

NO. S-1510120
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 THE BUSINESS CORPORATIONS ACT,
S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF THE PLAN OF COMPROMISE AND ARRANGEMENT
OF WALTER ENERGY CANADA HOLDINGS, INC., AND THE OTHER PETITIONERS
LISTED ON SCHEDULE "A"

PETITIONERS

**ORDER MADE AFTER APPLICATION
(APPROVAL AND VESTING ORDER)**

BEFORE THE HONOURABLE)
MADAM JUSTICE FITZPATRICK) TUESDAY, THE 16TH DAY OF
AUGUST, 2016

ON THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia, on the 15th and 16th day of August, 2016; AND ON HEARING Mary I.A. Buttery, H. Lance Williams, Marc Wasserman and Patrick Riesterer, counsel for the Petitioners and the Partnerships listed on **Schedule "A"** hereto (collectively, the "**Walter Canada Group**"), Peter Reardon and Wael Rostom, counsel for KPMG Inc. in its capacity as the court-appointed monitor of the Walter Canada Group (the "**Monitor**") and those other counsel listed on **Schedule "B"** hereto; AND UPON READING the material filed, including the Third Affidavit of William E. Aziz sworn August 9, 2016 (the "**3rd Affidavit**"), the Confidential Fourth Affidavit of William E. Aziz sworn August 9, 2016 (the "**Confidential Affidavit**"), the Fourth Report of the Monitor dated August 11, 2016 (the "**4th Report**") and the Confidential Supplemental Report of the Monitor dated August 11, 2016 (the "**Confidential Report**" and, collectively with the Confidential Affidavit, the "**Confidential SISP Materials**"); AND UPON BEING ADVISED that the secured creditors who are likely to be affected by this Order were given notice;

THIS COURT ORDERS AND DECLARES THAT:

DEFINITIONS

1. Capitalized terms used and not defined herein shall have the meaning ascribed thereto in the Initial Order in these proceedings dated December 7, 2015 (the "**Initial Order**") or the Sale Agreement (defined below), as applicable.

APPROVAL OF THE SALE AGREEMENT

2. The sale transaction (the "**Transaction**") contemplated by the Asset Purchase Agreement dated August 8, 2016 (the "**Sale Agreement**") between Walter Energy Canada Holdings, Inc., and the other entities listed in Schedule A thereto (collectively, the "**Seller**"), Conuma Coal Resources Limited (the "**Purchaser**") and the Guarantors party thereto (collectively, the "**Parties**"), a copy of which is attached as Exhibit "A" to the Confidential Affidavit, is hereby approved, and the Sale Agreement is commercially reasonable. The execution of the Sale Agreement by the Seller is hereby authorized and approved, and the Seller is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the Assets described in the Sale Agreement (the "**Purchased Assets**"), including the execution of ancillary documents.
3. Upon delivery by the Monitor to the Purchaser of a certificate substantially in the form attached as **Schedule "C"** hereto (the "**Monitor's Certificate**"), all of the Seller's right, title and interest in and to the Purchased Assets (other than the Cash Collateral under the Cash Collateral Agreement in circumstances where the Financial Assurances (defined below) have not been returned to the LOC Issuer marked cancelled prior to the Closing Date) described in the Sale Agreement shall vest absolutely in the Purchaser free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), 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, other than the Indemnification Security Interest Charge (as defined below) (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) the Administration Charge, the Directors' Charge, the KERP Charge, the Success Fee Charge, and the Intercompany Charge (each as defined in the Initial Order or the Order of this Court dated January 5, 2016, as applicable); (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system; and (iii) those Claims listed on **Schedule "D"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the Permitted Encumbrances (as defined in the Sale Agreement), the permitted encumbrances, easements and restrictive covenants listed on **Schedule "E"** hereto or the Indemnification Security Interest Charge as set out herein), and, for greater certainty, this

Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets (other than the Cash Collateral under the Cash Collateral Agreement in circumstances where the Financial Assurances have not been returned to the LOC Issuer marked cancelled prior to the Closing Date).

4. Upon the delivery of the Monitor's Certificate to the Purchaser, the Seller is hereby granted a charge on the Real Property Assets (including any coal leases) and the Mineral Tenures (including all accretions, substitutions, replacements, additions and accessions to any of them and all proceeds of any of the foregoing) (collectively the "**Indemnification Assets**") in the amount of \$100,000,000 to secure the Purchaser's indemnification obligations to the Seller under the Sale Agreement and the Contract Mining Agreement (the "**Indemnification Security Interest Charge**"). The Indemnification Security Interest Charge shall constitute a mortgage, security interest, assignment by way of security and charge on the Indemnification Assets and shall rank in priority to all other security interests, trusts, liens, mortgages, charges, and encumbrances. Any security documentation evidencing, or the filing, registration or perfection of, the Indemnification Security Interest Charge shall not be required, and the Indemnification Security Interest Charge shall be effective as against the Indemnification Assets and shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered or perfected subsequent to the Indemnification Security Interest Charge coming into existence, notwithstanding any failure to file, register or perfect the Indemnification Security Interest Charge.
5. Upon the Seller's and the Monitor's receipt from the Purchaser of a certificate certifying that (i) all Transfer Approvals and Permits contemplated under the Sale Agreement and any Ancillary Agreements have been transferred or issued, as applicable, to the Purchaser, and (ii) there have been no incidents, violations or occurrences during the term of the Contract Mining Agreement that may give rise to a claim by the Purchaser against the Seller (the "**Purchaser's Certificate**"), the Monitor shall thereafter, and following satisfaction by the Monitor that there have been no incidents, violations or occurrences during the term of the Contract Mining Agreement that may give rise to a claim by the Seller against the Purchaser, deliver a second Monitor's certificate to the Purchaser substantially in the form attached as **Schedule "F"** hereto (the "**Second Monitor's Certificate**") certifying that it has received the Purchaser's Certificate. Upon the delivery of the Second Monitor's Certificate, the Indemnification Security Interest Charge shall be extinguished.
6. Upon presentation for registration in the Land Title Office for the Land Title District of Prince George of a certified copy of this Order and the Monitor's Certificate, the British Columbia Registrar of Land Titles (the "**BC Registrar**") is hereby directed to:
 - (a) enter the Purchaser as the owner of the Owned Real Property, as identified in **Schedule "G"** hereto, together with all buildings and other structures, facilities and improvements

located thereon and fixtures, systems, interests, licenses, rights, covenants, restrictive covenants, commons, ways, profits, privileges, rights, easements and appurtenances to the said hereditaments belonging, or with the same or any part thereof, held or enjoyed or appurtenant thereto, in fee simple in respect of the Owned Real Property, and this Court declares that it has been proved to the satisfaction of the Court on investigation that the title of the Purchaser in and to the Owned Real Property is a good, safe holding and marketable title and directs the BC Registrar to register indefeasible title in favour of the Purchaser as aforesaid; and

- (b) having considered the interest of third parties, to discharge, release, delete and expunge from title to the Owned Real Property all of the registered Encumbrances except for those listed in **Schedule "E"**.
7. Upon presentation of a certified copy of this Order and the Monitor's Certificate, the relevant mining recorders of British Columbia are directed to enter the Purchaser as the owner of the relevant Purchased Assets and enter a notation that all Encumbrances (excluding for greater certainty the Permitted Encumbrances and the Indemnification Security Interest Charge) are expunged and discharged from the Purchased Assets as at the date of the Monitor's Certificate.
 8. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Monitor's Certificate, all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.
 9. The Monitor is to file with the Court a copy of the Monitor's Certificate and the Monitor's Second Certificate forthwith after the respective delivery thereof.
 10. Pursuant to Section 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* or Section 18(10)(o) of the *Personal Information Protection Act* of British Columbia, the Seller and the Monitor are hereby authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Seller's records pertaining to the Seller's past and current employees, including personal information of those employees listed in Schedule 5.9.1 to the Sale Agreement, and all previous such disclosure is hereby ratified and approved. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Seller.

11. Subject to the terms of the Sale Agreement, vacant possession of the Purchased Assets (other than the Cash Collateral under the Cash Collateral Agreement in circumstances where the Financial Assurances have not been returned to the LOC Issuer marked cancelled prior to the Closing Date), including any Real Property, shall be delivered by the Seller to the Purchaser at 12:00 noon on the Closing Date (as defined in the Sale Agreement), subject to the Permitted Encumbrances as set out in the Sale Agreement and listed on **Schedule "E"**.
12. The Seller, with the consent of the Purchaser, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court.
13. Notwithstanding:
 - (a) these proceedings;
 - (b) any applications for a bankruptcy order in respect of any member of the Walter Canada Group now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made by or in respect of any member of the Walter Canada Group,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order (which, for greater certainty, shall be subject to the Indemnification Security Interest Charge) shall be binding on any trustee in bankruptcy that may be appointed in respect of any member of the Walter Canada Group and shall not be void or voidable by creditors of the Walter Canada Group, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

14. Nothing in this Order exempts or relieves the Seller or the Purchaser from obtaining any consents, approvals or giving any notices required under any of the Permits, water rights, Mineral Tenures, Consents, coal leases or licences or any Leases from a Government Entity (collectively, the "**Authorizations**") or any enactment of the Province of British Columbia in connection with any transfer or assignment of any of the Authorizations or the issuance of any new Authorization as contemplated in the Sale Agreement or this Order or makes any of the Authorizations transferable or assignable if any of the Authorizations or new Authorizations are not, by virtue of an enactment of the Province of British Columbia or the Authorization itself, transferable, assignable or issuable, as the case may be. Notwithstanding any other provision of this Order, the transfer or assignment of any of the Authorizations or issuance of any new Authorization that

requires any such consent or approval is not effective unless and until such consent or approval is obtained.

LETTERS OF CREDIT AND CASH COLLATERAL

15. The letters of credit issued by the LOC Issuers to various Government Entities on behalf of members of the Walter Canada Group (as more fully described in the Sale Agreement, the "**Financial Assurances**") and the Cash Collateral in respect of such Financial Assurances shall be dealt with as follows:

- (a) If the Purchaser has not, on or prior to the Closing Date, replaced all of the existing Financial Assurances provided to the applicable Government Entity with appropriate financial assurances in respect of the Authorizations that is satisfactory to the applicable Government Entity (which, for greater certainty, if so agreed among the Seller, the Purchaser, the applicable Government Entity and the LOC Issuer, may be satisfied by the delivery of the Cash Collateral to the applicable Government Entity), then the following steps shall occur in the following order:
 - (i) On Closing, the LOC Issuer and the Agent (as defined in the Order of this Court dated January 5, 2016) shall be granted a first-priority charge on the Cash Collateral ranking in priority to all other security interests, trusts, liens, mortgages, charges, and encumbrances and the Charges (as defined in the Order of this Court dated January 5, 2016) to secure the obligations of the Walter Canada Group to the LOC Issuer, the Agent and the other lenders in respect of the Financial Assurances (the "**LOC Charge**");
 - (ii) on the Business Day following the Closing Date, the Monitor shall pay a portion of the Cash Purchase Price equal to the amount of the Cash Collateral, less the amount of any Financial Assurance that has been replaced on or prior to the Closing Date, to the applicable Government Entity to replace the existing Financial Assurance and such amount shall be and become financial assurances in respect of the Authorizations and shall stand in the place and stead of such Financial Assurances in all respects (the "**New Financial Assurances**") and the New Financial Assurances shall be free and clear from any and all security interests (whether contractual, statutory or otherwise), hypothecs, mortgages, trusts, or deemed trusts (whether contractual, statutory or otherwise), 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:

- (i) the Administration Charge, the Directors' Charge, the KERP Charge, the Success Fee Charge, the Intercompany Charge, the Indemnification Security Interest Charge and the liens, security, charges and security interests in favour of the Agent; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system. The applicable Government Entity shall pay such portion of New Financial Assurances to the Purchaser upon delivery to the applicable Government Entity of financial assurances in respect of the applicable Authorizations that is satisfactory to the applicable Government Entity;
- (iii) the Financial Assurances issued by the LOC Issuers to various Government Entities on behalf of members of the Walter Canada Group shall be and are hereby deemed to be cancelled, released, terminated and extinguished without any further act by any Person;
- (iv) the applicable Government Entity shall surrender and return to the LOC Issuer, with a copy to the Seller and to the Monitor, each outstanding Financial Assurance marked as cancelled (such delivery to occur as soon as reasonably practicable after receipt of the New Financial Assurance and in any event no later than 3 Business Days following the receipt of the New Financial Assurance);
- (v) No later than one Business Day following the receipt of such Financial Assurances by the LOC Issuer in accordance with paragraph 15(a)(iv), and upon payment of all outstanding fees owing to the LOC Issuer and the Agent in respect of the Financial Assurances under the Cash Collateral Agreement, the LOC Charge shall be discharged and shall cease to be effective, the LOC Issuer shall give and shall be deemed to have given any consent required in respect of withdrawals of Cash Collateral under the Cash Collateral Agreement; the LOC Issuers shall release and shall be deemed to have released the Cash Collateral to the Monitor on behalf of the Seller; paragraph 19 of the Order of this Court dated January 5, 2016 and paragraph 13 of the Initial Order shall cease to be effective; and the Administration Charge, the Directors' Charge, the KERP Charge, the Success Fee Charge and the Intercompany Charge shall apply and shall have the priority set out in paragraph 21 of Order of this Court dated January 5, 2016.
- (b) If the Purchaser has, on or prior to the Closing Date, replaced all of the existing Financial Assurances provided to the applicable Government Entity with appropriate financial assurances in respect of the Authorizations that is satisfactory to the applicable

Government Entity and the Cash Collateral has not yet been transferred, then the following steps shall occur in the following order:

- (i) the Financial Assurances issued by the LOC Issuers to various Government Entities on behalf of members of the Walter Canada Group shall be and are hereby deemed to be cancelled, released, terminated and extinguished without any further act by any Person;
 - (ii) if each of the Financial Assurances issued by the LOC Issuers have not already been returned to the LOC Issuers, the applicable Government Entity shall surrender and return to the LOC Issuer, with a copy to the Seller and to the Monitor, each outstanding Financial Assurance marked as cancelled (such delivery to occur on Closing or as soon as reasonably practicable after Closing and in any event no later than 3 Business Days following the Closing Date);
 - (iii) No later than one Business Day following the receipt of such Financial Assurances by the LOC Issuer in accordance with paragraph 15(b)(ii), and upon payment of all outstanding fees owing to the LOC Issuer and the Agent in respect of the Financial Assurances under the Cash Collateral Agreement, the LOC Issuer shall give and shall be deemed to have given any consent required in respect of withdrawals of Cash Collateral under the Cash Collateral Agreement; the Cash Collateral held by the LOC Issuers and posted by members of the Walter Canada Group shall be transferred and delivered by the LOC Issuers to the Purchaser or as the Purchaser shall direct; and paragraph 19 of the Order of this Court dated January 5, 2016 and paragraph 13 of the Initial Order shall cease to be effective.
- (c) Until the surrender and return to the LOC Issuer of each original Financial Assurance, the provisions of the Cash Collateral Agreement shall apply, including without limitation, the right of the LOC Issuer to apply the Cash Collateral to reimburse itself for any drawing.
- (d) The provisions of this paragraph 15 shall (i) satisfy the Seller's obligation in section 5.3.7 of the Sale Agreement to cause the Financial Assurances to remain in place; (ii) be the Court Order contemplated by section 5.3.8 of the Sale Agreement; and (iii) shall stand in the place and stead of any Cash Collateral Transfer Agreement contemplated by the Sale Agreement. To the extent there is a conflict between the APA and this Order, this Order shall govern.

GENERAL

16. Endorsement of this Order by counsel appearing, other than counsel for the Walter Canada Group, is hereby dispensed with.

THIS COURT REQUESTS the aid and recognition of other Canadian and foreign Courts, tribunals, regulatory or administrative bodies, including any Court or administrative tribunal of any federal or State Court or administrative body in the United States of America, to act in aid of and to be complementary to this Court in carrying out the terms of this Order where required. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Walter Canada Group and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Walter Canada Group and the Monitor and their respective agents in carrying out the terms of this Order.

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



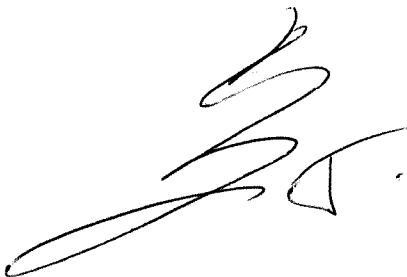
Lawyers for the Petitioners

DLA Piper (Canada) LLP
(Mary I.A. Buttery and H. Lance Williams)

and

Osler, Hoskin & Harcourt LLP
(Marc Wasserman and Patrick Riesterer)

BY THE COURT



REGISTRAR

SCHEDULE "A"

Petitioners

1. Walter Energy Canada Holdings, Inc.
2. Walter Canadian Coal ULC
3. Brule Coal ULC
4. Willow Creek Coal ULC
5. Wolverine Coal ULC
6. Cambrian Energybuild Holdings ULC
7. Pine Valley Coal Ltd.
8. 0541237 B.C. Ltd.

Partnerships

9. Walter Canadian Coal Partnership
10. Brule Coal Partnership
11. Willow Creek Coal Partnership
12. Wolverine Coal Partnership

SCHEDULE "B"

Counsel List	
Name	Party Represented
Kathryn Esaw Angela Crimeni	Canadian Counsel for Morgan Stanley Senior Funding, Inc., as Administrative Agent and Collateral Agent under the First Lien Credit Facility
John Sandrelli Tevia Jeffries	UMWA 1974 Pension Plan and Trust
Heather L. Jones	Kevin James
Aaron Welch	Her Majesty the Queen in right of British Columbia
Craig Bavis Stephanie Drake	USW, Local 1-424
Kieran Siddall	Pine Valley Mining Corporation
David Wachowich Leanne Krawchuck (by phone)	Conuma Coal Resources Limited

SCHEDULE "C"

NO. S-1510120
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 THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF THE PLAN OF COMPROMISE AND ARRANGEMENT
OF WALTER ENERGY CANADA HOLDINGS, INC., AND THE OTHER PETITIONERS
LISTED ON SCHEDULE "A"

PETITIONERS

MONITOR'S CERTIFICATE

1. Pursuant to an Order of the Court dated ●, 2016 (the "**Approval and Vesting Order**"), the Court approved the Asset Purchase Agreement dated ●, 2016 (the "**Sale Agreement**") between Walter Energy Canada Holdings, Inc., and the other entities listed in Schedule A thereto (collectively, the "**Seller**"), Conuma Coal Resources Limited (the "**Purchaser**") and the Guarantors party thereto (collectively, the "**Parties**"), and ordered that all of the Seller's right, title and interest in and to the Assets, vest in the Purchaser (subject to the Indemnification Security Interest Charge) effective upon the delivery by KPMG Inc., in its capacity as the Court-appointed Monitor of the Walter Canada Group (the "**Monitor**") of this certificate to the Purchaser confirming: (i) payment by the Purchaser and receipt by the Monitor of the Cash Purchase Price in relation to the purchase by the Purchaser of the Assets; (ii) that the conditions to be complied with at or prior to the Closing as set out in [**Article 5 and Article 7**], respectively, of the Sale Agreement have been satisfied or waived by the Seller or the Purchaser, as applicable; and (iii) the purchase and sale of the Assets has been completed pursuant to the Sale Agreement.
2. Unless otherwise defined herein, capitalized terms shall have the meanings ascribed to them in the Sale Agreement.

THE MONITOR HEREBY CERTIFIES as follows:

- (a) The Purchaser has paid and the Monitor has received the Cash Purchase Price in relation to the purchase by the Purchaser of the Assets;
- (b) The conditions to be complied with at or prior to the Closing as set out in **[Article 5 and Article 7]**, respectively, of the Sale Agreement have been satisfied or waived by the Seller or the Purchaser, as applicable; and
- (c) The purchase and sale of the Assets has been completed pursuant to the Sale Agreement.

DATED at the City of Vancouver, in the Province of British Columbia, this _____ day of _____, **[2016.]**

**KPMG INC., in its capacity as the Court-
appointed Monitor of Walter Energy
Canada Holdings, Inc., et al. and not in its
personal or corporate capacity**

By:

Name:
Title:

SCHEDULE "D"

ENCUMBRANCES TO BE DISCHARGED

None

SCHEDULE "E"

PERMITTED ENCUMBRANCES

WALTER CANADA GROUP OWNER	Wolverine Coal ULC	Willow Creek Coal ULC
PARCEL IDENTIFIER	026-373-840	024-621-552
LEGAL DESCRIPTION	<p>LOT 1 EXCEPT: PART DEDICATED FOREST SERVICE ROAD ON PLAN BCP19871;</p> <p>DISTRICT LOTS 305 AND 306 PEACE RIVER DISTRICT PLAN BCP19069</p>	<p>LOT 1 DISTRICT LOT 1149 PEACE RIVER DISTRICT PLAN PGP44780</p>
PERMITTED ENCUMBRANCES	<p>#1:</p> <p><u>Nature:</u> OPTION TO PURCHASE</p> <p><u>Registration Number:</u> BX195552</p> <p><u>Registration Date and Time:</u> 2005-09-21 14:48</p> <p><u>Registered Owner:</u> MARY ANN EYBEN ARDITH NADINE BOOI EXECUTORS OF THE WILL OF JOHN WESLEY TERRY DECEASED SEE PS8845</p> <p>#2</p> <p><u>Nature:</u> CLAIM OF BUILDERS LIEN</p> <p><u>Registration Number:</u> CA3563886</p> <p><u>Registration Date and Time:</u> 2014-01-24 15:41</p> <p><u>Registered Owner:</u> CORDY CONSTRUCTION INC.</p>	<p>#1:</p> <p><u>Nature:</u> U. AND E & R</p> <p><u>Registration Number:</u> W32996</p> <p><u>Registration Date and Time:</u> 1985-11-07 09:07</p> <p><u>Registered Owner:</u> HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA</p> <p><u>Remarks:</u> INTER ALIA SEE W32994 SECTION 47 LAND ACT</p> <p>#2:</p> <p><u>Nature:</u> COVENANT</p> <p><u>Registration Number:</u> PN40827</p> <p><u>Registration Date and Time:</u></p>

	<p>INCORPORATION NO. BC0989644</p> <p><u>Remarks:</u> INTER ALIA</p>	<p>1999-10-28 09:41</p> <p><u>Registered Owner:</u> THE CROWN IN RIGHT OF BRITISH COLUMBIA AS REPRESENTED BY THE MINISTRY OF ENVIRONMENT LANDS AND PARKS PEACE RIVER REGIONAL DISTRICT</p> <p><u>Remarks:</u> INTER ALIA</p> <p>#3:</p> <p><u>Nature:</u> COVENANT</p> <p><u>Registration Number:</u> PN40828</p> <p><u>Registration Date and Time:</u> 1999-10-28 09:41</p> <p><u>Registered Owner:</u> PEACE RIVER REGIONAL DISTRICT</p> <p><u>Remarks:</u> INTER ALIA</p>
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SCHEDULE "F"

NO. S-1510120
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF THE PLAN OF COMPROMISE AND ARRANGEMENT
OF WALTER ENERGY CANADA HOLDINGS, INC., AND THE OTHER PETITIONERS
LISTED ON SCHEDULE "A"

PETITIONERS

SECOND MONITOR'S CERTIFICATE

1. Pursuant to an Order of the Court dated ●, 2016 (the "**Approval and Vesting Order**"), the Court approved the Asset Purchase Agreement dated ●, 2016 (the "**Sale Agreement**") between Walter Energy Canada Holdings, Inc., and the other entities listed in Schedule A thereto (collectively, the "**Seller**"), Conuma Coal Resources Limited (the "**Purchaser**") and the Guarantors party thereto (collectively, the "**Parties**"), and ordered that upon the Seller's and the Monitor's receipt from the Purchaser of a certificate certifying that (i) all Transfer Approvals and Permits contemplated under the Sale Agreement and any Ancillary Agreements have been transferred or issued, as applicable, to the Purchaser, and (ii) there have been no incidents, violations or occurrences during the term of the Contract Mining Agreement that may give rise to a Claim against the Seller (the "**Purchaser's Certificate**"), the Monitor shall thereafter, and following satisfaction by the Monitor that there have been no incidents, violations or occurrences during the term of the Contract Mining Agreement that may give rise to a claim by the Seller against the Purchaser, deliver this second Monitor's certificate to the Purchaser certifying that it received the Purchaser's Certificate and the Indemnification Security Interest Charge shall be extinguished.
2. Unless otherwise defined herein, capitalized terms shall have the meanings ascribed to them in the Sale Agreement.

THE MONITOR HEREBY CERTIFIES as follows:

- (a) The Monitor has received the Purchaser's Certificate;
- (b) The Monitor is not aware of any incidents, violations or occurrences during the term of the Contract Mining Agreement that may give rise to a claim by the Seller against the Purchaser; and
- (c) The Indemnification Security Interest Charge shall be extinguished.

DATED at the City of Vancouver, in the Province of British Columbia, this _____ day of _____,
[2016.]

**KPMG INC., in its capacity as the Court-
appointed Monitor of Walter Energy Canada
Holdings, Inc., et al. and not in its personal
or corporate capacity**

By: _____
Name:
Title:

SCHEDULE "G"

OWNED REAL PROPERTY

WALTER CANADA GROUP OWNER	PARCEL IDENTIFIER	LEGAL DESCRIPTION
Wolverine Coal ULC	026-373-840	LOT 1 EXCEPT: PART DEDICATED FOREST SERVICE ROAD ON PLAN BCP19871; DISTRICT LOTS 305 AND 306 PEACE RIVER DISTRICT PLAN BCP19069
Wolverine Coal ULC	005-329-949	LOT 92 DISTRICT LOT 3164 PEACE RIVER DISTRICT PLAN 30292
Wolverine Coal ULC	006-033-571	LOT 56 DISTRICT LOT 3164 PEACE RIVER DISTRICT PLAN 28295
Wolverine Coal ULC	006-035-191	LOT 129 DISTRICT LOT 3164 PEACE RIVER DISTRICT PLAN 28289
Wolverine Coal ULC	006-001-319	LOT 12 DISTRICT LOT 3164 PEACE RIVER DISTRICT PLAN 28295
Wolverine Coal ULC	006-028-233	LOT 49 DISTRICT LOT 3164 PEACE RIVER DISTRICT PLAN 28289
Wolverine Coal ULC	005-624-568	LOT 72 DISTRICT LOT 3164 PEACE RIVER DISTRICT PLAN 29399
Willow Creek Coal ULC	024-621-552	LOT 1 DISTRICT LOT 1149 PEACE RIVER DISTRICT PLAN PGP44780
Willow Creek Coal ULC	006-200-605	LOT A DISTRICT LOT 1807 PEACE RIVER DISTRICT PLAN 27989

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AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF THE PLAN OF COMPROMISE AND
ARRANGEMENT OF WALTER ENERGY CANADA HOLDINGS,
INC., AND THOSE PARTIES LISTED ON SCHEDULE "A"

PETITIONERS

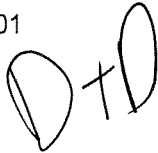
ORDER MADE AFTER APPLICATION

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