



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.**

THIRTIETH REPORT OF THE MONITOR

March 9, 2026

THIRTIETH REPORT OF THE MONITOR

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INTRODUCTION AND PURPOSE

1. This report (“**Thirtieth Report**”) has been prepared by FTI Consulting Canada Inc. in its capacity as the court-appointed Monitor (the “**Monitor**”) of Canadian Dehua International Mines Group Inc. (“**CDI**” or the “**Company**”) by an order of the Supreme Court of British Columbia (the “**Court**”) pronounced June 3, 2022 (the “**Initial Order**”), pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c.36, as amended (the “**CCAA**”).
2. As detailed in previous reports of the Monitor:
 - (a) CDI was incorporated in British Columbia on December 29, 2004;
 - (b) The Company is owned 50% by Mr. Naishun Liu (“**Mr. Liu**”) and 50% by his spouse, Mrs. Qubo Liu (“**Mrs. Liu**”);
 - (c) Mr. Liu is the sole director and officer of the Company;
 - (d) The Company owned 100% of the shares of two mining projects, namely Wapiti Coking Coal Mines Corporation (“**Wapiti**”) and Canadian Bullmoose Mines (“**Bullmoose**”) which were both sold as of March 2025;
 - (e) In addition, the Company owned a 51% interest in Canadian Dehua Lvliang International Mines Corp. (“**CDLV**”) which holds a 40% interest in HD Mining International Ltd. As indicated in the Twenty Ninth Report, the sale closed in February 2026;
 - (f) The Company also owns a drilling company known as Canada Dehua Drilling Ltd. (“**CDD**”) in addition to partial ownership in the following companies:
 - i. Canadian Kailuan Dehua Mines Co., Ltd. (“**CKD**”);
 - ii. Vancouver Island Iron Ore Corporation (“**VIIO**”); and
 - iii. An interest in a mining project referred to as Iron Ross.

3. On December 9, 2025, the Monitor sought and obtained an order an Asset Purchase Agreement relating to CDI's interest in VIIO, CDD and Iron Ross (the "**Residual Assets Stalking Horse APA**").
4. The purpose of the Thirtieth Report of the Monitor is to provide this Honourable Court with an update on the status of the proceedings and other restructuring efforts since the date of the Twenty Ninth Report.
5. The reports of the Monitor and other information in respect of these proceedings are posted on the Monitor's website at <http://cfcanada.ficonsulting.com/canadiandehuainternational>

TERMS OF REFERENCE

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

UPDATE ON THE SISP

11. Subsequent to the February 19, 2026 Court hearing, the Monitor was provided with several documents that it was requested to sign on behalf of Shuyuan Xue with respect to the Residual Assets Stalking Horse APA pursuant to the authority granted to the Monitor by virtue of an order of the Court dated February 19, 2026.
12. The Monitor understands that all documents have now been exchanged to the mutual satisfaction of the Petitioner and the Residual Assets Staking Horse APA purchaser, however the purchaser is waiting for the acceptance of the Mineral Titles transfers by the Mineral Titles Branch.
13. As indicated in the Twenty Ninth Report, the outstanding balance of the DIP Loan in the amount of \$400,000 will be used to apply against the purchase price indicated in the Residual Assets Stalking Horse APA.
14. Upon the closing of the Residual Assets Stalking Horse APA, the only remaining asset of CDI will be its interest in CKD.
15. As discussed in a subsequent section of this report, the Monitor has agreed with counsel to CKD on a process to attempt to resolve its indemnity claim on a mutually agreeable basis. The Monitor also discussed with CKD's counsel the potential of conducting a concurrent sale process of CDI's interest in CKD, however an agreement could not be reached at this time,

THE DIP LOAN AND ADMINISTRATIVE CHARGE

16. Pursuant to an order of the Court dated July 28, 2025, the Court approved an advance of \$400,000 (the "**DIP Loan**") from the Interim Lender (Mrs. Liu) and provided the Interim Lender with an equivalent charge.
17. The advance was made to the Petitioner's counsel which was used to bring the outstanding professional fees current as at that time and to fund the professionals for their ongoing support of these proceedings.
18. The Monitor requested an accounting from the Petitioner's counsel which is provided below:

Description	Debit	Credit
Funds received from Fraser Litigation Group – DIP funds		\$400,000.00
Payment of FTI Consulting Canada Inc. invoices	\$150,330.95	
Payment of McEwan Cooper Kirpatrick LLP invoices	\$41,746.75	
Payment of DLA Piper (Canada) LLP invoices	207,922.30	
Total:	\$400,000.00	\$400,000.00
Balance in Trust:	NIL	

19. As indicated previously, the DIP Loan is expected to be repaid by applying it against the purchase price when closing the Residual Assets Stalking Horse APA. Accordingly, upon completion of the Residual Assets Stalking Horse APA, there will be no amount owing under either the DIP Lender’s Charge or the Administrative Charge.
20. The cash held by the Monitor as summarized in a subsequent section of this report should be adequate to keep the professional fees current for the conclusion of these proceedings.

THE CKD CLAIM

21. Subsequent to the hearing on February 19, 2026, the Monitor and its counsel reviewed the analysis provided by CKD’s counsel in respect of the indemnity provided to CKD by CDI (the “**CKD Claim**”).
22. The Monitor and its counsel were of the view that the CKD Claim required additional documentation in order for the Monitor to substantively assess the CKD Claim.
23. Accordingly, the Monitor’s counsel provided CKD’s counsel with the list of suggested documents that would assist the Monitor with its evaluation.

24. CKD's counsel was receptive to the requests and has agreed to provide further documentation to the Monitor. In addition, CKD's counsel has agreed that if the CKD Claim cannot be mutually agreed prior to June 15, 2026, CKD will bring an application before this Court for a declaration regarding its security and the quantum of its debt against the Petitioner.
25. The Monitor is of the view that this is sufficient time for CKD to prepare and/or gather the additional documentation suggested to facilitate discussions as between the Monitor and CKD.
26. The Monitor also notes that CKD consented to the release of the CKD Claim to Mrs. Lui's counsel, Zhonghe's counsel and Shougang International's counsel, subject to their and their client's agreement regarding confidentiality. Thus far Mrs. Liu's counsel and Shougang's counsel have accepted the terms of confidentiality and have been forwarded a copy of the CKD Claim.
27. Pursuant to an order of this Honourable Court granted July 25, 2025, the Monitor was directed to set a budget for its fees in relation to attempting to resolve the CKD Claim.
28. Based on its review of the CKD Claim and the communications with CKD's counsel regarding further documentation that would assist in evaluating the CKD Claim and engaging in discussions with a view towards consensual resolution, the Monitor believes that a budget not to exceed \$100,000 without further order of this Court, should be sufficient to conduct this exercise.

CASH HELD BY THE MONITOR

29. As indicated in the Twenty Ninth Report, the Monitor is holding the proceeds from the closing of the Murray River APA. In addition, the Petitioner's counsel forwarded the deposit from Mrs. Liu relating to the Residual Assets Stalking Horse APA and for the Murray River Stalking Horse APA to the Monitor.
30. The table below summarizes the cash receipts and disbursements relating to the funds held by the Monitor:

Statement of Receipts and Disbursements	
for the period March 3, 2025 to March 9, 2026	
Sale of CDLV shares	\$ 3,600,000.72
Deposits on CDLV offers	765,000.00
Deposit from Qu Bo Liu	180,000.00
Interest income	25,995.38
Total receipts	4,570,996.10
CDLV deposits returned	(765,000.00)
Monitor's fees	(110,050.51)
Monitor's counsel's fees	(49,110.48)
Total disbursements	(924,160.99)
Excess of receipts over disbursements	3,646,835.11
Accruals	
Stalking horse break fee owed to Qu Bo Liu	(140,000.00)
Deposit to be returned to Qu Bo Liu	(140,000.00)
DIP Loan	(40,000.00)
Amounts due to employees	(86,338.75)
Fees owed to Petitioner's counsel	(125,643.17)
Balance net of accruals	\$ 3,114,853.19

31. Although not included in the above table, the Monitor used its account to flow the payment of \$650,000 relating to the sale of the Wapiti and Bullmoose shares, to the Petitioner's counsel, the proceeds of which were accounted for in the Second Supplement to the Twenty-Sixth Report.
32. As noted, the Monitor has returned the deposits related to the other offers related to the Murray River shares and is still holding the deposit received from Mrs. Liu in relation to the Murray River Stalking Horse APA and the Residual Assets APA.
33. The Monitor used the sale proceeds to bring its fees and disbursements and those of its counsel current to January 31, 2026. The Monitor and its counsel have yet to render their invoices for the month of February 2026.
34. The Monitor also notes several amounts that have yet to be paid including:

- (a) The stalking horse break fee owed to Mrs. Liu in relation to the Murray River Stalking Horse APA;
 - (b) The return of Mrs. Liu's deposit in respect of the Murray River Stalking Horse APA;
 - (c) The balance owed under the DIP Loan after application of the DIP Loan to the purchase price for the Residual Assets Stalking Horse APA;
 - (d) Amounts due to CDI employees for unpaid wages for the period of February to December 2023 in addition to out-of-pocket expenses incurred in escorting a previous potential purchaser to the Wapiti mine site; and
 - (e) The Monitor is advised by the Petitioner's counsel that its outstanding fees and disbursements as at the end of February 2026, total \$125,643.17.
35. The Monitor has requested banking details from Mrs. Liu in regards to the stalking horse break fee, the deposit in respect of the Murray River Stalking Horse APA, the DIP Loan and the employees so that the payments can be made.

AN EXTENSION OF THE STAY OF PROCEEDINGS

36. The Company is seeking to extend its stay of proceedings to June 30, 2026, absent which the current stay would expire on March 13, 2026.
37. The Monitor has considered the tests that the Court must be satisfied with in order to grant an extension of the stay of proceedings to the Company, namely that:
- (a) The Company must be acting in good faith and with due diligence; and
 - (b) The Company satisfy the Court that circumstances exist that make the order appropriate.
38. The Monitor is of the view that the Company is acting in good faith and with due diligence.

39. The Monitor is also of the view that an extension of the stay of proceedings is warranted in order to provide the Company and the Monitor with the time required for:
- (a) The Monitor and its counsel to attempt to resolve the CKD Claim on a mutually agreeable basis which would then allow for the determination of the appropriate process to monetize CDI's interest in CKD; and
 - (b) The Petitioner's counsel to close the Residual Assets Stalking Horse APA.
40. Accordingly, the Monitor supports the extension of the stay of proceedings to June 30, 2026.

All of which is respectfully submitted this 9th day of March, 2026.

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.