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.

THIRTY FIRST REPORT OF THE MONITOR

June 24, 2026

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THIRTIETH REPORT OF THE MONITOR

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INTRODUCTION AND PURPOSE

1. This report ("**Thirty First 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 and Canadian Bullmoose Mines 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 of CDI's interest in CDLV closed in February 2026;

   (f) The Company also owned a drilling company known as Canada Dehua Drilling Ltd. ("**CDD**") in addition to partial ownership in the following companies:

      i. Vancouver Island Iron Ore Corporation ("**VIIO**"); and

      ii. An interest in a mining project referred to as Iron Ross.

3. On December 9, 2025, the Monitor sought and obtained an order approving an Asset Purchase Agreement relating to CDI's interest in VIIO, CDD and Iron Ross (the "**Residual Assets Stalking Horse APA**").

4. Subsequent to the issuance of the Thirtieth Report, the Residual Assets Stalking Horse APA closed on March 12, 2026.

5. As a result, CDI's only remaining asset is its interest in Canadian Kailuan Dehua Mines Co., Ltd. ("**CKD**").

6. The purpose of the Thirty First 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 Thirtieth Report.

7. 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

8. 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**").

9. 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.

10. 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.

11. 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.

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

THE CKD CLAIM

13. As discussed in prior reports of the Monitor, CKD has a contingent claim against CDI for an indemnity provided by CDI to CKD in relation to future income tax that may be payable by CKD as a result of the transaction structure used at the time of CDI's investment in CKD.

14. Prior to the last hearing on March 11, 2026, the Monitor and its counsel were provided with an analysis by CKD's counsel in support of CKD's valuation of its contingent claim (the "**CKD Claim**").

15. 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.

16. The Monitor's counsel provided CKD's counsel with a list of suggested documents that would assist the Monitor with its evaluation.

17. At the hearing on March 11, 2026, an order was granted by this Honourable Court directing that "in the event that the CKD Indemnity Claim had not been resolved consensually by June 15, 2026", CKD "would bring an application for a declaration with respect to the validity and quantum of its claim against the Petitioner."

18. In mid-May 2026, the Monitor reached out to CKD's counsel seeking an update on whether any additional information would be forthcoming prior to the June 15 deadline, which the Monitor believed was the deadline for CKD to file its application for a declaration in respect of the CKD Claim.

19. During a call between the Monitor and its counsel and counsel for CKD, the Monitor was advised that CKD had recently engaged a party to perform a valuation of the CKD Claim and that the report would not be available until mid-July. CKD's counsel also indicated that it did not share the view that the June 15, 2026 date established a deadline for filing its application for a declaration of its claim.

20. As a result of the differing views, the Monitor's counsel reviewed the recording from the March 11, 2026 hearing and confirmed that it was left unclear what would happen if the CKD Claim was not resolved prior to June 15, 2026.

21. Given that a decision on how to monetize CDI's interest in CKD will be influenced significantly by the resolution of the CKD Claim, the Monitor proposed to the Petitioner's counsel the need to incorporate a deadline for resolving the CKD Claim and establishing a claims bar date.

22. The Monitor understands that counsel to the Petitioners is proposing a date of September 15, 2026 for the consensual resolution of the CKD Claim as between CKD and the Monitor, barring which CKD will bring its application for a declaration of its claim by September 25, 2026 or be claims barred thereafter.

23. Since CKD has already retained a party to perform a valuation, the Monitor is of the view that this represents a reasonable timeframe for CKD to prepare the supporting materials it needs to hold productive discussions with the Monitor and/or to prepare its application materials for a declaration.

24. Accordingly, the Monitor supports the relief being sought by the Petitioner.

25. The Monitor also notes that with the consent of CKD, the CKD Claim was shared with counsel for Mrs. Liu, China Shoughang International Trade & Engineering Corporation and Canada Zhonghe Investment Ltd.

26. To date, the Monitor has only received feedback from counsel to Mrs. Liu indicating it would be seeking independent tax advice with respect to the CKD Claim.

CASH HELD BY THE MONITOR

27. The Monitor continues to hold 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.

28. 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 June 23, 2026 CAD Thousands	
Receipts	
Sale of CDLV shares	3,600
Deposit on CDLA offers	765
Second SISP Purchase Price - Residual Assets	180
Interest Income	44
Total Receipts	**4,589**
Disbursements	
CDLV deposit returned	765
Monitor's fees	161
Monitor's counsel's fees	75
Petitioner's counsel	157
Stalking horse break fee owed to Qu Bo Liu	140
Deposit returned to Qu Bo Liu	140
Amounts due to employees	87
Total Disbursements	**1,526**
Cash on Hand	**$ 3,063**

29. The Monitor notes that the DIP Loan has been repaid in full and the cash held by the Monitor is allowing the professional fees to be kept current. Accordingly, no amounts are owing under either the DIP Loan Charge or the Administration Charge.

AN EXTENSION OF THE STAY OF PROCEEDINGS

30. The Company is seeking to extend its stay of proceedings to September 30, 2026, absent which the current stay would expire on June 30, 2026.

31. 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.

32. The Monitor is of the view that the Company is acting in good faith and with due diligence.

33. 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 or for CKD to bring an application for a declaration of the validity and quantum of its claims. This would then allow for the determination of the appropriate process to monetize CDI's interest in CKD, its only remaining asset; and

    (b) The Petitioner to finalize its restructuring process and for a distribution to creditors to occur.

34. Accordingly, the Monitor supports the extension of the stay of proceedings to September 30, 2026.

All of which is respectfully submitted this 24th day of June, 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.