn: Craig Munro
Email: craig.munro@fticonsulting.com

With a copy to:

McEwan Cooper Kirkpatrick LLP
900 – 980 Howe Street
Vancouver, BC V6Z 0C8

Attn: David Gruber
Email: dgruber@mcewanpartners.com

so as to be received by no later than July 31, 2025, 2025 at 5:00 p.m. (Pacific time) (or as set by the Monitor or as may be extended as set out below, the "**Bid Deadline**"). The Monitor may extend the Bid Deadline, once or successively, but is not obligated to do so. If the Bid Deadline is extended, the Monitor will promptly notify all Qualified Bidders.

Binding APA

21. In addition to the foregoing, a Binding APA must comply with all of the following:
- (a) the bid is an offer to purchase the Property, or any portion thereof, on terms and conditions acceptable to the Monitor and delivered to the Monitor prior to the Bid Deadline;
 - (b) it is duly authorized and executed, and includes a purchase price for the Property expressed in Canadian dollars (the "**Purchase Price**"), together with all exhibits, schedules and all applicable ancillary agreements thereto;
 - (c) includes a letter of acknowledgment stating that the Qualified Bidder's offer is irrevocable and open for acceptance until a Transaction closes;
 - (d) it is accompanied by written evidence of a firm, irrevocable commitment for financing or other evidence satisfactory to the Monitor, in its sole discretion, of the ability of the Qualified Bidder to consummate the proposed Transaction;
 - (e) the bid is not conditioned on (i) the outcome of unperformed due diligence by the Qualified Bidder, apart from, to the extent applicable, the disclosure of due

diligence materials that represent proprietary or sensitive competitive information which was withheld from the Qualified Bidder, or (ii) obtaining financing, but may be conditioned upon obtaining the required approvals or amendments relating to the licenses required to operate the Property as an airport, if necessary;

- (f) the bid does not include a request for or entitlement to any break fee, expense reimbursement or other similar type payment if the bid is not selected as the Successful Bid (as defined herein);
- (g) the bid fully discloses the identity of each entity that will be entering into the transaction or the financing, or that is participating or benefiting from such bid;
- (h) it includes an acknowledgement and representation of the Qualified Bidder that: (i) it has had an opportunity to conduct any and all due diligence regarding the Property provides a deposit in the amount of not less than 15% of the Purchase Price offered by the Qualified Bidder (the "**Deposit**"); and,
- (i) the bid contemplates closing the transaction set out therein within ten (10) Business Days of the satisfaction or waiver of the conditions in the Binding APA (the "**Closing Date**");

(a "**Binding APA**").

22. The Monitor may determine in its sole discretion whether to accept bids for the Property that do not conform to one or more of the requirements specified herein but is not obligated to do so.

23. For greater certainty, each of the Stalking Horse APAs shall be deemed to be a Binding APA.

Evaluation of Binding APA

24. If at the Bid Deadline, at least one Qualified Bid other than the relevant Stalking Horse APAs has been received, each submitted Binding APA will be considered by the Monitor based upon several factors including, without limitation, items such as the Purchase Price and the net value provided by such bid, the counterparties to such transactions, the proposed transaction documents, other factors affecting the speed and certainty of the closing of the transaction, the value of the transaction, any related transaction costs, the likelihood and timing of consummating such transactions, whether the transaction results in a Superior Offer, and such other matters as the Monitor determines in its sole discretion.

25. The Monitor may also, in its sole discretion, invite one or more Qualified Bidders together with the Stalking Horse Bidder to submit a further and higher bid (the "**Final Binding APA**"). Any Qualified Bidder so invited may elect to increase its bid by way of a Final Binding APA or to reaffirm its Binding APA.

26. Each Qualified Bidder shall comply with all reasonable requests for additional information by the Monitor regarding the Qualified Bidder, the Binding APA or the Final Binding APA. Failure of a Qualified Bidder to comply with such requests for additional information will be a basis for the Monitor to reject a Binding APA or Final Binding APA.

Selection of Successful Binding APA

27. The Monitor will review and evaluate each Binding APA and Final Binding APA if any, and: (a) may identify the highest or otherwise best offer for the Property (the "**Successful Bid**" or "**Successful Bidder**"), or (b) if no Binding APA, other than the Stalking Horse APAs, has been received by the Bid Deadline, then the Monitor shall declare the Stalking Horse APAs as the Successful Bid.
28. Neither a Binding APA nor a Final Binding APA may be withdrawn, modified or amended without the written consent of the Monitor prior to the Successful Bid being determined.

Sale Application Hearing

29. The application for an approval and vesting order of the Court approving any Successful Bid (the "**Sale Application**") shall be brought promptly by the Monitor. The Sale Application shall be heard on a date determined by Monitor and subject to the Court's availability.
30. All of the Binding APAs, and/or the Final Binding APAs, other than the Successful Bid shall be deemed rejected on and as of the date of closing of the Transaction contemplated by the Successful Bid.

Deposits

31. All Deposits shall be retained by the Monitor in a non-interest-bearing trust account located at a financial institution in Canada selected by the Monitor. The Monitor may waive the requirement of a Deposit if it believes sufficient security or certainty has been provided by a Qualified Bidder, including by way of a credit bid and the Staking Horse Bidder shall not be required to post any such security.
32. If there is a Qualified Bid that constitutes a Successful Bid, the Deposit paid by the Successful Bidder shall be applied to the consideration to be paid upon closing of the transaction constituting the Successful Bid.
33. The Deposit(s) from all Qualified Bidders submitting Qualified Bids that do not constitute a Successful Bid shall be returned to such Qualified Bidder within five (5) Business Days of the date that the transaction contemplated by the Successful Bid closes.
34. If the Qualified Bidder making a Qualified Bid is selected as the Successful Bid and breaches or defaults on its obligation to close the transaction in respect of its Successful Bid, it shall forfeit its Deposit to the Monitor for and on behalf of CDI provided however that the forfeit of such Deposit shall be in addition to, and not in lieu of, any other rights in law or equity that CDI may have in respect of such breach or default. Further, any Qualified Bidder that submits a Binding APA or a Final Binding APA and seeks to revoke its offer prior to designation of a Successful bid by the Monitor, shall forfeit its Deposit.
35. If CDI is unable to complete the Successful Bid as a result of their own actions and not as a result of steps or conditions contained in the Successful Bid (or the actions of the Successful Bidder) then the Deposit shall be returned to the Successful Bidder.

Miscellaneous

- 36. The Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of this SISP. At any time during the SISP, the Monitor or CDI may apply to the Court for advice and directions with respect to the discharge of their respective powers and duties hereunder, if any.
- 37. The Monitor may waive compliance with any one or more of the requirements of this SISP, including, for greater certainty, waiving strict compliance with any one or more of the requirements specified above and deem a non-compliant bid to be a Qualified Bid.
- 38. This SISP does not, and shall not be interpreted to, create any contractual or other legal relationship between CDI or the Monitor and any Potential Bidder, any Qualified Bidder or any other party, other than as specifically set forth in a definitive agreement that may be entered into with CDI.
- 39. Without limiting the preceding section, the Monitor shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Qualified Bidder, or any other creditor or other stakeholder of CDI, for any act or omission related to the process contemplated by this SISP, except to the extent such act or omission is the result from gross negligence or willful misconduct of the Monitor. By submitting a bid, each Potential Bidder, and Qualified Bidder shall be deemed to have agreed that it has no claim against the Monitor for any reason whatsoever, except to the extent that such claim is the result of gross negligence or willful misconduct of the Monitor.
- 40. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.
- 41. Subject to the terms of any order of the Court, the Monitor shall have the right to modify the SISP, if, in its reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP; provided that the service list in the CCAA Proceedings shall be advised of any substantive modification to the procedures set forth herein.
- 42. In order to discharge its duties in connection with the SISP, the Monitor may engage professional or business advisors or agents as the Monitor deems fit in its sole discretion.
- 43. The Monitor shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder or Qualified Bidder, or any creditor or other stakeholder, for any act or omission related to this SISP.

APPENDIX B

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT is made effective as of April 22, 2024,

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

(the “**Vendor**”)

AND:

QU BO LIU, a business person having an address at 3577 West 34th Avenue, Vancouver BC V6N 2K7

(the “**Purchaser**”)

BACKGROUND

- A. The Vendor carries on the business of investing in, exploring, developing, and operating under-ground coal mining projects and supporting infrastructure in British Columbia and elsewhere, including interests in the mining project described as the Murray River Project (the “**Project**”).
- B. The Vendor is the legal and beneficial owner of 4,335,051 common shares without par value in the capital of Canadian Dehua Lvliang Corp. (“**CDLV**”). CDLV is the legal and beneficial owner of 40% of the issued and outstanding shares in the capital of HD Mining International Ltd. (“**HD Mining**”), and HD Mining is the owner of or in possession or control of the Project, including all permits, mineral interests and coal licences, geological and exploration data, and intellectual property used in connection with the Project, and without limitation the Murray River Project Mineral Titles and Coal Licences as herein defined.
- C. The Vendor and the Assets as herein defined 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**”).
- D. Pursuant to the Orders of the Supreme Court of British Columbia (the “**Court**”) in the CCAA Proceedings:

- a. the Vendor is authorized to pursue all avenues of sale of its assets, including its interests in the Project, in whole or in part, subject to prior approval of the Court before any material sale is concluded; and
 - b. the sale of the Vendor's interests in the Project are to be implemented in compliance with the Sale and Investment Solicitation Process approved by the Court (the "**SISP**").
- E. Pursuant to Debtor in Possession financing provided by the Purchaser to the Vendors, the Vendors are indebted to the Purchaser for an amount greater than \$400,000.00 (the "**DIP Loan**")
- F. Pursuant to and in accordance with the SISP, the Vendor has agreed to sell and the Purchaser has agreed to purchase ~~all of the Vendor's right, title, and interest in and to the assets owned by the Vendor in connection with the Project, including without limitation: the Shares; and (to the extent that the Vendor has an interest therein) all applications, permits, mineral interests and coal licences, consultant reports, geological and exploration samples and data, and intellectual property used in connection with the Project including the Murray River Project Mineral Titles and Coal Licences as herein defined, free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein or thereon~~ the Assets, 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 Vendor and the Purchaser;
- (b) "**Assets**" means the Shares ~~and (to the extent that the Vendor has a right or interest) the Vendor's right, title, and interest, if any, in and to all applications, permits, mineral interests and coal licences, consultant reports, geological and exploration samples and data, and intellectual property used in connection with the Project, including the Murray River Project Mineral Titles and Coal Licences as herein defined;~~
- (c) "**Closing Date**" means as soon as possible upon the granting of an approval and vesting order by the CCAA Court in form and substance acceptable to the Purchaser, but in any event, no later than 21 days thereafter, or such other date as may be mutually agreed upon in writing by the parties;

- (d) **“Murray River Project Mineral Titles and Coal Licences”** means the Mineral Titles relating to the Project in respect of which HD Mining is the registered owner ~~as described in Schedule A to this Agreement;~~
- (e) **“Shares”** means the 4,335,051 common shares without par value in the capital of CDLV held by CDI;
- (f) **“Time of Closing”** means 12:00 Noon Pacific Time on the Closing Date;

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 Vendor will sell, assign, and transfer to the Purchaser and the Purchaser will purchase from the Vendor, 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 **\$1,400,000.00** (the **“Purchase Price”**).

2.2 The Purchase Price will be paid and satisfied as provided in section ~~9.38.3~~ and delivered by the Purchaser to the Vendor on the Closing Date against delivery to the Purchaser of the documents described in section ~~9.28.2~~.

~~**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 the Vendor and the Purchaser will make its own determination of allocation.~~

3. **SISP.**

- 3.1 The Vendor shall apply to the Court in the CCAA Proceeding on or about April 22, 2025, for an order approving the SISP (the “**SISP Order**”).
- 3.2 The SISP Order shall, *inter alia*, recognize the within offer by the Purchaser and the Purchase Price:
- (a) as a baseline or “stalking horse bid” in respect of the Assets (the “**Stalking Horse Bid**”); and
 - (b) as a deemed “Qualified Bid”, with an attendant right on the part of the Purchaser to participate as a bidder in any auction of the Assets.
- 3.3 In order to meet the definition of a “Superior Bid” for the purpose of the SISP Order, any competing offer to purchase the Assets must have a purchase price that exceeds the Purchase Price by an amount of not less than 10% of the Purchase Price.
- 3.4 The Purchaser acknowledges and agrees that the aforementioned process is in contemplation of determining whether an offer to purchase the Assets for an amount greater than the Purchase Price (a “**Superior Bid**”) can be obtained for the Assets, and that the Stalking Horse Bid may be the successful bid for the Assets.
- 3.5 In consideration for the Purchaser’s expenditure of time, money, and agreement to act as the initial bidder through the Stalking Horse Bid, in the event that the Stalking Horse Bid is not the Successful Bid the Purchaser shall be entitled to receive from the Vendor upon completion of the sale of the Assets to the successful bidder:
- (a) a break fee equal to 5% of the amount of the Successful Bid (inclusive of taxes, if any) (the “**Break Fee**”), and
 - (b) expense reimbursement in the fixed amount of \$50,000.
- 3.6 Notwithstanding any other term or condition of this Agreement, the obligation of the parties to complete the transactions contemplated by this Agreement shall be subject to the mutual condition, which is for the benefit of both the Vendor and the Purchaser, that on or before the Closing Date, the Vendor shall have obtained (at the sole cost of the Vendor) an Order or Orders of the Court (collectively, the “**Approval and Vesting Order**”):

- (a) approving the sale of the Assets to the Purchaser on the terms and conditions of this Agreement; and
- (b) upon the completion of the transactions contemplated by this Agreement, vesting absolutely in the Purchaser all right, title, and interest in and to the Shares ~~and (to the extent that the Vendor has a right or interest therein) the Vendor's right, title or interest in and to all applications, permits, mineral interests and coal licences, consultant reports, geological and exploration samples and data, and intellectual property used in connection with the Project, including the Murray River Project Mineral Titles and Coal Licences~~, 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 including, without limiting the generality of the foregoing, any encumbrance or charge created by order of the Court in the CCAA Proceeding.

4. Deposit

- 4.1 4.1 Concurrent with the execution of this Agreement, the ~~Purchaser shall pay a~~ deposit of \$140,000 (the "**Deposit**"); which the Purchaser has previously paid to DLA Piper (Canada) LLP, 2700 – 1133 Melville Street, Vancouver, BC V6E 4E5 ("DLA Piper") shall be transferred by DLA Piper to FTI Consulting Canada Inc., 701 West Georgia Street #1450, Vancouver, BC V7Y 1B6 (the "Monitor"), to be held by the Monitor in accordance with the terms of this Agreement, ~~subject to the requirement for the Deposit being waived by the Monitor.~~
- 4.2 At the Closing, the Deposit shall be paid to the Vendor on account of the Purchase Price as provided in this Agreement.
- 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 and Vesting Order;
 - (b) by reason of the default of the Vendor 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 Fraser Litigation Group, 570 Granville Street #1100, Vancouver, BC V6C 1W6, in trust for 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 Vendor as liquidated damages and not as a penalty, and upon payment of the Deposit the Vendor will have no further claim against the Purchaser for any additional damages or loss whatsoever.

5. Representations and Warranties

The parties acknowledge and represent that:

- (a) the sale of the Assets is on an "as is, where is" basis;
- (b) the Vendor does 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 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, the Vendor or the completeness of any information provided in connection therewith, except as expressly stated herein.

~~6. Vendor's Covenants~~

~~At or before the Time of Closing, the Vendor will deliver to the Purchaser possession of all books, records, book accounts, and all other documents, files, records, and other data, financial or otherwise, including mineral interests and coal licences, geological and exploration data, and intellectual property, relating to the Assets.~~

6. ~~7.~~ Purchaser's Conditions of Closing

6.1 ~~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 Vendor 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 the Vendor, or any of them, 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 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.

6.2 ~~7.2~~ If on the Closing Date any of the conditions in section ~~7.1~~6.1 are not fulfilled or waived as contemplated in section ~~7.3~~6.3, the Purchaser may rescind this Agreement by notice in writing to the Vendor. In such event, the Purchaser shall be released from all obligations under this Agreement, and the Vendor will also be released unless the Vendor was reasonably capable of causing such condition or conditions to be fulfilled, or the Vendor has breached any of its covenants or agreements in this Agreement.

6.3 ~~7.3~~ The conditions in section ~~7.1~~6.1 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.

7. ~~8.~~ Vendor's Conditions of Closing

7.1 ~~8.1~~ The obligations of the Vendor under this Agreement are subject to the following conditions for the exclusive benefit of the Vendor being fulfilled at the Time of Closing or waived by the Vendor 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; and
- (c) all director and shareholder resolutions and director and officer resignations, elections and/or appointments required in order for the Vendor to be able to make the Vendor's Closing deliveries at sections ~~9.2(e)~~8.2(c) and ~~9.2(f)~~8.2(f) shall have been obtained.

7.2 ~~8.2~~ If on the Closing Date any of the conditions in section ~~8.1~~7.1 are not fulfilled or waived as contemplated in section ~~8.3~~7.3, the Vendor may rescind this Agreement by notice in writing to the Purchaser. In such event, the Vendor and the Purchaser shall be released from all obligations under this Agreement.

7.3 ~~8.3~~ The conditions in section ~~8.1~~7.1 may be waived in whole or in part by the Vendor 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.

8. ~~9.~~ Closing

8.1 ~~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.

8.2 ~~9.2~~ Vendor’s Closing Documents

At the Closing, the Vendor will tender to the Purchaser:

- (a) a Court certified copy of the Approval and Vesting 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 Vendor, as applicable, in form satisfactory to the Purchaser acting reasonably, authorizing the sale of the Assets, including the transfers of the Shares to the Purchaser;
- (c) certified copies of resolutions of the directors of CDLV, in form satisfactory to the Purchaser acting reasonably, authorizing the transfers of the Shares to and 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 Vendor representing the Shares duly endorsed for transfer and duly executed share certificates representing the Shares in the name of the Purchaser;

- (e) certified copy of the central securities register of CDLV recording that the Purchaser is the holder of the Shares;
- (f) duly signed resignations of Naishun Liu as a director and officer of CDLV, or certified copies of shareholder and/or director resolutions of CDLV removing Naishun Liu as a director and officer of CDLV, and certified copies of shareholder and/or director resolutions of CDLV electing or appointing directors and officers specified by the Purchaser; and
- ~~(g) a bill of sale or assignment, as applicable conveying the Assets to the Purchaser, as applicable; and~~
- (g) ~~(h)~~ such transfers, assignments, and other documents and assurances as may be reasonably required by the Purchaser to give full effect to the intent and meaning of this Agreement.

8.3 ~~9.3~~ Purchaser's Closing Documents

At the Closing, the Deposit shall be paid to the Vendor, and the Purchaser will tender to the Vendor:

- (a) a certificate authorizing the Vendor to set off and apply \$400,000 of the DIP Loan against the Purchase Price payable under this Agreement, in form satisfactory to the Vendor acting reasonably; and
- (b) a certified cheque or bank draft payable to the Vendor in the amount of \$860,000.00.

9. ~~10.~~ General

9.1 ~~10.1~~ Reliance

The Vendor acknowledges and agrees that the Purchaser has entered into this Agreement relying on the representations, warranties, covenants, and agreements, and other terms and conditions of this Agreement.

9.2 ~~10.2~~ Commissions, Legal Fees

Subject to any other term or condition herein, 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 Vendor before the Closing Date.

9.3 ~~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 Vendor:

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

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

To the Purchaser:

Fraser Litigation Group, 1100 – 570 Granville Street, Vancouver, BC V6C
3P1

Attention: R. Barry Fraser BFraser@FraserLitigation.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.)

9.4 ~~10.4~~ Time of Essence

Time is of the essence of this Agreement.

9.5 ~~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.

9.6 ~~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.

9.7 ~~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.

9.8 ~~10.8~~ Entire Agreement

This Agreement contains the whole agreement between the Vendor 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.

9.9 ~~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.

9.10 ~~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.

9.11 ~~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.

9.12 ~~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 next page is the signature page]

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

CANADIAN DEHUA INTERNATIONAL MINES GROUP INC.

Per: _____
Authorized

Signatory

Per: _____
Authorized Signatory

QU BO LIU

Schedule A

Murray River Project Mineral Titles and Coal Licences

No.	Project	Licenses #	Transferred to- Dehua Record- Date	NTS	Mining District	Area (ha.)
1	Murray River	417404	April 3, 2009	093P014	Liard	296
2	Murray River	417405	April 3, 2009	093P014	Liard	296
3	Murray River	417406	April 3, 2009	093P014	Liard	296
4	Murray River	417407	April 3, 2009	093P014	Liard	296
5	Murray River	417408	April 3, 2009	093P014	Liard	296
6	Murray River	417409	April 3, 2009	093P014	Liard	296
7	Murray River	417410	April 3, 2009	093P014	Liard	296
8	Murray River	417411	April 3, 2009	093P014	Liard	296
9	Murray River	417412	April 3, 2009	093P014	Liard	296
10	Murray River	417413	April 3, 2009	093P014	Liard	296
11	Murray River	417414	April 3, 2009	093P014	Liard	296
12	Murray River	417415	April 3, 2009	093P014	Liard	296
13	Murray River	417416	April 3, 2009	093P005	Liard	222
14	Murray River	417417	April 3, 2009	093P015	Liard	296
15	Murray River	417418	April 3, 2009	093P005	Liard	296
16	Murray River	417419	April 3, 2009	093P005	Liard	297
17	Murray River	417420	April 3, 2009	093P015	Liard	296
18	Murray River	417421	April 3, 2009	093P005	Liard	296
19	Murray River	417422	April 3, 2009	093P005	Liard	297
20	Murray River	417423	April 3, 2009	093P005	Liard	297
21	Murray River	417424	April 3, 2009	093P005	Liard	223
22	Murray River	417425	April 3, 2009	093P005	Liard	297
23	Murray River	417426	April 3, 2009	093P005	Liard	297

24	Murray River	417427	April 3, 2009	093P005	Liard	149
25	Murray River	417428	April 3, 2009	093P005	Liard	296
26	Murray River	417429	April 3, 2009	093P005	Liard	297
27	Murray River	417430	April 3, 2009	093P005	Liard	297
28	Murray River	417431	April 3, 2009	093P005	Liard	297
29	Murray River	417432	April 3, 2009	093P005	Liard	297
30	Murray River	417433	April 3, 2009	093P005	Liard	297
31	Murray River	417434	April 3, 2009	093P005	Liard	297
32	Murray River	417435	April 3, 2009	093P005	Liard	297
33	Murray River	417436	April 3, 2009	093P005	Liard	297
34	Murray River	417437	April 3, 2009	093P005	Liard	297
35	Murray River	417438	April 3, 2009	093P005	Liard	297
36	Murray River	417439	April 3, 2009	093P005	Liard	297
37	Murray River	417440	April 3, 2009	093P005	Liard	297
38	Murray River	417441	April 3, 2009	093P005	Liard	297
39	Murray River	417442	April 3, 2009	093P005	Liard	297
40	Murray River	417443	April 3, 2009	093P005	Liard	297
41	Murray River	417444	April 3, 2009	093P005	Liard	297
42	Murray River	417445	April 3, 2009	093P005	Liard	297
43	Murray River	417446	April 3, 2009	093P005	Liard	297
44	Murray River	417447	April 3, 2009	093I095	Liard	297
45	Murray River	417448	April 3, 2009	093P005	Liard	223
46	Murray River	417449	April 3, 2009	093I095	Liard	149
47	Murray River	417452	April 3, 2009	093I095	Liard	297
48	Murray River	417453	April 3, 2009	093I095	Liard	297
49	Murray River	417454	April 3, 2009	093I095	Liard	297
50	Murray River	417455	April 3, 2009	093I095	Liard	297

51	Murray River	417456	April 3, 2009	093I095	Liard	297
52	Murray River	417457	April 3, 2009	093I095	Liard	149
53	Murray River	417458	April 3, 2009	093I096	Liard	297
54	Murray River	417459	April 3, 2009	093I096	Liard	149
55	Murray River	417460	April 3, 2009	093I096	Liard	297
56	Murray River	417461	April 3, 2009	093I096	Liard	223
57	Murray River	417462	April 3, 2009	093I096	Liard	298

Summary report:
Litera Compare for Word 11.8.0.56 Document comparison done on
4/21/2025 8:01:06 PM

Style name: Default Style	
Intelligent Table Comparison: Active	
Original DMS: iw://cloudimanage.com/FIRMDOCS/56668988/1	
Modified DMS: iw://cloudimanage.com/FIRMDOCS/56668988/4	
Changes:	
<u>Add</u>	50
Delete	58
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	0
Table Delete	1
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	109

APPENDIX C

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT is made effective as of April 22, 2024,

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

(the “Vendor”)

AND:

QU BO LIU, a business person having an address at 3577 West 34th Avenue, Vancouver BC V6N 2K7

(the “Purchaser”)

BACKGROUND

- A. The Vendor carries on the business of investing in, exploring, developing, and operating mineral mining projects and supporting infrastructure in British Columbia and elsewhere, including interests in CANADA DEHUA DRILLING LTD. (Incorporation Number BC0880295) (“CDD”), VANCOUVER ISLAND IRON ORE CORPORATION (Incorporation Number BC1070400) (“VIIOC”), and the mining project described as the IRON ROSS PROJECT (the “Iron Ross Project”).
- B. The Vendor is the legal and beneficial owner of:
- a. 100 Class “A” Voting common shares without par value in the capital of CDD (the “CDD Shares”), and CDD is the legal and beneficial owner of, or in possession and control of the properties described in Schedule “A” hereto (the “CDD Properties”) including all permits, mineral interests and licences, geological and exploration data, and intellectual property used or held in connection with the CDD Properties;
 - b. 80 Voting common shares without par value in the capital of VIIOC (the “VIIOC Shares”), and VIIOC is the owner of or in possession and control of the mining project described as the PACIFIC PROJECT (the “Pacific Project”), including the certain mineral interests ~~described in Schedule “B” hereto~~ comprising the Pacific Project (the “Pacific Project Mineral Interests”), and all permits, mineral interests and licences, geological and

exploration data, and intellectual property used or held in connection with the Pacific Project and the Pacific Project Mineral Interests; and

- c. the Iron Ross Project, including the mineral interests described in Schedule “~~CB~~” hereto (the “**Iron Ross Mineral Interests**”), together with all permits, licences, geological and exploration data, and intellectual property owned directly or indirectly by the Vendor in connection with the Iron Ross Project and the Iron Ross Mineral Interests.
- C. The Vendor and the Assets as herein defined 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**”).
- D. Pursuant to the Orders of the Supreme Court of British Columbia (the “**Court**”) in the CCAA Proceedings:
- a. the Vendor is authorized to pursue all avenues of sale of its assets, including its interests in the Assets as herein defined, in whole or in part, subject to prior approval of the Court before any material sale is concluded; and
 - b. the sale of the Vendor’s interests in the Assets is to be implemented in compliance with the Sale and Investment Solicitation Process approved by the Court (the “**SISP**”).
- E. Pursuant to debtor in possession financing provided by the Purchaser to the Vendor, the Vendor is indebted to the Purchaser (the “**DIP Loan**”).
- F. Pursuant to and in accordance with the SISP, the Vendor has agreed to sell and the Purchaser has agreed to purchase all of the Vendor’s right, title, and interest in and to the CDD Shares, the VIIOC Shares, and the Iron Ross ~~Project, and (to the extent that the Vendor has an interest therein) all assets owned by the Vendor in or for the CDD Properties, the Pacific Project, and the Iron Ross Project, including without limitation the Iron Ross Mineral Interests, and all applications, permits, mineral interests and licences, consultant reports, geological and exploration samples and data, and intellectual property used or held in connection with the CDD Properties, the Pacific Project, and the Iron Ross Project,~~ 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 Vendor and the Purchaser;
- (b) **“Assets”** means the CDD Shares, the VIIOC Shares, ~~the Iron Ross Project, and without limitation the Iron Ross Mineral Interests and (to the extent that the Vendor has an interest therein) all applications, permits, mineral interests and licences, consultant reports, geological and exploration samples and data, and intellectual property used or held in connection with CDD, VIIOC, the CDD Properties, the Pacific Project, the Pacific Project Mineral Interests, the Iron Ross Project, and the Iron Ross Project~~ Mineral Interests, 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;
- (c) **“Closing Date”** means as soon as possible upon the granting of an approval and vesting order by the CCAA Court in form and substance acceptable to the Purchaser, but in any event, no later than 21 days thereafter, or such other date as may be mutually agreed upon in writing by the parties;
- (d) **“Time of Closing”** means 12:00 Noon Pacific Time on the Closing Date;

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 Vendor will sell, assign, and transfer to the Purchaser and the Purchaser will purchase from the Vendor, 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 **\$400,000.00** (the "**Purchase Price**").
- 2.2 The Purchase Price will be paid and satisfied as provided in section ~~9.38.3~~ and delivered by the Purchaser to the Vendor on the Closing Date against delivery to the Purchaser of the documents described in section ~~9.28.2~~.
- 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 the Vendor and the Purchaser will make its own determination of allocation.

3. SISP.

- 3.1 The Vendor shall apply to the Court in the CCAA Proceeding on or about April 22, 2025, for an order approving the SISP (the "**SISP Approval Order**").
- 3.2 The SISP Approval Order shall, *inter alia*, recognize the within offer by the Purchaser and the Purchase Price:
- (a) as a baseline or "stalking horse bid" in respect of the Assets (the "**Stalking Horse Bid**"); and
 - (b) as a deemed "Qualified Bid", with an attendant right on the part of the Purchaser to participate as a bidder in any auction of the Assets.
- 3.3 In order to meet the definition of a "Superior Bid" for the purpose the SISP, any competing offer to purchase the Assets must have a purchase price that exceeds the Purchase Price by an amount of not less than 10% of the Purchase Price.
- 3.4 The Purchaser acknowledges and agrees that the aforementioned process is in contemplation of determining whether an offer to purchase the Assets for an amount greater than the Purchase Price (a "**Superior Bid**") can be obtained for the Assets, and that the Stalking Horse Bid may be the successful bid for the Assets.
- 3.5 In consideration for the Purchaser's expenditure of time, money, and agreement to act as the initial bidder through the Stalking Horse Bid, in the event that the

Stalking Horse Bid is not the Successful Bid the Purchaser shall be entitled to receive from the Vendor, upon completion of the sale of the Assets to the successful bidder:-

~~(a), a~~ a break fee equal to 5% of the amount of the Successful Bid (inclusive of taxes, if any) (the “**Break Fee**”), ~~and,~~

~~(b) expense reimbursement in the fixed amount of \$50,000 (the “Expense Reimbursement”).~~

3.6 Notwithstanding any other term or condition of this Agreement, the obligation of the parties to complete the transactions contemplated by this Agreement shall be subject to the mutual condition, which is for the benefit of both the Vendor and the Purchaser, that on or before the Closing Date, the Vendor shall have obtained an Order or Orders of the Court (collectively, the “**Approval and Vesting Order**”):

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

(b) upon the completion of the transactions contemplated by this Agreement, vesting absolutely in the Purchaser all right, title, and interest in and to the CDD Shares, the VIIOC Shares, ~~the Iron Ross Project, the Iron Ross Mineral Interests, and (to the extent that the Vendor has a right or interest therein) the Vendor’s right, title, and interest in and to CDD, VIIOC, the CDD Properties, the Pacific Project, the Pacific Project Mineral Interests, the Iron Ross Project, and the Iron Ross Project Mineral Interests, and all applications, permits, mineral interests and licences, consultant reports, geological and exploration samples and data, and intellectual property used or held in connection with CDD, VIIOC, the CDD Properties, the Pacific Project, the Pacific Project Mineral Interests, the Iron Ross Project, and the Iron Ross Project~~ and the Iron Ross Mineral Interests, 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 including, without limiting the generality of the foregoing, any encumbrance or charge created by order of the Court in the CCAA Proceeding.

4. Deposit

4.1 Concurrent with the execution of this Agreement, the ~~Purchaser shall pay a~~ deposit of \$40,000 (the “**Deposit**”); which the Purchaser has previously paid to DLA Piper (Canada) LLP, 2700 – 1133 Melville Street, Vancouver, BC V6E 4E5 (“DLA Piper”) shall be transferred by DLA Piper to FTI Consulting Canada Inc.,

701 West Georgia Street #1450, Vancouver, BC V7Y 1B6 (the "Monitor"), to be held by the Monitor in accordance with the terms of this Agreement, ~~subject to the requirement for the Deposit being waived by the Monitor.~~

- 4.2 At the Closing, the Deposit shall be paid to the Vendor on account of the Purchase Price as provided in this Agreement.
- 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 and Vesting Order;
 - (b) by reason of the default of the Vendor 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 Fraser Litigation Group, 570 Granville Street #1100, Vancouver, BC V6C 1W6, in trust for 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 Vendor as liquidated damages and not as a penalty, and upon payment of the Deposit the Vendor will have no further claim against the Purchaser for any additional damages or loss whatsoever.

5. Representations and Warranties

The parties acknowledge and represent that:

- (a) the sale of the Assets is on an "as is, where is" basis;
- (b) the Vendor does 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 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, the Vendor or the

completeness of any information provided in connection therewith, except as expressly stated herein.

~~6. Vendor's Covenants~~

~~At or before the Time of Closing, the Vendor will deliver to the Purchaser possession of all books, records, book accounts, and all other documents, files, records, and other data, financial or otherwise, including mineral interests and licences, geological and exploration data, and intellectual property, relating to the Assets.~~

6. ~~7.~~ Purchaser's Conditions of Closing

6.1 ~~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 Vendor 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 the Vendor, or any of them, 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 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.

6.2 ~~7.2~~ If on the Closing Date any of the conditions in section ~~7.1~~6.1 are not fulfilled or waived as contemplated in section ~~7.6~~6.3, the Purchaser may rescind this Agreement by notice in writing to the Vendor. In such event, the Purchaser shall be released from all obligations under this Agreement, and the Vendor will also be released unless the Vendor was reasonably capable of causing such condition or conditions to be fulfilled, or the Vendor has breached any of its covenants or agreements in this Agreement.

6.3 ~~7.3~~ The conditions in section ~~7.1~~6.1 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.

7. ~~8.~~ Vendor's Conditions of Closing

7.1 ~~8.1~~—The obligations of the Vendor under this Agreement are subject to the following conditions for the exclusive benefit of the Vendor being fulfilled at the Time of Closing or waived by the Vendor 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; and
- (c) all director and shareholder resolutions and director and officer resignations, elections and/or appointments required in order for the Vendor to be able to make the Vendor's Closing deliveries at sections ~~9.2(h)~~8.2(h) and ~~9.2(k)~~8.2(k) shall have been obtained.

7.2 ~~8.2~~—If on the Closing Date any of the conditions in section ~~8.1~~7.1 are not fulfilled or waived as contemplated in section ~~8.3~~7.3, the Vendor may rescind this Agreement by notice in writing to the Purchaser. In such event, the Vendor and the Purchaser shall be released from all obligations under this Agreement.

7.3 ~~8.3~~—The conditions in section ~~8.1~~7.1 may be waived in whole or in part by the Vendor 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.

8. ~~9.~~ Closing

8.1 ~~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.

8.2 ~~9.2~~ Vendor's Closing Documents

At the Closing, the Vendor will tender to the Purchaser:

- (a) a Court certified copy of the Approval and Vesting 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 Vendor, as applicable, in form satisfactory to the Purchaser acting reasonably, authorizing the sale of the Assets, including the transfers of the CDD Shares and the VIIOC Shares to the Purchaser;
- (c) certified copies of resolutions of the directors of CDD, in form satisfactory to the Purchaser acting reasonably, authorizing the transfers of the CDD Shares to and registration of the CDD Shares in the name of the Purchaser and the issue of new share certificates representing the CDD Shares in the name of the Purchaser;
- (d) share certificates in the name of the Vendor representing the CDD Shares duly endorsed for transfer and duly executed share certificates representing the CDD Shares in the name of the Purchaser;
- (e) certified copy of the central securities register of CDD recording that the Purchaser is the holder of the CDD Shares;
- (f) duly signed resignations of the directors and officers of CDD specified by the Purchaser, or certified copies of shareholder resolutions of CDD removing the directors and officers of CDD specified by the Purchaser, and certified copies of shareholder and/or director resolutions of CDD electing or appointing directors and officers specified by the Purchaser;
- (g) certified copies of the resolutions of the directors of the Vendor, as applicable, in form satisfactory to the Purchaser acting reasonably, authorizing the sale of the Assets, including the transfers of the VIIOC Shares and the VIIOC Shares to the Purchaser;
- (h) certified copies of resolutions of the directors of VIIOC, in form satisfactory to the Purchaser acting reasonably, authorizing the transfers of the VIIOC Shares to and registration of the VIIOC Shares in the name of the Purchaser and the issue of new share certificates representing the VIIOC Shares in the name of the Purchaser;
- (i) share certificates in the name of the Vendor representing the VIIOC Shares duly endorsed for transfer and duly executed share certificates representing the VIIOC Shares in the name of the Purchaser;

- (j) certified copy of the central securities register of VIIOC recording that the Purchaser is the holder of the VIIOC Shares;
- (k) duly signed resignations of the directors and officers of VIIOC specified by the Purchaser, or certified copies of shareholder resolutions of VIIOC removing the directors and officers of VIIOC specified by the Purchaser, and certified copies of shareholder and/or director resolutions of VIIOC electing or appointing directors and officers specified by the Purchaser;
- ~~(l) a bill of sale or assignment, as applicable conveying the Assets to the Purchaser, as applicable;~~
- (l) ~~(m)~~ if required by the Purchaser, transfers of the Iron Ross Mineral Interests in the form required by the applicable governmental authority; (and for greater certainty, to the extent that any Iron Ross Mineral Interests which are pending claim applications at Closing cannot be conveyed until they are registered, the Vendor covenants to transfer any such claims to the Purchaser once such claims are registered);
- (m) ~~(n)~~ possession of all books, records, book accounts, and all other documents, files, records, and other data, financial or otherwise, owned by CDD in connection with the CDD Properties, including all mineral licences, geological and exploration data and intellectual property owned by CDD in connection with the CDD Properties;
- (n) ~~(o)~~ possession of all books, records, book accounts, and all other documents, files, records, and other data, financial or otherwise, owned by VIIOC in connection with the Pacific Project Mineral Interests, including all mineral licences, geological and exploration data and intellectual property owned by VIIOC in connection with the Pacific Project Mineral Interests (for greater certainty, only to the extent that the Vendor is in possession or control of the foregoing and is authorized and permitted to deliver same);
- (o) ~~(p)~~ possession of all books, records, book accounts, and all other documents, files, records, and other data, financial or otherwise, owned by the Vendor in connection with the Iron Ross Project and the Iron Ross Project Mineral Interests, including all mineral licences, geological and exploration data and intellectual property owned by the Vendor in connection with the Iron Ross Project (for greater certainty, only to the extent that the Vendor is in possession or control of the foregoing and is authorized and permitted to deliver same); and

- (p) ~~(q)~~ such transfers, assignments, and other documents and assurances as may be reasonably required by the Purchaser to give full effect to the intent and meaning of this Agreement.

8.3 ~~9.3~~ Purchaser's Closing Documents

At the Closing, the Deposit shall be paid to the Vendor, and the Purchaser will tender to the Vendor:

- (a) a certificate authorizing the Vendor to set-off and apply all or a portion of the DIP Loan, up to an amount equal to but not exceeding \$360,000.00, against the Purchase Price payable under this Agreement, in form satisfactory to the Vendor acting reasonably; ~~and~~ (to the extent that any such funds are available for such set-off after setting off and applying the amounts against the Purchase Price pursuant to section 8.3(a) of the Purchase Agreement between the Vendor and the Purchaser relating to the Murray River Project); and
- (b) a certified cheque or bank draft payable to the Vendor in the amount of the balance of the Purchase Price remaining payable after the set-off of the DIP Loan, if any.

9. ~~10.~~ General

9.1 ~~10.1~~ Reliance

The Vendor acknowledges and agrees that the Purchaser has entered into this Agreement relying on the representations, warranties, covenants, and agreements, and other terms and conditions of this Agreement.

9.2 ~~10.2~~ Commissions, Legal Fees

Subject to any other term or condition herein, 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 Vendor before the Closing Date.

9.3 ~~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 Vendor:

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

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

To the Purchaser:

Fraser Litigation Group, 1100 – 570 Granville Street, Vancouver, BC V6C
3P1

Attention: R. Barry Fraser BFraser@FraserLitigation.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.)

9.4 ~~10.4~~ Time of Essence

Time is of the essence of this Agreement.

9.5 ~~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.

9.6 ~~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.

9.7 ~~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.

9.8 ~~10.8~~ Entire Agreement

This Agreement contains the whole agreement between the Vendor 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.

9.9 ~~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.

9.10 ~~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.

9.11 ~~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.

9.12 ~~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.

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

CANADIAN DEHUA INTERNATIONAL MINES GROUP INC.

Per: _____
Authorized

Signatory

Per: _____
Authorized Signatory

QU BO LIU

Schedule A**CDD Properties**

1. LOT 6, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-285
2. LOT 7, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-293
3. LOT 8, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-307
4. LOT 9, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-315
5. LOT 10, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-323
6. LOT 11, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-331
7. LOT 12, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-340
8. LOT 13, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-358
9. LOT 14, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-366
10. LOT 15, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-374
11. LOT 16, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-382
12. LOT 17, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-391
13. LOT 18, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-404
14. LOT 19, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-412
15. LOT 20, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-421
16. LOT 21, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-439

17. LOT 22, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-447
18. LOT 23, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-455
19. LOT 24, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-463
20. LOT 25, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-471
21. LOT 26, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-480
22. LOT 27, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-498
23. LOT 28, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-501
24. LOT 29, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-510
25. LOT 30, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-528
26. LOT 31, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-536
27. LOT 32, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-544
28. LOT 33, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-552
29. LOT 34, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PJD:
027-317-561
30. LOT 35, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-579
31. LOT 36, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-587
32. LOT 37, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-595
33. LOT 38, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-609
34. LOT 39, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-617

35. LOT 40, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-625
36. LOT 42, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-641
37. LOT 43, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-650
38. LOT 44, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-668
39. LOT 45, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-676
40. LOT 46, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-684
41. LOT 47, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-692
42. LOT 48, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-706
43. LOT 49, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-714
44. LOT 50, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-722
45. LOT 51, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-731
46. LOT 52, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-749
47. LOT 53, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-757
48. LOT 54, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-765
49. LOT 55, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-773
50. LOT 56, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-781
51. LOT 57, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-790
52. LOT 58, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-803

- 53. LOT 59, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-811
- 54. LOT 60, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-820
- 55. LOT 61, PLAN BCP33463, DISTRICT LOT 4134, PEACE RIVER LAND DISTRICT PID:
027-317-838
- 56. 301 - 216 SPIEKER AVENUE, TUMBLER RIDGE, B.C.
- 57. 302 - 216 SPIEKER AVENUE, TUMBLER RIDGE, B.C.
- 58. 304 - 216 SPIEKER AVENUE, TUMBLER RIDGE, B.C.
- 59. 216 - 212 SPIEKER AVENUE, TUMBLER RIDGE, B.C.
- 60. 317 - 212 SPIEKER AVENUE, TUMBLER RIDGE, B.C.
- 61. LOT 1, PLAN BCP31007, DISTRICT LOT 3164, PEACE RIVER LAND DISTRICT PID:
027-141-144

Schedule B

~~Pacific Project Mineral Interests~~

Title Number	Claim Name	Owner	Title Type		Map Number	Area (ha)
361465	GALLEON-50	282784-100	Mineral		092C069	25
370610	GALLEON-53	282784-100	Mineral		092C069	25
373716	GALLEON-57	282784-100	Mineral		092C069	25
381143	JAY JAY	282784-100	Mineral		092C069	25
408828	NOSE	282784-100	Mineral		092C069	25
409241	NOSE 2	282784-100	Mineral		092C069	25
508576	-	282784-100	Mineral		092C	640.18
1041749	CU1	282784-100	Mineral		092F	486.96
1041789	Bugaboo-1	282784-100	Mineral		092C	960.07
1061601	CU2	282784-100	Mineral		092F	63.51
1061602	CU3	282784-100	Mineral		092F	84.7
1072161	-	282784-100	Mineral		092F	254.05
1073034	BUGABOO-1	282784-100	Mineral		092C	149.34
1074349		282784-100	Mineral		092C	1695.25
1074988	BUGABOO-2	282784-100	Mineral		092C	1302.19
1103344	CU5	282784-100	Mineral		092F	105.85
1105691	Cu6	282784-100	Mineral		092C	254.35
1107454	QQ1	282784-100	Mineral		092C	1408.15
1120624	QB2	282784-100	Mineral		092C	725.94

		100				
1123159	-wd	282784 100	Mineral		092C	1344.35
1123160	-	282784 100	Mineral		092C	699.58
1123161	-	282784 100	Mineral		092C	42.68
Total 22 titles are found.						
Total						10367.1 5

Schedule C**Iron Ross Mineral Interests**

Title Number	Title Type	Map Number	Area (ha)
1119948	Mineral Claim	092K	103.24
1119949	Mineral Claim	092K	61.92
1123153	Mineral Claim Application *	092K	288.94
1123156	Mineral Claim Application *	092K	41.29

* Claims are pending registration per the BC Mineral Claim Consultation Process. Mineral Claim Applications may not be transferred until the claim has been registered.

Summary report:
Litera Compare for Word 11.8.0.56 Document comparison done on
4/21/2025 8:04:44 PM

Style name: Default Style	
Intelligent Table Comparison: Active	
Original DMS: iw://cloudimanage.com/FIRMDOCS/56669060/1	
Modified DMS: iw://cloudimanage.com/FIRMDOCS/56669060/4	
Changes:	
<u>Add</u>	61
Delete	71
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	0
Table Delete	1
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	133