



This is the 22nd Affidavit of
William E. Aziz in this case and
was made on May 29, 2018

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 NEW
WALTER ENERGY CANADA HOLDINGS, INC., NEW WALTER CANADIAN COAL
CORP., NEW BRULE COAL CORP., NEW WILLOW CREEK COAL CORP., NEW
WOLVERINE COAL CORP. AND CAMBRIAN
ENERGYBUILD HOLDINGS ULC

PETITIONERS

AFFIDAVIT

I, **WILLIAM E. AZIZ**, Chief Restructuring Officer, of the Town of Oakville, in the Province of Ontario,
MAKE OATH AND SAY AS FOLLOWS:

1. I am the President of BlueTree Advisors Inc. ("**BlueTree**") which has been retained to provide my services as Chief Restructuring Officer ("**CRO**") to the Petitioners (the "**New Walter Canada Group**"). As such I have personal knowledge of the facts hereinafter deposed, except where such facts are stated to be based upon information and belief, and where so stated I do verily believe the same to be true.
2. This Affidavit is made in support of a motion by the New Walter Canada Group under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**") seeking the following Orders:

- (a) An Order (the "**Meeting Order**"), among other things,
- (i) accepting the filing of the Plan of Compromise and Arrangement of the New Walter Canada Group dated as of the date hereof (the "**CCAA Plan**"), a copy of which is attached as Exhibit "**A**" to this Affidavit;
 - (ii) authorizing the New Walter Canada Group to call a meeting of their Affected Creditors (the "**Affected Creditors Meeting**") that will be deemed to occur on June 27, 2018 and authorizing a deemed vote of Affected Creditors in favour of a resolution to approve the CCAA Plan;
 - (iii) authorizing the New Walter Canada Group to call a meeting (the "**Deemed Interest Claim Meeting**" and, with the Affected Creditors Meeting, the "**Creditors Meetings**") that will be deemed to occur on June 27, 2018 and authorizing a deemed vote of Warrior Met Coal, Inc. ("**Warrior**") in favour of the Deemed Interest Claim Resolution (described below); and
 - (iv) approving the notice to be given and the procedures to be followed with respect to the calling and conduct of the Creditors Meetings.
- (b) An Order extending the stay of proceedings in respect of the New Walter Canada Group to December 1, 2018.
3. I was initially retained by Walter Energy Canada Holdings, Inc. ("**Walter Energy Canada**") to provide my services as CRO to Walter Energy Canada, its direct and indirect subsidiaries and affiliates, and the partnerships listed on Schedule "C" to the Initial Order (collectively, the "**Old Walter Canada Group**"). I was retained pursuant to an engagement letter dated December 30, 2015, as amended in response to certain requests made by Old Walter Canada Group stakeholders. BlueTree was appointed as CRO of the Old Walter Canada Group pursuant to the Order of this Honourable Court made on January 5, 2016 (the "**SISP Order**").
4. My engagement as CRO of the Old Walter Canada Group, other than as CRO of Cambrian Energybuild Holdings ULC ("**Cambrian**"), was terminated on December 15, 2016, when the entities comprising that group filed for bankruptcy.
5. The companies comprising the New Walter Canada Group (other than Cambrian) were incorporated on December 8, 2016, pursuant to the authorization granted in paragraph 5 of the Order of this Honourable Court made on December 7, 2016 (the "**CCAA Procedure Order**"). Each such company became a Petitioner in these CCAA proceedings and subject to the CCAA Charges

(as defined in the CCAA Procedure Order), and I became CRO of each new company in the New Walter Canada Group when the companies were formed.

6. Any capitalized terms that are used but not defined in this Affidavit have the meaning given to them in the CCAA Plan or the proposed Meeting Order.

7. The information in this Affidavit is arranged under the following headings:

I.	THE CCAA PLAN	3
II.	PROPOSED NOTICE AND CONDUCT OF CREDITORS MEETINGS	15
III.	STAY EXTENSION	17

I. **THE CCAA PLAN**

A. **Introduction**

8. The Old Walter Canada Group obtained protection under the CCAA by way of an initial order of this Honourable Court made December 7, 2015 (as amended and restated from time to time, the “**Initial Order**”). The Initial Order was sought to address a looming insolvency of the Old Walter Canada Group arising from a challenging metallurgical coal market and the pending loss of financial and managerial support from Walter Energy, Inc. (“**WEI**”), the Old Walter Group’s ultimate parent company, due to WEI’s filing for protection under Chapter 11 of the U.S. Bankruptcy Code in July 2015 and the subsequent developments in the Chapter 11 proceeding.

9. On January 5, 2016, the Old Walter Canada Group obtained the SISP Order, pursuant to which it marketed its business and assets. The Old Walter Canada Group hoped to find a going concern solution, but also recognized that the prevailing conditions in the metallurgical coal market meant that achieving a going concern outcome could be challenging. The Monitor therefore also conducted a liquidation sales process as an alternative in case a going concern outcome could not be achieved or the going concern bids obtained were too low.

10. On August 16, 2016, the Old Walter Canada Group obtained this Honourable Court’s authorization to sell the majority of its business and assets to Conuma Coal Resources (“**Conuma**”). The sale transaction was subsequently consummated, resulting in significant funds becoming available to Old Walter Canada and its creditors and in the assumption of a number of material contracts and potential claims. Conuma has since restarted a number of the Old Walter Canada Group’s mines in northeastern British Columbia, to the benefit of the affected communities.

11. On August 16, 2016, the Old Walter Canada Group also obtained an Order of this Honourable Court which established a claims procedure for creditors of the Old Walter Canada Group (the "**Claims Process Order**"). The claims procedure established under the Claims Process Order was subsequently implemented, with a view to establishing the universe of claims and ultimately making a distribution to creditors.
12. Subsequent to the closing of the Conuma transaction, the Old Walter Canada Group recognized that additional value for stakeholders may be obtained from the sale of the equity of the members of the Old Walter Canada Group, the shares of the Walter U.K. group and, to the extent available, Old Walter Canada's interests in its Belcourt Saxon assets. The Old Walter Canada Group and the Monitor ran a sales process for these remaining assets, which culminated in the formation of the New Walter Canada Group and the sale of the shares of the Old Walter Canada Group to 1098138 B.C. Limited pursuant to a proposal under the *Bankruptcy and Insolvency Act* and approved by the Court on December 21, 2016 (the "**BIA Proposal**").
13. The effect of the BIA Proposal was largely to replicate the Old Walter Canada structure in the New Walter Canada Group, and (i) to cause the transfer of the assets of the Old Walter Canada Group to the members of the New Walter Canada Group and (ii) to cause the New Walter Canada Group to be deemed liable for claims against the members of the Old Walter Canada Group, in each case in accordance with the terms of BIA Proposal and the agreements made in connection with the BIA Proposal.
14. Among other things, New Walter Energy Canada Holdings, Inc. ("**New Walter**") was deemed liable for an amount equal to the amount of accrued but unpaid interest owing by Walter Energy Canada in respect of the Promissory Note dated April 1, 2011 issued by Walter Energy Canada to WEI (the "**Promissory Note**") for the period from the issuance of the Promissory Note and ending on the Proposal Commencement Date (as defined in the BIA Proposal), up to a maximum amount equal to the amount by which (i) the value of the assets transferred to New Walter pursuant to the BIA Proposal exceeds (ii) the amount of all claims that were deemed to be claims against New Walter pursuant to the BIA Proposal, provided however that, for the purpose of the calculation of such maximum amount, the amount of such claims do not include the claim (the "**1974 Plan Claim**") asserted by the United Mine Workers of America 1974 Pension Plan and Trust (the "**Deemed Interest Claim**").
15. Since the completion of the transaction contemplated by the BIA Proposal, the New Walter Canada Group has taken a number of steps to realize value for the benefit of its stakeholders, including the transaction with Peace River Coal Inc. in connection with the Belcourt Saxon assets transferred to the New Walter Canada Group under the BIA Proposal and with Speciality Carbons Ltd. in

connection with the sale of Energybuild Limited and certain of its affiliates, which were among the Walter U.K. assets transferred to the New Walter Canada Group under the BIA Proposal.

16. Notwithstanding the BIA Proposal, the New Walter Canada Group was not in a position to make a distribution to its creditors, in part because of a significant claim asserted in these CCAA proceedings by the United Mine Workers of America 1974 Pension Plan and Trust (the "**1974 Plan**") pursuant to certain "controlled group" provisions of the U.S. *Employee Retirement Income Security Act of 1974*. In September 2017, the New Walter Canada Group agreed to a Settlement Term Sheet (the "**Term Sheet**") with the 1974 Plan and Warrior that resulted in a full and final settlement of all outstanding issues among these parties in these CCAA proceedings. The Term Sheet was approved by an Order of this Honourable Court made October 6, 2017 (the "**Term Sheet Approval Order**").
17. Among other things, the settlement contemplated by the Term Sheet was conditional upon the completion of the unresolved restructuring claims process commenced pursuant to an Order of this Honourable Court made on August 15, 2017 (the "**Claims Process Amendment Order**"). The Claims Process Amendment Order authorized a process whereby the New Walter Canada Group and Monitor would seek to identify remaining Restructuring Claims and Directors/Officers Claims that had not been solicited (the "**Unresolved Restructuring Claims Process**").
18. The Unresolved Restructuring Claims Process has been completed, and the New Walter Canada Group and the Monitor have determined that they will have sufficient funds to make the payments contemplated by the Term Sheet after establishing certain reserves for Disputed Claims and other matters (as described in greater detail below).
19. The New Walter Canada Group has been working, in consultation with the Monitor and certain stakeholders, to develop the CCAA Plan and to address certain tax matters connected with the BIA Proposal. The New Walter Canada Group believes that it has resolved these matters and is now bringing this application seeking leave of the Court to file the CCAA Plan and call meetings of its creditors.

B. Overview of the CCAA Plan

20. The purpose of the CCAA Plan is to:
 - (a) permit the satisfaction, settlement, extinguishment, release and discharge of all Affected Claims in accordance with the Claims Process Order, the Meeting Order, and the CCAA Plan;

- (b) provide for the distribution of a sufficient amount of the Available Funds to Affected Creditors to satisfy the Proven Claims of Affected Creditors in full;
- (c) fully and finally compromise, resolve, release, and settle the 1974 Plan Claim;
- (d) provide for the payment of CDN\$13 million to the 1974 Plan and CDN\$75,000 to the United Steel, Paper and Forestry, Rubber, Manufacturing, Allied Industrial and Service Workers International Union, Local 1-424 ("**USW**") on account of USW's costs in the CCAA Proceedings (the "**USW Settlement Amount**"), each as contemplated by the Term Sheet; and
- (e) provide for the distribution of any surplus of the Available Funds, free and clear of any Claims of Affected Creditors, to fully and finally satisfy, compromise, extinguish, release and discharge Warrior's Deemed Interest Claim.

21. The key features of the CCAA Plan are as follows:

- (a) If the conditions precedent to the implementation of the CCAA Plan are fulfilled, then on the Plan Implementation Date, the Monitor, on behalf of the New Walter Canada Group, will establish the following reserves and cash pools (all described below): (i) Administrative Costs Reserve; (ii) Insurance Reserve; (iii) Wind-Down Reserve; (iv) Unresolved Claims Reserve; (v) Affected Creditors' Distribution Cash Pool; and (vi) Deemed Interest Claim Distribution Cash Pool.
- (b) The primary stakeholders affected by the CCAA Plan are the Affected Creditors, the 1974 Plan, and Warrior:
 - (i) The Affected Creditors will have all of their Proven Claims paid in full under the CCAA Plan and USW will receive the USW Settlement Amount.
 - (ii) The 1974 Plan (which is an Affected Creditor under the CCAA Plan) will receive a payment of CDN\$13 million from the Deemed Interest Claim Distribution Cash Pool in accordance with the Term Sheet (the "**1974 Plan Settlement Amount**"), as a result of which the 1974 Plan Claim shall be fully and finally satisfied, settled, extinguished, released and discharged.
 - (iii) Warrior will be entitled to receive distributions from the funds remaining in Deemed Interest Claim Distribution Cash Pool after the 1974 Plan Settlement Amount has been paid.

22. In summary, the CCAA Plan is expected to result in the full recovery of Proven Claims owed to Affected Creditors and to give effect to the Term Sheet. The USW Settlement Amount is to be paid to USW and the New Walter Canada Group expects that there will be sufficient Available Funds to pay the 1974 Plan Settlement Amount with significant sums remaining to pay to Warrior in respect of the Deemed Interest Claim. The CCAA Plan is therefore expected to result in the full satisfaction of the 1974 Plan Claim as provided by the Settlement Agreement and a payment of the remaining funds to Warrior in respect of the Deemed Interest Claim, as contemplated by the BIA Proposal.
23. If the CCAA Plan is approved and implemented, it will give effect to the Term Sheet, which, as noted by this Honourable Court in its reasons for decision for granting the Term Sheet Approval Order, "achieves what few CCAA proceedings achieve, namely a somewhat timely but full recovery for the vast majority of claimants" and is "fair and reasonable, ... provides a substantial benefit to the creditors of the petitioners and ... is consistent with the purpose and spirit of the CCAA."

C. Summary of Reserves and Distribution Cash Pools

24. The CCAA Plan contemplates that the Monitor, on behalf of the New Walter Canada Group, will establish a number of reserves and distribution cash pools on the Plan Implementation Date using the Available Funds. The Available Funds are the total of (i) the proceeds of any sale or disposition of any of the assets of the New or Old Walter Canada Group that have been paid to the Monitor on behalf of the New or Old Walter Canada Group and are being held by the Monitor; (ii) the proceeds of the transaction set out in the BIA Proposal; (iii) all other monies held by the Monitor, on behalf of the Petitioners, that are in the hands of the Monitor at the Effective Time on the Plan Implementation Date; and (iv) all monies received by the Monitor, on behalf of the Petitioners, following the Plan Implementation Date.
25. After the Plan Implementation Date, the Monitor shall hold the Available Funds, on behalf of the New Walter Canada Group, in one or more separate interest-bearing accounts or guaranteed investment certificates for each of the reserves and pools described in the following sections.

Administrative Costs Reserve

26. An Administrative Costs Reserve will be established out of the Available Funds in the amount of \$1.25 million, which will be held by the Monitor, on behalf of the New Walter Canada Group.
27. The Administrative Costs Reserve shall be used to pay the Administrative Costs, which consist of administrative claims and costs outstanding on the Plan Implementation Date (or arising thereafter) including, without limitation, the following:

- (a) amounts in respect of the fees and costs to be incurred by (i) the CRO; (ii) the New Walter Canada Group, their counsel and their advisors; and (iii) the Monitor, its counsel and its advisors, in each case on a solicitor and own client full indemnity basis (as applicable) with respect to the performance of such parties' duties and obligations whether arising before or after the Plan Implementation Date;
 - (b) an amount equal to the Petitioners' estimate of any potential costs awarded to an Affected Creditor with an Unresolved Claim in respect of any litigation associated with such Unresolved Claim; and
 - (c) amounts, if any, secured by the Charges – which includes the Administration Charge, the Directors' Charge, the Success Fee Charge and the KERP Charge – that remain owing on the Plan Implementation Date, if any.
28. If the Monitor determines, in consultation with the New Walter Canada Group and Warrior, that there are funds in the Administrative Costs Reserve sufficiently in excess of the amount of all Administrative Costs, the CCAA Plan permits the Monitor to transfer such excess Administrative Costs Reserve funds to the Deemed Interest Claim Distribution Cash Pool and declare a Distribution Date in respect thereof.
29. The New Walter Canada Group and the Monitor believe that \$1.25 million is an appropriate reserve to fund Administrative Costs associated with the remaining activities in these CCAA Proceedings and to address any potential contingencies. This amount is fair and reasonable because of the following reasons:
- (i) One significant Unresolved Claim remains, the claim of Mr. Kevin James, which may need to be litigated by a full hearing and any appeals that may be taken;
 - (ii) Additional expenses will be incurred to wind-down certain New Walter Canada Group entities as a result of their corporate structure and the Unresolved Claims;
 - (iii) Additional tax returns will need to be filed and the Monitor will need to deal with any additional tax issues;
 - (iv) Costs will be incurred to make the distributions to Affected Creditors and Warrior contemplated by the CCAA Plan; and
 - (v) Further Court appearances may be necessary.

Wind-Down Reserve

30. A Wind-Down Reserve will be established out of the Available Funds (i) in the amount of CDN\$3,000,000.00, plus any amounts held by or on behalf of Energybuild, including as a result of the sale of Energybuild Limited, Energybuild Mining Limited and Mineral Extraction and Handling Limited.
31. The Wind-Down Reserve shall include any outstanding costs as at the Plan Implementation Date or arising thereafter falling within one or more of the following categories:
- (a) amounts in respect of existing or future taxes, expenses and other disbursements that are or may become payable;
 - (b) amounts in respect of outstanding Crown Claims;
 - (c) amounts to address the orderly wind-down or other process at the discretion of the New Walter Canada Group for Energybuild in a cost effective and tax efficient manner that protects Energybuild's directors and officers from liability to the fullest extent possible, including the purchase of any reasonable director and officer insurance and "run off" coverage; and
 - (d) amounts in respect of general contingency costs.
32. A plan of compromise and arrangement proposed under the CCAA must provide for the payment or provision of Crown Claims pursuant to section 6(3) of the CCAA. The CCAA Plan satisfies this requirement by requiring the Monitor, within six months after the Plan Sanction Date, to pay in full, on behalf of the New Walter Canada Group, to Her Majesty in Right of Canada or any province all amounts of any kind that could be subject to a demand under Section 6(3) of the CCAA that were outstanding on the Filing Date and which have not been paid by the Plan Implementation Date. The New Walter Canada Group is not aware of any outstanding Crown Claims at this time.
33. The CCAA Plan does not provide for payment of any "Employee Priority Claims" or "Pension Priority Claims" pursuant to Sections 6(5) and 6(6) of the CCAA because no such claims exist.

Insurance Reserve

34. An Insurance Reserve shall be established out of the Available Funds to be held by the Monitor, on behalf of the New Walter Canada Group, for the purpose of purchasing any reasonable "run off" or "tail" insurance for the Directors and Officers and for the directors and officers of Energybuild

and the payment of any deductibles required in connection with claims made in respect thereof. The Insurance Reserve will be in the amount of CDN\$275,000.

35. In circumstances where the Monitor determines, in consultation with the Petitioners and Warrior, that there are excess funds in the Insurance Reserve, such excess funds will be deemed to have been transferred to the Deemed Interest Claim Distribution Pool on such date as is determined by the Monitor.

Unresolved Claims Reserve

36. An Unresolved Claims Reserve shall be established out of the Available Funds and be held by the Monitor, on behalf of the New Walter Canada Group, in an amount equal to the aggregate amount that would have been paid to all Affected Creditors holding Unresolved Claims in accordance with the CCAA Plan (calculated on the basis of the amounts specified in such Affected Creditors' Proofs of Claim) if such Unresolved Claims had been Proven Claims on the Plan Implementation Date plus an amount equal to the Petitioner's estimate of any potential cost award to such Affected Creditor in respect of any litigation associated with such Unresolved Claims.
37. The Unresolved Claims shall be finally determined in accordance with the Claims Process Order and any other applicable Order. If an Affected Creditor's Unresolved Claim is determined to be a Proven Claim in accordance with the Claims Process Order or if an Affected Creditor's Unresolved Claim is accepted, in each case, in whole or in part, (a) the Monitor, on behalf of the New Walter Canada Group, shall distribute the amount from the Unresolved Claims Reserve equal to such Affected Creditor's Distribution Claim, if any, that would have been distributed on the Plan Implementation Date had such Affected Claim been a Proven Claim plus an amount equal to the costs (if any) awarded by the Court to such Affected Creditor in respect of any litigation associated with such Unresolved Claim (the "**Proven Claim Amount**") to such Affected Creditor in full satisfaction, payment, settlement, release and discharge of such Affected Creditor's Claim; and (b) that Proven Claim Amount shall be deemed to have first been transferred to the Affected Creditors' Distribution Cash Pool (described below) and then paid therefrom by the Monitor, on behalf of the New Walter Canada Group.
38. When all Unresolved Claims have been finally determined in accordance with the Claims Process Order and any other applicable Order, and when all Proven Claim Amounts have been paid, any balance that remains in the Unresolved Claims Reserve will be deemed to be transferred to the Deemed Interest Claim Distribution Cash Pool.

Affected Creditors' Distribution Cash Pool

39. An Affected Creditors' Distribution Cash Pool shall be established from the Available Funds in an amount equal to all Proven Claims of Affected Creditors. The Affected Creditors' Distribution Cash Pool shall be distributed by the Monitor, on behalf of the New Walter Canada Group, on the Plan Implementation Date or on any Distribution Date, as the case may be, to each Affected Creditor in the amount of such Affected Creditor's Proven Claim in full satisfaction, payment, settlement, release and discharge of such Affected Creditor's Proven Claim.
40. On the Plan Implementation Date, or as soon thereafter as the Monitor and the New Walter Canada Group may, in their discretion, determine, the Monitor shall pay the USW Settlement Amount to USW on account of USW's costs in the CCAA Proceedings.
41. Distributions to Employee Claimants in respect of Employee Claims will be made following review by Service Canada and net of any employment insurance overpayment deductions or other amounts required by Applicable Law to be withheld from the amount to be distributed to Employee Claimants and remitted or paid to Service Canada or any other Government Authority. Distributions to Employee Claimants shall not be made by the Monitor until the Service Canada review is complete and the amount of any remittance or payment due to Service Canada has been determined. Within five Business Days of making any distribution to an Employee Claimant in respect of an Employee Claim, the Monitor shall make a distribution to Service Canada and any other Government Authority equal to the amount required by Applicable Law to be remitted or paid to Service Canada or such Government Authority and such distribution shall be deemed to be a remittance or payment made to Service Canada or such Government Authority by the applicable Petitioner or Employee (all capitalized terms as defined in the CCAA Plan).
42. As noted above, in the event that an Unresolved Claim becomes a Proven Claim, additional funds will be deemed to be transferred from the Unresolved Claims Reserve to the Affected Creditors' Distribution Cash Pool and distributed therefrom to satisfy such Proven Claims.
43. The CCAA Plan provides that all claims for undeliverable or uncashed distributions in respect of Proven Claims will expire 12 months after the date of distribution, after which time the Proven Claims of that Affected Creditor shall be forever discharged and barred. At that time, any undeliverable or uncashed distribution amount shall be deemed to be transferred to the Deemed Interest Claim Distribution Cash Pool.

Deemed Interest Claim Distribution Cash Pool

44. A Deemed Interest Claim Distribution Cash Pool shall be established out of the Available Funds in an amount equal to the Available Funds less the amounts used to fund the reserves and cash pool

mentioned above. The Monitor shall hold the Deemed Interest Claim Distribution Cash Pool in a separate interest-bearing account or guaranteed investment certificate in escrow for distribution in accordance with the CCAA Plan.

45. The following payments shall be made by the Monitor, on behalf of the New Walter Canada Group, from the Deemed Interest Claim Distribution Cash Pool:
- (a) On the Plan Implementation Date, or as soon as reasonably practicable thereafter as the Monitor and the New Walter Canada Group may, in their discretion, determine, the Monitor shall pay the 1974 Plan Settlement Amount from the Deemed Interest Claim Distribution Cash Pool to the 1974 Plan. The 1974 Plan Claim shall be fully and finally satisfied, settled, extinguished, released and discharged immediately upon the 1974 Plan Settlement Amount being made.
 - (b) On the Plan Implementation Date or on any Distribution Date, as the case may be, the Monitor shall transfer amounts as determined by the New Walter Canada Group and the Monitor in consultation with Warrior in accordance with the CCAA Plan, from the Deemed Interest Claim Distribution Cash Pool (each such transfer being a "**Deemed Interest Claim Distribution**") (i) as a capital contribution by New Walter to New Walter Canadian Coal Corp. ("**New WCCC**") by New WCCC to Cambrian and by Cambrian to Energybuild Group Limited in an amount not to exceed the amount owing to Warrior by Energybuild Group Limited (in the maximum amount of US\$6,976,591.45) and provided that Energybuild Group Limited shall direct Cambrian to pay such amount to Warrior on account of Energybuild Group's debt to Warrior; and/or (ii) directly to Warrior.
46. Warrior will receive the Deemed Interest Claim Distributions in full and final satisfaction of the Deemed Interest Claim.

D. Conditions Precedent and Plan Implementation Date

47. The implementation of the CCAA Plan shall be conditional upon the fulfillment (or, in the case of paragraph (c), waiver) of the following conditions on or prior to the Plan Implementation Date, as the case may be:
- (a) *Plan Approval*: The Affected Creditors shall have been deemed to have unanimously voted in favour of the CCAA Plan at the Creditors' Meeting and the Deemed Interest Claim Resolution shall have been deemed to have been passed approving the CCAA Plan.
 - (b) *Plan Sanction Order*: The Sanction Order shall have been made and be in full force and effect, and all applicable appeal periods in respect thereof shall have expired and any

appeals therefrom shall have been finally disposed of, leaving the Sanction Order wholly operable.

- (c) *Resolution of Certain Liabilities:* The Petitioners shall be satisfied that (i) all material consents, declarations, rulings, certificates, or approvals of any Government Authority as may be considered necessary by the Petitioners and the Monitor in respect of the transactions contemplated by the CCAA Plan shall have been obtained, provided that, without limiting the generality of the forgoing, and notwithstanding any other provision of the CCAA Plan, no distributions shall be made by the Monitor from any of the Unresolved Claims Reserve, Affected Creditors' Distribution Cash Pool or the Deemed Interest Claim Distribution Pool unless and until one of the following conditions have been met to the satisfaction of, or waived by, the Monitor, in its sole discretion: (a) certificates have been issued by or on behalf of the Minister of National Revenue (Canada) ("**CRA**") pursuant to section 159 of the *Income Tax Act* (Canada) in respect each of the members of the New Walter Canada Group, or (b) the Monitor has received written confirmation from the CRA that it may distribute the property of the New Walter Canada Group without any personal liability; (ii) all tax returns required to be filed by or on behalf of the Petitioners have been or will be duly filed in all appropriate jurisdictions; and (iii) all taxes required to be paid in respect thereof have been or will be paid.
- (d) *Outside Date:* The date on which the CCAA Plan becomes effective (the "**Plan Implementation Date**") shall have occurred by the day that is no later than nine months following the pronouncement of the Sanction Order, or such later date as the Monitor, the Petitioners and Warrior agree, acting reasonably, and the Petitioners and the Monitor shall be satisfied that there will be sufficient Available Funds to pay all Proven Claims of Affected Creditors, the USW Settlement Amount and the 1974 Plan Settlement Amount.

48. The Plan Implementation Date shall be the Business Day on which the Monitor has delivered to the New Walter Canada Group a certificate confirming that, among other things, all conditions to implementation of the Plan have been satisfied or waived.

E. Payment of Interest

49. The CCAA Plan provides that no interest will be paid on any Proven Claims unless so specified in the applicable Proof of Claim, and no interest will be paid any Proven Claim for the period after the Filing Date.

F. CCAA Plan Releases

50. On the Plan Implementation Date, customary releases will be granted in favour of the New Walter Canada Group, the Monitor and its affiliates, the CRO, the Financial Advisor, the Directors and the Officers, each and every present and former employee who filed or could have filed an indemnity claim or a D&O Indemnity Claim against the Old Walter Canada Group, each and every affiliate, subsidiary, partner, member (including members of any committee or governance council), auditor, financial advisor, legal counsel, consultant, and agent thereof and any Person claiming to be liable derivatively through any or all of the foregoing Persons (the "**Releasees**"), who shall each be released and discharged in respect of any and all claims (which are defined broadly) that any Person may be entitled to assert against the Releasees, provided that nothing in the CCAA Plan shall release or discharge any Petitioner from any Excluded Claim, any Director from any Claim that cannot be compromised pursuant to Section 5.1(2) of the CCAA, or any Releasee from any obligation created by or existing under the CCAA Plan or any related document and provided that any Unresolved Claim shall remain a Claim on the Unresolved Claims Reserve until such time as such Unresolved Claim is finally determined in accordance with the Claims Process Order and any other Order and, if such Unresolved Claim becomes a Proven Claim, such Proven Claim is paid as contemplated by this CCAA Plan.
51. The New Walter Canada Group considers the releases to be fair and reasonable in the context of, among other things, the efforts of the Monitor, the New Walter Canada Group and the other Releasees that have contributed to the overall success and effect of the CCAA Plan that provides for payment of all Affected Creditors' Proven Claims in full, through distributions provided for in the CCAA Plan, notwithstanding the insolvency that preceded these CCAA Proceedings.

G. CCAA Plan Amendments

52. Pursuant to the Meeting Order being sought from this Honourable Court, the Applicants, with the consent of the Monitor, will be able to amend, restate, modify and/or supplement the CCAA Plan (each such change being an "**Amendment**") as long as the Amendment is contained in a written document filed with this Honourable Court, is consistent with the Settlement Agreement and (i) if made prior to the Affected Creditors' Meeting and/or the making of the Deemed Interest Claim Resolution, communicated to the Affected Creditors and/or Warrior in respect of the Deemed Interest Claim, as applicable, in the manner required by the Court (if so required); and (ii) if made following the Creditors' Meeting and/or the making of the Deemed Interest Claim Resolution, approved by the Court following notice to the Affected Creditors and/or Warrior in respect of the Deemed Interest Claim, as applicable.

53. Notwithstanding the foregoing, any Amendment may be made by the New Walter Canada Group with consent of the Monitor or pursuant to an Order following the Plan Sanction Date, provided that it concerns a matter which is of an administrative nature required to better give effect to the implementation of the CCAA Plan, the Settlement Agreement and the Sanction Order or to cure any errors, omissions or ambiguities, and is not materially adverse to the financial or economic interests of the Affected Creditors or Warrior in respect of the Deemed Interest Claim.

II. PROPOSED NOTICE AND CONDUCT OF CREDITORS MEETINGS

54. The Meeting Order sets out the notice that will be provided in respect of the Creditors Meetings and how the Meetings will be conducted. Further, pursuant to the proposed Meeting Order and the Plan, the following Creditors Meetings will occur:

- (a) There will be one consolidated class of creditors to vote on the Plan, which will be comprised of all of the Affected Creditors, including Warrior with respect to its Shared Services Claim, (the "**Affected Creditors Class**"). The Affected Creditors Class will be deemed to have held a meeting for the purpose of voting on a resolution to approve the CCAA Plan, and will be deemed to have voted unanimously in favour of such a resolution.
- (b) Warrior will be the only creditor entitled to vote on the Deemed Interest Claim Resolution and Warrior will be deemed to have voted the entire Deemed Interest Claim in favour of Deemed Interest Claim Resolution.

A. Notice of Creditors Meetings

55. If the Meeting Order is granted, then on or before June 4, 2018, the Monitor shall, on behalf of the New Walter Canada Group, send copies of the Notice to Affected Creditors to each Affected Creditor by regular pre-paid mail, courier, fax or e-mail. The materials delivered to Affected Creditors shall not include a form of proxy because the Meeting Order provides that all Affected Creditors will be deemed to have voted in favour of the CCAA Plan. The materials will, however, give Affected Creditors an opportunity to submit concerns (if any) regarding the CCAA Plan. The deadline for the submission of such concerns is June 25, 2018.
56. If the Meeting Order is granted, then on or before June 4, 2018, the Monitor shall, on behalf of the New Walter Canada Group, send a copy of the Notice to Warrior by regular pre-paid mail, courier, or e-mail.
57. The Meeting Order also provides that the Monitor will take the following steps:

- (a) On or before June 5, 2018, post electronic copies of the Meeting Materials on its website, and provide written copies of such materials to Warrior or to any Affected Creditor upon request. The Monitor shall ensure that the Meeting Materials remain posted on the its website until at least the Business Day following the Plan Implementation Date.
- (b) On or before June 4, 2018, the Monitor shall cause the Notice to Affected Creditors (or a shortened form thereof), to be published for one (1) Business Day in The Globe and Mail (National Edition), the Vancouver Sun, the Prince George Citizen and the Alaskan Highway News, and such other publications as the Monitor deems advisable. The Monitor shall also post the newspaper notice on its website.

B. Deemed Meeting and Vote of Affected Creditors

- 58. The CCAA Plan establishes one class comprised of all Affected Creditors, which will be deemed to have unanimously voted in favour of the CCAA Plan on June 27, 2018.
- 59. The New Walter Canada Group believes that a deemed meeting and vote of all Affected Creditors is appropriate in the circumstances. As each Affected Creditor will be receiving payment for the full amount of its Allowed Claim, the New Walter Canada Group believes that it is neither appropriate nor necessary to require the New Walter Canada Group to expend the resources required to organize and conduct an Affected Creditors Meeting. In addition, it is neither appropriate nor necessary to require the New Walter Canada Group to expend resources to determine a fair and reasonable approach to quantifying the Unresolved Claims for the purposes of a vote. In these unique circumstances, a deemed meeting and vote would avoid the costs associated with an actual vote and meeting, be fair to all Affected Creditors, and conserve resources of the estate for the benefit of the New Walter Canada Groups' creditors.

C. Deemed Interest Claim Meeting

- 60. In addition to the deemed Affected Creditors Meeting, the CCAA Plan also contemplates that a Deemed Interest Claim Meeting will be deemed to have been called and held on June 27, 2018 and that Warrior shall be deemed to have voted its entire Deemed Interest Claim in favour of the CCAA Plan.
- 61. Warrior has been consulted regarding this approach.

D. Sanction of the CCAA Plan

- 62. In the event that the CCAA Plan has been approved at the Creditors Meetings, the New Walter Canada Group may bring a motion before this Honourable Court on July 3, 2018, or such later date as is set by this Honourable Court seeking a sanctioning of the CCAA Plan (the "**CCAA Sanction Motion**").

63. Any party who wishes to oppose the CCAA Sanction Motion will be required to serve on the Service List an Application Response setting out the basis for such opposition and a copy of the materials to be used to oppose the CCAA Sanction Motion at least five (5) Business Days before the date set for the CCAA Sanction Motion, or such shorter time as this Honourable Court, by order, may allow.
64. In the event that the CCAA Sanction Motion is adjourned, only those Persons who are on the Service List shall be served with notice of the adjourned date.
65. The proposed Sanction Order will include, among other things, relief substantially in the form of the provisions set out in Section 10.2 of the CCAA Plan and will be served on the Service List and posted to the Website.

III. STAY EXTENSION

66. The New Walter Canada Group is requesting an extension of the Stay Period until and including December 1, 2018. This extension is being requested to allow the New Walter Canada Group to hold the Creditors Meetings, bring a motion seeking the Sanction Order, and to seek to satisfy the conditions precedent to the implement the CCAA Plan if approved, and, if such conditions precedent are satisfied, to implement the CCAA Plan and make the distribution to creditors contemplated in the CCAA Plan and to continue litigating the Unresolved Claim of Mr. James. The satisfaction of certain of the conditions precedent to the CCAA Plan are expected to take some time to achieve.
67. From my review of the current cash flow projections, I do verily believe that the New Walter Canada Group will have sufficient operating cash to continue operations during the proposed extended Stay Period.
68. The New Walter Canada Group has been proceeding in good faith and with due diligence in these proceedings, as outlined above.
69. It is my understanding that the Monitor supports the extension of the Stay Period and will file a report attaching a cash flow forecast that demonstrates, subject to the assumptions more fully set out in the report, that the New Walter Canada Group has sufficient liquidity to continue its operations as currently conducted through to the end of the proposed extended Stay Period.
70. It is in the best interests of the New Walter Canada Group and all its stakeholders that the Stay Period be extended to December 1, 2018 to enable the New Walter Canada Group to hold the Creditors Meetings, bring a motion seeking the Sanction Order, and to seek to satisfy the conditions precedent to the implementation the CCAA Plan if approved, and, if such conditions precedent are

satisfied, to implement the CCAA Plan and make the distribution to creditors contemplated in the CCAA Plan.

SWORN BEFORE ME at Oakville, in
the Province of Ontario, on May 29,
2018.



Commissioner for Taking Affidavits
and Notary Public in the Province of
Ontario

Patrick Brestero

)
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)
)
)
)

William E. Aziz

WILLIAM E. AZIZ

This is Exhibit "A" referred to in Affidavit #22 of **William E. Aziz** sworn May 29, 2018 at Oakville, Ontario.



Commissioner for Taking Affidavits and
Notary Public in the Province of Ontario

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 NEW
WALTER ENERGY CANADA HOLDINGS, INC., NEW WALTER CANADIAN COAL
CORP., NEW BRULE COAL CORP., NEW WILLOW CREEK COAL CORP., NEW
WOLVERINE COAL CORP. AND CAMBRIAN ENERGYBUILD HOLDINGS ULC**

PETITIONERS

PLAN OF COMPROMISE AND ARRANGEMENT

concerning, affecting and involving

**NEW WALTER ENERGY CANADA HOLDINGS, INC., NEW WALTER CANADIAN
COAL CORP., NEW BRULE COAL CORP., NEW WILLOW CREEK COAL CORP.,
NEW WOLVERINE COAL CORP. AND CAMBRIAN ENERGYBUILD HOLDINGS ULC**

PURSUANT TO THE

COMPANIES' CREDITORS ARRANGEMENT ACT (CANADA)

AND THE

BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)

May 29, 2018

TABLE OF CONTENTS

	Page
ARTICLE 1 INTERPRETATION.....	3
1.1 Definitions.....	3
1.2 Certain Rules of Interpretation.....	13
1.3 Successors and Assigns.....	14
1.4 Governing Law	14
1.5 Schedules	14
ARTICLE 2 PURPOSE AND EFFECT OF THE CCAA PLAN.....	14
2.1 Purpose.....	14
2.2 Persons Affected	15
2.3 Persons Not Affected	15
2.4 Intercompany Claims	15
ARTICLE 3 CLASSIFICATION OF CREDITORS, VOTING OF AFFECTED CLAIMS AND RELATED MATTERS	15
3.1 Claims Process	15
3.2 Classification of Creditors	16
3.3 Claims of Affected Creditors	16
3.4 Affected Creditors' Meeting	16
3.5 Voting	16
3.6 Guarantees and Similar Covenants	16
3.7 Set-Off.....	16
ARTICLE 4 DEEMED INTEREST CLAIM: VOTING AND RELATED MATTERS	17
4.1 Voting Procedure	17
4.2 Meeting regarding the Deemed Interest Claim.....	17
4.3 Voting	17
4.4 Guarantees and Similar Covenants	17
ARTICLE 5 AVAILABLE FUNDS, RESERVES AND CASH POOLS.....	17
5.1 Available Funds	17
5.2 Administrative Costs Reserve.....	17
5.3 Insurance Reserve	17
5.4 Wind-Down Reserve.....	18
5.5 Unresolved Claims Reserve.....	18
5.6 Affected Creditors' Distribution Cash Pool.....	18
5.7 Deemed Interest Claim Distribution Cash Pool.....	18
5.8 Remaining Funds	19
ARTICLE 6 PROVISIONS REGARDING DISTRIBUTIONS AND PAYMENTS	19
6.1 Payment of Administrative Costs	19
6.2 Payment of Insurance Reserve Costs.....	19
6.3 Payment of Wind-Down Reserve Costs	20

TABLE OF CONTENTS

(continued)

	Page
6.4 Distributions from the Affected Creditors' Distribution Cash Pool	20
6.5 Distributions from the Deemed Interest Claim Distribution Cash Pool	21
6.6 Cancellation of Instruments Evidencing Affected Claims.....	21
6.7 Crown Priority Claims	22
6.8 Currency	22
6.9 Interest.....	22
6.10 Treatment of Undeliverable Distributions	22
6.11 Assignment of Claims for Voting and Distribution Purposes	22
6.12 Assignment of the Deemed Interest Claim and 1974 Plan Claim	23
6.13 Allocation of Distributions	23
6.14 Withholding and Reporting Requirements	24
ARTICLE 7 PROCEDURE FOR DISTRIBUTIONS REGARDING unresolved CLAIMS.....	24
7.1 No Distribution Pending Allowance	24
7.2 Distributions After Unresolved Claims Resolved.....	24
ARTICLE 8 COMPANY REORGANIZATION	25
8.1 Corporate Authorizations.....	25
8.2 Plan Implementation Date Steps and Transactions.....	25
8.3 Post-Plan Implementation Date Transactions.....	26
8.4 On-Going Matters	26
ARTICLE 9 RELEASES	26
9.1 CCAA Plan Releases	26
9.2 Injunctions.....	27
ARTICLE 10 COURT SANCTION, CONDITIONS PRECEDENT AND IMPLEMENTATION.....	28
10.1 Application for Sanction Order.....	28
10.2 Sanction Order	28
10.3 Conditions Precedent to Implementation of the CCAA Plan	30
10.4 Monitor's Certificate.....	31
ARTICLE 11 GENERAL	31
11.1 Binding Effect.....	31
11.2 Waiver of Defaults.....	32
11.3 Claims Bar Date, Restructuring Claims Bar Date and Unresolved Restructuring Claims Bar Date	33
11.4 Deeming Provisions	33
11.5 Non-Consummation.....	33
11.6 Modification or Withdrawal of the CCAA Plan.....	33
11.7 Paramountcy	34
11.8 Severability of Plan Provisions.....	34
11.9 Reviewable Transactions	35

TABLE OF CONTENTS
(continued)

	Page
11.10 Responsibilities of the Monitor.....	35
11.11 Different Capacities	35
11.12 Notices	35
11.13 Further Assurances.....	37

IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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**IN THE MATTER OF THE PLAN OF COMPROMISE AND ARRANGEMENT OF NEW
WALTER ENERGY CANADA HOLDINGS, INC., NEW WALTER CANADIAN COAL
CORP., NEW BRULE COAL CORP., NEW WILLOW CREEK COAL CORP., NEW
WOLVERINE COAL CORP. AND CAMBRIAN ENERGYBUILD HOLDINGS ULC**

PLAN OF COMPROMISE AND ARRANGEMENT

WHEREAS New Walter, New WCCC, New Brule, New Willow Creek, New Wolverine and Cambrian are insolvent;

AND WHEREAS WECH, Cambrian, Walter Canadian Coal ULC, Wolverine Coal ULC, Brule Coal ULC, Willow Creek Coal ULC, Pine Valley Coal, Ltd., and 0541237 B.C. Ltd. applied for and were granted protection under the CCAA pursuant to an Initial Order of the Court pronounced December 7, 2015 in the CCAA Proceedings and the benefits and protections of the CCAA and the Initial Order were extended to Walter Canadian Coal Partnership, Brule Coal Partnership, Wolverine Coal Partnership and Willow Creek Coal Partnership.

AND WHEREAS KPMG Inc. was appointed as Monitor pursuant to the Initial Order;

AND WHEREAS Walter Energy, Inc. sold certain claims it had against the Walter Canada Group to Warrior, including (a) the Shared Services Claim and (b) a claim in relation to that certain secured promissory note among Walter Energy, Inc. and WECH dated April 1, 2011 and related documents;

AND WHEREAS the 1974 Plan has asserted a claim against the Walter Canada Group throughout the CCAA Proceedings pursuant to certain "controlled group" provisions of the US Employee Retirement Income Security Act of 1974;

AND WHEREAS the Walter Canada Group obtained from the Court the Claims Process Order, which established a Claims Process in respect of the Walter Canada Group, including a Claims Bar Date, a Restructuring Claims Bar Date and related matters, and included a specific process for the determination of the validity of the 1974 Plan Claim;

AND WHEREAS pursuant to and in accordance with the SISP Order pronounced January 5, 2016, the Walter Canada Group was authorized to conduct a Sale and Investor Solicitation Process for the purpose of soliciting bids for the purchase of all or part of the Walter Canada Group's business, operations and assets;

AND WHEREAS the Walter Canada Group and the New Walter Canada Group have completed a number of transactions pursuant to the SISP Order and additional Orders of the Court, including (A) the Order of the Court pronounced December 7, 2016 in the CCAA Proceedings (styled the "CCAA Procedure Order") pursuant to which the Petitioners were formed and became petitioners in the CCAA Proceedings and (B) the CCAA Continuity and Vesting Order pronounced December 21, 2016 in the CCAA Proceedings, which, in combination with the BIA Proposal caused (i) Cambrian and all the assets of the Walter Canada Group (other than Cambrian's assets and certain residual assets) to be transferred to the members of the New Walter Canada Group, subject to any agreement among the members of the New Walter Canada Group regarding the transfer of the Transferred Assets, and (ii) all Claims against the Walter Canada Group (other than against Cambrian) to be deemed to be Claims against one or more of the members of the New Walter Canada Group;

AND WHEREAS the New Walter Canada Group entered into the Waterfall Agreement contemplated by the CCAA Continuity and Vesting Order and the BIA Proposal regarding the transfer of the Transferred Assets, which provides that (i) all Transferred Assets are transferred to New Walter in consideration for New Walter agreeing to become liable for the Deemed Claims (as defined in the Proposal), for making (or causing New WCCC to make) certain transfers of Transferred Assets to other members of the New Walter Canada Group, and otherwise as a contribution of surplus; (ii) all Intercompany Claims are fully subordinated to the Claims of arm's length creditors; and (iii) all amounts held by any Petitioner shall be deemed to be held by or on behalf of such Petitioner in trust for New Walter or such other applicable Petitioner as more fully set out in the Waterfall Agreement;

AND WHEREAS New Walter retained approximately \$38 million of cash pursuant to the CCAA Continuity and Vesting Order and the Waterfall Agreement;

AND WHEREAS on May 1, 2017, the Court ruled that the 1974 Plan did not have a valid Claim against the Walter Canada Group or the New Walter Canada Group;

AND WHEREAS the British Columbia Court of Appeal granted the 1974 Plan leave to appeal the May 1 Order and the Appeal was scheduled to be heard on August 16, 2017;

AND WHEREAS by Order of the Court pronounced October 6, 2017 in the CCAA Proceedings, the Court approved a settlement of all outstanding matters among the Petitioners, Energybuild, the 1974 Plan and Warrior, and supported by the Monitor, on the terms set out in the Settlement Term Sheet;

AND WHEREAS the Petitioners have completed the Claims Process as required by the Settlement Term Sheet and the Claims Process Order, except for Unresolved Claims, and the Petitioners and the Monitor have determined that the Petitioners will have sufficient funds, after taking reserves for Unresolved Claims and other matters as set out herein, to make the payments contemplated by the Settlement Term Sheet;

AND WHEREAS the Available Funds and the shares of Energybuild Group Limited represent the entire estate available for the benefit of the creditors of the Petitioners;

AND WHEREAS the CCAA Plan will facilitate distributions to Affected Creditors in respect of their Proven Claims and to USW in respect of the USW Settlement Amount, and, provided that there are sufficient Available Funds to satisfy all Proven Claims of Affected Creditors and to pay the USW Settlement Amount, to Warrior in respect of the Deemed Interest Claim and to the 1974 Plan in respect of the 1974 Plan Settlement Amount;

NOW THEREFORE the Petitioners hereby propose this CCAA Plan to the Affected Creditors and Warrior in respect of the Deemed Interest Claim under and pursuant to the CCAA:

ARTICLE 1 INTERPRETATION

1.1 Definitions

For the purposes of the CCAA Plan, terms not otherwise defined herein shall have the following meanings ascribed thereto:

“1974 Plan” means the United Mine Workers of America 1974 Pension Plan and Trust.

“1974 Plan Claim” means the Claim asserted against the Walter Canada Group by the 1974 Plan throughout the CCAA Proceedings pursuant to certain “controlled group” provisions of ERISA.

“1974 Plan Settlement Amount” means the amount of CDN\$13,000,000.00 payable to the 1974 Plan pursuant to the Settlement Term Sheet.

“Administration Charge” has the meaning given to that term in the Initial Order, as amended by the SISP Order.

“Administrative Costs” means administrative claims and costs outstanding on the Plan Implementation Date (or arising thereafter) falling within one or more categories to be specified by the Petitioners, in consultation with the Monitor, including, without limitation: (a) amounts in respect of the fees and costs to be incurred by (i) the CRO; (ii) the Petitioners, their counsel and their advisors; and (iii) the Monitor, its counsel and its advisors, in each case on a solicitor and own client full indemnity basis (as applicable) with respect to the performance of such parties’ duties and obligations whether arising before or after the Plan Implementation Date; (b) an amount equal to the Petitioner’s estimate of any potential cost award to an Affected Creditor with an Unresolved Claim in respect of any litigation associated with such Unresolved Claims; and (c) amounts, if any, secured by the Charges that remain owing on the Plan Implementation Date.

“Administrative Costs Reserve” means the cash reserve established out of Available Funds in accordance with **Section 5.2** of the CCAA Plan to pay Administrative Costs.

“Affected Claim” means any Claim, whether or not such Claim is or becomes an Allowed Claim and includes, for greater certainty, any Unresolved Restructuring Claim, any D&O Claim, any Employee Claim, the Shared Service Claim, the 1974 Plan Claim, and any other

Claim under ERISA, but does not include the Deemed Interest Claim or any Excluded Claim.

“**Affected Creditor**” means any Person having an Affected Claim, but only with respect to and to the extent of such Affected Claim, and includes, without limitation, the transferee or assignee of an Affected Claim that has been or is transferred and recognized in accordance with the Claims Process Order or the CCAA Plan or a trustee, executor, liquidator, receiver, receiver and manager or other Person acting on behalf of or through such Person.

“**Affected Creditors’ Distribution Cash Pool**” means the cash pool established out of Available Funds in accordance with **Section 5.6** of the CCAA Plan to pay the Proven Claims of Affected Creditors and the USW Settlement Amount.

“**Affected Creditors’ Meeting**” means the meeting of Affected Creditors that will be deemed to occur pursuant to the Meeting Order with a deemed vote of Affected Creditors in favour of a resolution to approve the CCAA Plan.

“**Allowed Claim**” has the meaning given to that term in the Claims Process Order.

“**Appeal**” means the appeal of the May 1 Order that was scheduled to be heard on August 16, 2017 and subsequently adjourned.

“**Applicable Law**” means, in respect of any Person, property, transaction, event or other matter, any law, statute, regulation, code, ordinance, principle of common law or equity, municipal by-law, treaty, or order, domestic or foreign, applicable to that Person, property, transaction, event or other matter and all applicable requirements, requests, official directives, rules, consents, approvals, authorizations, guidelines, and policies, in each case, having the force of law, of any Government Authority having or purporting to have authority over that Person, property, transaction, event or other matter and regarded by such Government Authority as requiring compliance.

“**Assumed Liabilities**” means the liabilities that were or were to be assumed, fulfilled, performed or discharged by any of Conuma Coal Resources Limited, 1098138 B.C. Ltd., Amacon Land Corporation, Peace River Coal Inc. or any other Person pursuant to the BIA Proposal or pursuant to any applicable agreement among such Person and any one or more member of the Old Walter Canada Group or the New Walter Canada Group.

“**Available Funds**” means the total of (i) the proceeds of any sale or disposition of any of the assets of the Walter Canada Group or the Petitioners that have been paid to the Monitor on behalf of the Walter Canada Group or the Petitioners and are being held by the Monitor; (ii) the proceeds of the transaction set out in the CCAA Continuity and Vesting Order; (iii) all other monies held by the Monitor, on behalf of the Petitioners, that are in the hands of the Monitor at the Effective Time on the Plan Implementation Date; and (iv) all monies received by the Monitor, on behalf of the Petitioners, following the Effective Time on the Plan Implementation Date.

“**BIA**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.

“**BIA Proposal**” means the proposal made by the Walter Canada Group (other than Cambrian) under the BIA and approved by the Court on December 21, 2016.

“**Business Day**” means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Vancouver, British Columbia.

“**Cambrian**” means Cambrian Energybuild Holdings ULC.

“**CCAA**” means the *Companies’ Creditors Arrangement Act* (Canada), R.S.C. 1985, c. C-36, as amended.

“**CCAA Continuity and Vesting Order**” means the Order of the Court pronounced December 21, 2016 in the CCAA Proceedings which, in combination with the BIA Proposal caused (i) Cambrian and all the Transferred Assets to be transferred to the applicable member of the New Walter Canada Group, subject to any agreement among the members of the New Walter Canada Group regarding the transfer of the Transferred Assets, and (ii) all Claims against the Walter Canada Group (other than against Cambrian) to be deemed to be Claims against one or more of the members of the New Walter Canada Group.

“**CCAA Plan**” means this Plan of Compromise and Arrangement, as amended, supplemented or restated from time to time in accordance with the terms hereof.

“**CCAA Proceedings**” means the CCAA proceedings bearing Supreme Court of British Columbia Vancouver Registry No. S-1510120.

“**Charges**” means the Administration Charge, the Directors’ Charge, the Success Fee Charge and the KERP Charge.

“**Claim**” means any right or claim of any Person, including an Equity Claim, that may be asserted or made in whole or in part against any member of the New Walter Canada Group or any member of the Walter Canada Group, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever (including any royalty), and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature, including any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof (A) is based in whole or in part on facts arising prior to the Unresolved Restructuring Claims Bar Date; (B) relates to a time period prior to the Unresolved Restructuring Claims Bar Date; or (C) is a right or claim of any

kind that would be a claim provable in bankruptcy within the meaning of the BIA had any member of the New Walter Canada Group or any member of the Walter Canada Group become bankrupt on the Unresolved Restructuring Claims Bar Date and, for greater certainty, includes any “claim” within the meaning of subsection 2(1) of the CCAA and all “Claims” as defined in the Claims Process Order.

“**Claims Bar Date**” means October 5, 2016 at 5:00 p.m. (Vancouver time).

“**Claims Process**” means the process set out in the Claims Process Order with respect to the solicitation and determination of all Claims, D&O Claims and Unresolved Restructuring Claims.

“**Claims Process Order**” means the Order of the Court pronounced August 16, 2016 and styled “Claims Process Order” (as amended and restated from time to time, including by the Order of the Court pronounced on August 15, 2017).

“**Court**” means the Supreme Court of British Columbia.

“**CRO**” means BlueTree Advisors, Inc. and William E. Aziz, in the capacity of Chief Restructuring Officer of the New Walter Canada Group and former Chief Restructuring Officer of the Walter Canada Group.

“**Crown Claims**” means all amounts of a kind that could be subject to a demand under Section 6(3) of the CCAA that were outstanding on the Filing Date and which have not been paid by the Plan Implementation Date.

“**Deemed Interest Claim**” means Warrior’s claim for an amount equal to the amount of accrued but unpaid interest owing by WECH in respect of the Promissory Note for the period from the issuance of the Promissory Note and ending on the Proposal Commencement Date, up to a maximum amount equal to the amount by which (i) the value of the Transferred Assets transferred to New Walter pursuant to Section 4.1(g) of the BIA Proposal exceeds (ii) the amount of all Claims that were deemed to be Claims against New Walter pursuant to Section 4.1(f) of the BIA Proposal, provided however that, for the purpose of the calculation of such maximum amount, the amount of such Claims shall not include the 1974 Plan Claim.

“**Deemed Interest Claim Distribution**” has the meaning given to that term in **Section 6.5** of the CCAA Plan.

“**Deemed Interest Claim Distribution Cash Pool**” means the cash pool established out of Available Funds in accordance with **Section 5.7** of the CCAA Plan to pay the Deemed Interest Claim and to make certain payments to the 1974 Plan as more fully set out in **Section 6.5** of the CCAA Plan.

“**Deemed Interest Claim Resolution**” means the resolution of Warrior deemed to have been made pursuant to the Meeting Order to approve the CCAA Plan.

“**Director**” means any Person who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of a Petitioner and

any Person who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of any member of the Walter Canada Group up to and including the date that any remaining directors and officers of the Walter Canada Group resigned or were deemed to resign pursuant to Section 4.1(h) of the BIA Proposal.

“**Directors’ Charge**” has the meaning given to that term in the Initial Order.

“**Distribution Date**” means any date after the Plan Implementation Date from time to time set by the Petitioners and the Monitor in accordance with the provisions of the CCAA Plan to effect distributions from the Available Funds to Affected Creditors in respect of their Proven Claims and/or Deemed Interest Claim Distributions, which, for greater certainty, shall include the Final Distribution Date but shall not include the Plan Implementation Date.

“**D&O Claim**” means (i) any right or claim of any Person that might have been asserted or made in whole or in part against one or more of the Directors or Officers that relates to a Claim for which such Directors or Officers are by law liable to pay in their capacity as Directors or Officers, or (ii) any right or claim of any Person that might have been asserted or made in whole or in part against one or more of the Directors or Officers, in that capacity, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof, is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature, including any right or ability of any Person to advance a claim for contribution or indemnity from any such Director or Officer or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof (A) is based in whole or in part on facts arising prior to the Unresolved Restructuring Claims Bar Date; or (B) relates to a time period prior to the Unresolved Restructuring Claims Bar Date, and, for greater certainty, includes any “claim” within the meaning of subsection 2(1) of the CCAA and all “Directors/Officers Claims” as defined in the Claims Process Order but does not include an Excluded Claim.

“**Effective Time**” means 12:01 a.m. on the Plan Implementation Date or such other time on such date as the Petitioners and the Monitor may agree.

“**Employee**” has the meaning given to that term in the Claims Process Order.

“**Employee Claim**” has the meaning given to that term in the Claims Process Order.

“**Employee Claimant**” has the meaning given to that term in the Claims Process Order.

“**Energybuild**” means, as the context requires any of Energybuild Group Limited, Energybuild Holdings Limited, Energybuild Opencast Limited, or all such entities collectively, but only where such entities are still owned, directly or indirectly, by a Petitioner and have not been finally wound-up, dissolved or liquidated.

“**Equity Claim**” has the meaning set forth in Section 2(1) of the CCAA.

“**ERISA**” means the statute of the United States of America titled the Employee Retirement Income Security Act of 1974.

“**Excluded Claim**” means:

- (a) Crown Claims;
- (b) Any Claim that cannot be compromised pursuant to Section 5.1(2) of the CCAA;
- (c) any Claim entitled to the benefit of any of the Charges;
- (d) any Intercompany Claim, any Claim of one Petitioner against another Petitioner and any Claim entitled to the benefit of the Intercompany Charge;
- (e) any Claim in respect of Assumed Liabilities, excluding any such Claim or portion thereof that is recoverable as against any member of the New Walter Canada Group, the Walter Canada Group, a Director or an Officer, as applicable; and
- (f) any Claim entitled to the benefit of any applicable insurance policy, excluding any such Claim or portion thereof that is recoverable as against any member of the New Walter Canada Group, the Walter Canada Group, a Director or an Officer, as applicable.

“**Filing Date**” means December 7, 2015.

“**Final Distribution Date**” means the date determined by the Petitioners and the Monitor, acting reasonably, following the payment in full of all Affected Claims, the resolution of all Unresolved Claims, the payment in full of all amounts that may become due or payable in connection with the Insurance Reserve and the Wind-Down Reserve, and the payment in full of all Administrative Costs.

“**Financial Advisor**” means PJT Partners LP.

“**Government Authority**” means any governmental, regulatory or administrative authority, department, agency, commission, bureau, official, minister, board, panel, tribunal, Crown corporation, Crown ministry, court or dispute settlement panel or other law, rule or regulation-making or enforcing entity having or purporting to have jurisdiction on behalf of any nation, or province, territory or state or other subdivision thereof or any municipality, district or other subdivision thereof or other geographic or political subdivision of any of them or exercising, or entitled or purporting to exercise any

administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

“**Initial Order**” means the Order of the Court pronounced December 7, 2015 in the CCAA Proceedings, as amended and restated from time to time.

“**Insurance Reserve**” means the cash reserve established out of Available Funds in accordance with **Section 5.3** of the CCAA Plan.

“**Intercompany Charge**” has the meaning given to that term in the SISP Order, as amended by the Order of the Court in the CCAA Proceedings pronounced March 30, 2016.

“**Intercompany Claims**” means all Claims owing by one member of the Walter Canada Group to any other member of the Walter Canada Group on or prior to the Proposal Commencement Date, including any amounts secured by the Intercompany Charge as of such date;

“**KERP Charge**” has the meaning given to that term in the SISP Order.

“**May 1 Order**” means the Order of the Court pronounced on May 1, 2017 denying the 1974 Plan Claim.

“**Meeting Order**” means the Order of the Court under the CCAA that, among other things, sets the date for the Affected Creditors’ Meeting and the process for obtaining the Deemed Interest Claim Resolution, as same may be amended, restated or varied from time to time.

“**Monitor**” means KPMG Inc. in its capacity as “monitor” in the CCAA Proceedings.

“**Monitor’s Certificate**” means the certificate of the Monitor which states that all conditions precedent set out in **Section 10.3** of the CCAA Plan have been satisfied or waived.

“**Monitor’s Website**” means www.kpmg.com/ca/walterenergycanada.

“**New Brule**” means New Brule Coal Corp.

“**New Walter**” means New Walter Energy Canada Holdings, Inc.

“**New Walter Canada Group**” means, collectively, New Walter, New WCCC, New Brule, New Willow Creek, New Wolverine and Cambrian.

“**New WCCC**” means New Walter Canadian Coal Corp.

“**New Willow Creek**” means New Willow Creek Coal Corp.

“**New Wolverine**” means New Wolverine Coal Corp.

“**Notice of Dispute**” has the meaning given to that term in the Claims Process Order.

“**Notice of Dispute of Employee Claim**” has the meaning given to that term in the Claims Process Order.

“**Officer**” means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or *de facto* officer of a Petitioner and any Person who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or *de facto* officer of any member of the Walter Canada Group up to and including the date that any remaining directors and officers of the Walter Canada Group resigned or were deemed to resign pursuant to Section 4.1(h) of the BIA Proposal.

“**Order**” means any order of the Court in the CCAA Proceedings.

“**Original Petitioners**” means, collectively, WECH, Cambrian, Walter Canadian Coal ULC, Wolverine Coal ULC, Brule Coal ULC, Willow Creek Coal ULC, Pine Valley Coal, Ltd., and 0541237 B.C. Ltd.

“**Outside Date**” means the day that is nine (9) months from the day that the Sanction Order is pronounced, or such later date as may be agreed to by the Petitioners, the Monitor and Warrior, acting reasonably.

“**Person**” is to be broadly interpreted and includes any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, Government Authority or any agency, regulatory body, officer or instrumentality thereof or any other entity, wherever situate or domiciled, and whether or not having legal status, and whether acting on their own or in a representative capacity.

“**Petitioners**” means, collectively, New Walter, New WCCC, New Brule, New Willow Creek, New Wolverine and Cambrian and “**Petitioner**” means any one of New Walter, New WCCC, New Brule, New Willow Creek, New Wolverine or Cambrian.

“**Plan Implementation Date**” means the date on which the CCAA Plan becomes effective, which shall be the Business Day on which the Monitor has delivered to the Petitioners the Monitor’s Certificate.

“**Plan Sanction Date**” means the date the Sanction Order is made by the Court.

“**Promissory Note**” means the Promissory Note dated April 1, 2011 issued by WECH to Walter Energy, Inc.

“**Proof of Claim**” means any proof of claim in respect of an Affected Claim filed in accordance with the Claims Process Order.

“**Proposal Commencement Date**” has the meaning given to that term in the BIA Proposal.

“**Proven Claim**” means (i) each Affected Claim (including the Shared Services Claim) that has been accepted as an Allowed Claim by the Monitor or, in the case of an Unresolved Claim, has been finally adjudicated in accordance with the Claims Process Order, settled

or accepted by the Monitor and has become an Allowed Claim, in each case, for the amount settled, accepted or adjudicated as being owing; and (ii) the Deemed Interest Claim.

“**Proven Claim Amount**” has the meaning given to that term in **Section 7.2** of the CCAA Plan.

“**Releasees**” has the meaning given to that term in **Section 9.1** of the CCAA Plan.

“**Restructuring Claims Bar Date**” has the meaning given to that term in the Claims Process Order.

“**Sanction Order**” means an order by the Court which, among other things, shall sanction and approve the CCAA Plan under the CCAA and shall include provisions as may be necessary or appropriate to give effect to the CCAA Plan, including provisions in substance similar to those set out in **Section 10.2** of the CCAA Plan.

“**Settlement Term Sheet**” means the Settlement Term Sheet re Plan of Compromise and Arrangement executed on October 10, 2017 by the Petitioners, the 1974 Plan and Warrior, which sets out the principal terms of a plan of compromise or arrangement to be approved and implemented in the CCAA Proceedings.

“**Shared Services Claim**” means the Claim in the amount of CDN\$9,892,193.32 that Warrior acquired from Walter Energy, Inc. in respect of shared services provided to the Walter Canada Group,

“**SISP Order**” means the Order of the Court pronounced January 5, 2016, as amended and restated from time to time, pursuant to which the Petitioners were authorized to conduct a Sale and Investor Solicitation Process.

“**Success Fee Charge**” has the meaning given to that term in the SISP Order.

“**Tax Statutes**” means all legislative or administrative enactments governing federal, provincial, local, or foreign income, premium, property (real or personal), sales, excise, employment, payroll, withholding, gross receipts, license, severance, stamp, occupation, windfall profits, environmental, customs duties, capital stock, franchise, profits, social security (or similar), unemployment, disability, use, transfer, registration, value added, alternative or add-on minimum, estimated or other tax of any kind or any charge of any kind in the nature of (or similar to) taxes whatsoever, including any interest, penalty or addition thereto, including, without limiting the generality of the foregoing, section 159 of the *Income Tax Act* (Canada), section 270 of the *Excise Tax Act* (Canada); section 117 of the *Taxation Act, 2007* (Ontario); section 107 of the *Corporations Tax Act* (Ontario); section 22 of the *Retail Sales Tax Act* (Ontario); section 34 of the *Income Tax Act* (British Columbia); section 222 of the *Provincial Sales Tax Act* (British Columbia); section 49 of the *Alberta Corporate Tax Act*; section 85 of the *Income Tax Act, 2000* (Saskatchewan); section 48 of the *Revenue and Financial Services Act* (Saskatchewan); section 22 of the *Income Tax Act* (Manitoba); section 73 of the *Tax Administration and Miscellaneous Taxes Act* (Manitoba); section 14 of the *Tax Administration Act* (Quebec); and section 313 of the *Act Respecting the Quebec Sales Tax*.

“Transferred Assets” means all the assets of the Walter Canada Group other than Cambrian’s assets and certain residual assets as more fully set out in the BIA Proposal.

“Unresolved Claim” means an Affected Claim, in the amount specified in the corresponding Proof of Claim, Notice of Dispute or Notice of Dispute of Employee Claim, that has not been finally determined as a Proven Claim in accordance with the Claims Process Order and the Meeting Order.

“Unresolved Claims Reserve” means the cash reserve established out of Available Funds in accordance with **Section 5.5** of the CCAA Plan in an amount sufficient to pay any Unresolved Claim.

“Unresolved Restructuring Claim” has the meaning given to that term in the Order of the Court in the CCAA Proceedings pronounced August 15, 2017.

“Unresolved Restructuring Claims Bar Date” means October 6, 2017 at 5:00 p.m. (Vancouver time).

“USW” means the United Steel, Paper and Forestry, Rubber, Manufacturing, Allied Industrial and Service Workers International Union, Local 1-424.

“USW Settlement Amount” means the amount of CDN\$75,000.00 payable to the USW pursuant to the Settlement Term Sheet.

“Walter Canada Group” means, collectively, the Original Petitioners and Walter Canadian Coal Partnership, Brule Coal Partnership, Wolverine Coal Partnership and Willow Creek Coal Partnership.

“Warrior” means Warrior Met Coal, Inc.

“Waterfall Agreement” means the agreement among the members of the New Walter Canada Group contemplated by the CCAA Continuity and Vesting Order and the BIA Proposal regarding the transfer of the Transferred Assets, as such agreement may have been amended and restated from time to time.

“WECH” means Walter Energy Canada Holdings, Inc.

“Wind-Down Reserve” means costs outstanding on the Plan Implementation Date (or arising thereafter) falling within one or more categories to be specified by the Monitor, in consultation with the Petitioners, including, without limitation, (a) amounts in respect of existing or future taxes, expenses and other disbursements that are or may become payable; (b) amounts, if any, in respect of outstanding Crown Claims; (c) any amounts held by or on behalf of Energybuild, including as a result of the sale of Energybuild Limited, Energybuild Mining Limited and Mineral Extraction and Handling Limited, which shall be retained in accordance with the Settlement Term Sheet to address the orderly wind-down or other process at the discretion of the New Walter Canada Group for Energybuild in a cost effective and tax efficient manner that protects Energybuild’s directors and officers from liability to the fullest extent possible, including the purchase of any reasonable director and officer insurance and “run off” coverage, and otherwise paid to

Energybuild's creditors, including Warrior; and (d) amounts in respect of general contingency costs.

“**Withholding Obligation**” has the meaning given to that term in **Section 6.14** of the CCAA Plan.

1.2 Certain Rules of Interpretation

For the purposes of the CCAA Plan:

- (a) any reference in the CCAA Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (b) any reference in the CCAA Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (c) unless otherwise specified, all references to currency are to Canadian dollars;
- (d) the division of the CCAA Plan into “Articles” and “Sections” and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the CCAA Plan, nor are the descriptive headings of “Articles” and “Sections” intended as complete or accurate descriptions of the content thereof;
- (e) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the CCAA Plan or a Schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (f) the words “includes” and “including” and similar terms of inclusion shall not, unless expressly modified by the words “only” or “solely”, be construed as terms of limitation, but rather shall mean “includes but is not limited to” and “including but not limited to”, so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;
- (g) unless otherwise specified, all references as to time herein and any document issued pursuant hereto shall mean local time in Vancouver, British Columbia, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. (Vancouver time) on such Business Day;
- (h) unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day;

- (i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation;
- (j) references to a specified “Article” or “Section” shall, unless something in the subject matter or context is inconsistent therewith, be construed as references to that specified Article or Section of the CCAA Plan, whereas the terms “the CCAA Plan”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions shall be deemed to refer generally to the CCAA Plan and not to any particular “article”, “section” or other portion of the CCAA Plan and include any documents supplemental hereto; and
- (k) the word “or” is not exclusive.

1.3 Successors and Assigns

The CCAA Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal representatives, successors and assigns of any Person or party named or referred to in the CCAA Plan, including the Petitioners, the Directors and Officers, all Affected Creditors and the Releasees.

1.4 Governing Law

The CCAA Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. All questions as to the interpretation or application of the CCAA Plan and all proceedings taken in connection with the CCAA Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

1.5 Schedules

The following are the Schedules to the CCAA Plan, which are incorporated by reference into the CCAA Plan and form a part of it:

Schedule “A” Specified Plan Implementation Date Steps

ARTICLE 2 PURPOSE AND EFFECT OF THE CCAA PLAN

2.1 Purpose

The purpose of the CCAA Plan is to:

- (a) permit the satisfaction, settlement, extinguishment, release and discharge of all Affected Claims in accordance with the Claims Process Order, the Meeting Order and this CCAA Plan;

- (b) provide for the distribution of a sufficient amount of the Available Funds to Affected Creditors with Proven Claims to satisfy the Proven Claims of Affected Creditors in full;
- (c) fully and finally compromise, resolve, release and settle the 1974 Plan Claim;
- (d) provide for the payment of 1974 Plan Settlement Amount and the payment of the USW Settlement Amount; and
- (e) provide for the distribution of any surplus of the Available Funds, free and clear of any Claims of Affected Creditors, to fully and finally satisfy, compromise, extinguish, release and discharge the Deemed Interest Claim.

2.2 Persons Affected

The CCAA Plan provides for the complete satisfaction of all Proven Claims of Affected Creditors and the satisfaction, settlement, extinguishment, release and discharge of all Affected Claims. The CCAA Plan also provides for distributions to the 1974 Plan and USW in accordance with the Settlement Term Sheet and distributions from time to time from the Deemed Interest Claim Distribution Cash Pool to Warrior in satisfaction of the Deemed Interest Claim to the extent that there are Available Funds to fund such distribution, following which the Deemed Interest Claim will be satisfied, compromised, extinguished, released and discharged. The CCAA Plan will become effective at the Effective Time on the Plan Implementation Date and shall be binding on and enure to the benefit of the Petitioners, the Affected Creditors, Warrior, USW, the Directors and Officers, the Releasees and all other Persons named or referred to in, or subject to, the CCAA Plan.

2.3 Persons Not Affected

For greater certainty, the CCAA Plan does not affect the holders of Excluded Claims with respect to and to the extent of their Excluded Claims. Nothing in the CCAA Plan shall affect the Petitioners' rights and defenses, both legal and equitable, with respect to any Excluded Claims, including, but not limited to, all rights with respect to legal and equitable defenses or entitlements to set-offs or recoupment against such Excluded Claims.

2.4 Intercompany Claims

The Intercompany Claims shall be dealt with as provided for in the Waterfall Agreement.

ARTICLE 3 CLASSIFICATION OF CREDITORS, VOTING OF AFFECTED CLAIMS AND RELATED MATTERS

3.1 Claims Process

The procedure for determining the validity and quantum of the Affected Claims for voting and distribution purposes under the CCAA Plan shall be governed by the Claims Process Order, the Meeting Order, any other applicable Order, the CCAA and the CCAA Plan.

3.2 Classification of Creditors

For the purposes of voting on the CCAA Plan, there will be two classes of creditors, (i) the class of Affected Creditors, which will be composed of all Persons to the extent such Persons hold Affected Claims; and (ii) Warrior, solely with respect to the Deemed Interest Claim.

3.3 Claims of Affected Creditors

Affected Creditors shall:

- (a) prove their Affected Claims in accordance with the Claims Process Order and any other applicable Order;
- (b) be deemed to vote their Proven Claims or Unresolved Claims, as the case may be, at the Affected Creditors' Meeting in favour of the resolution to approve the CCAA Plan as set out in the Meeting Order; and
- (c) receive the rights and distributions provided for under and pursuant to the CCAA Plan and the Sanction Order.

3.4 Affected Creditors' Meeting

The Affected Creditors' Meeting shall be held in accordance with the CCAA Plan, the Meeting Order, the Claims Process Order and the any other applicable Order.

3.5 Voting

Pursuant to the Meeting Order: (a) the Affected Creditors' Meeting shall be deemed to have been duly called and held on June 27, 2018; (b) each Affected Creditor shall be deemed to have voted its entire Affected Claim in favour of a resolution to approve the CCAA Plan at the Affected Creditors' Meeting; and (c) the vote on the CCAA Plan at the Affected Creditors' Meeting shall be deemed to have been decided unanimously in favour of the resolution to approve the CCAA Plan.

3.6 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim which is affected pursuant to the CCAA Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim which is affected pursuant to the CCAA Plan shall be entitled to any greater rights as against the Petitioners than the Person whose Claim is affected pursuant to the CCAA Plan.

3.7 Set-Off

The law of set-off applies to all Affected Claims, provided, however, that nothing in this section or in the CCAA Plan shall reduce the 1974 Plan Settlement Amount to be received by the 1974 Plan.

ARTICLE 4
DEEMED INTEREST CLAIM: VOTING AND RELATED MATTERS

4.1 Voting Procedure

The procedure for obtaining the Deemed Interest Claim Resolution shall be governed by the Meeting Order, the CCAA and the CCAA Plan.

4.2 Meeting regarding the Deemed Interest Claim

A meeting to obtain the Deemed Interest Claim Resolution will be deemed to have been called and held on June 27, 2018 pursuant to the Meeting Order.

4.3 Voting

Warrior shall be entitled to one vote with a weight equal to the Deemed Interest Claim, which vote shall be deemed to have been made in favour of the Deemed Interest Claim Resolution to approve the CCAA Plan.

4.4 Guarantees and Similar Covenants

No Person who holds an interest in the Deemed Interest Claim under any guarantee, surety, indemnity or similar covenant or who has any right to claim over in respect of or to be subrogated to the rights of Warrior in respect of the Deemed Interest Claim being affected pursuant to the CCAA Plan shall be entitled to any greater rights as against the Petitioners than Warrior.

ARTICLE 5
AVAILABLE FUNDS, RESERVES AND CASH POOLS

5.1 Available Funds

Commencing on the Plan Implementation Date, the Monitor shall hold the Available Funds, on behalf of the Petitioners, in one or more separate interest-bearing accounts or guaranteed investment certificates for each of the following reserves and pools (each as more particularly described herein): (a) Administrative Costs Reserve; (b) Insurance Reserve; (c) Wind-Down Reserve; (d) Unresolved Claims Reserve; (e) Affected Creditors' Distribution Cash Pool; and (f) Deemed Interest Claim Distribution Cash Pool.

5.2 Administrative Costs Reserve

On the Plan Implementation Date and in accordance with the Plan Implementation Date steps and transactions set out in **Section 8.2** of the CCAA Plan, the Administrative Costs Reserve shall be established out of the Available Funds in the amount of CDN\$1,250,000.00. The Administrative Costs Reserve is to be held by the Monitor, on behalf of the Petitioners, for the purpose of paying the Administrative Costs.

5.3 Insurance Reserve

On the Plan Implementation Date and in accordance with the Plan Implementation Date steps and transactions set out in **Section 8.2** of the CCAA Plan, the Insurance Reserve shall be

established out of the Available Funds in the amount of CDN\$275,000.00, which is to be held by the Monitor, on behalf of the Petitioners, for the purpose of purchasing any reasonable “run off” or “tail” insurance for the Directors and Officers and the payment of any deductibles required in connection with claims made in respect thereof.

5.4 Wind-Down Reserve

On the Plan Implementation Date and in accordance with the Plan Implementation Date steps and transactions set out in **Section 8.2** of the CCAA Plan, the Wind-Down Reserve shall be established out of the Available Funds (i) in the amount of CDN\$3,000,000.00, which is to be held by the Monitor, on behalf of the Petitioners, for the purpose of funding the payment of any (a) amounts in respect of existing or future taxes, expenses and other disbursements that are or may become payable by the New Walter Canada Group; (b) amounts, if any, in respect of outstanding Crown Claims; (c) amounts to address the orderly wind-down or other process at the discretion of the New Walter Canada Group for Energybuild in a cost effective and tax efficient manner that protects Energybuild’s directors and officers from liability to the fullest extent possible, including the purchase of any reasonable director and officer insurance and “run off” coverage; and (d) amounts in respect of general contingency costs, plus (ii) any amounts held by or on behalf of Energybuild, including as a result of the sale of Energybuild Limited, Energybuild Mining Limited and Mineral Extraction and Handling Limited, which shall be retained in accordance with the Settlement Term Sheet.

5.5 Unresolved Claims Reserve

On the Plan Implementation Date and in accordance with the Plan Implementation Date steps and transactions set out in **Section 8.2** of the CCAA Plan, the Unresolved Claims Reserve shall be established out of the Available Funds and be held by the Monitor, on behalf of the Petitioners, in escrow in accordance with the CCAA Plan in an amount equal to the aggregate amount that would have been paid to all Affected Creditors holding Unresolved Claims in accordance with the CCAA Plan (calculated on the basis of the amounts specified in such Affected Creditors’ Proofs of Claim) if such Unresolved Claims had been Proven Claims on the Plan Implementation Date.

5.6 Affected Creditors’ Distribution Cash Pool

On the Plan Implementation Date, the Affected Creditors’ Distribution Cash Pool shall be established from the Available Funds in an amount equal to all Proven Claims of Affected Creditors, which shall be denominated in Canadian dollars and shall, if necessary, be converted to Canadian dollars in accordance with the Claims Process Order, plus the USW Settlement Amount. For greater certainty, Warrior shall be an Affected Creditor with respect to the Shared Services Claim, but shall not be an Affected Creditor with respect to the Deemed Interest Claim.

5.7 Deemed Interest Claim Distribution Cash Pool

On the Plan Implementation Date, the Deemed Interest Claim Distribution Cash Pool shall be established out of the Available Funds in an amount equal to the Available Funds less the amounts used to fund the: (a) Administrative Costs Reserve; (b) Insurance Reserve; (c) Wind-Down Reserve; (d) Unresolved Claims Reserve; and (e) Affected Creditors’ Distribution Cash Pool. The Monitor shall hold the Deemed Interest Claim Distribution Cash Pool in two or more

separate interest-bearing accounts or guaranteed investment certificates in escrow for distribution in accordance with the CCAA Plan, including one in Canadian dollars and one in U.S. dollars. The Deemed Interest Claim shall be equal to the amount of remaining funds in Canadian currency, U.S. currency or pounds sterling held by, on behalf of, or in trust for New Walter following the payment of all Proven Claims of Affected Creditors in full and the payment of all amounts for which reserves are to be taken hereunder, any transfer of funds pursuant to **Section 6.1** and the deemed transfer of funds contemplated in **Section 5.8**. Funds held in any currency may be distributed by the Monitor to Warrior pursuant to **Section 6.5** in satisfaction of the Deemed Interest Claim or, at Warrior's request, converted by the Monitor to either Canadian dollars or U.S. dollars at the best available exchange rate from the applicable financial institution as at the date of conversion.

5.8 Remaining Funds

Any final remaining balance in the Administrative Costs Reserve, the Insurance Reserve, the Wind-Down Reserve, the Unresolved Claims Reserve or the Affected Creditors Distribution Cash Pool that have not been distributed on or before the Final Distribution Date shall be transferred or deemed transferred to the Deemed Interest Claim Distribution Cash Pool and distributed to Warrior in accordance with **Section 6.5**.

ARTICLE 6 PROVISIONS REGARDING DISTRIBUTIONS AND PAYMENTS

6.1 Payment of Administrative Costs

On the Plan Implementation Date, the Administrative Costs Reserve will be funded in accordance with **Section 5.2** of the CCAA Plan and shall be administered in accordance with the CCAA Plan. The Monitor may, on behalf of and in consultation with the Petitioners, pay any Administrative Costs as and when due.

The Monitor, on behalf of the Petitioners, may, in circumstances where the Monitor determines, in consultation with the Petitioners and Warrior, that there are funds in the Administrative Costs Reserve sufficiently in excess of the amount of all Administrative Costs, transfer such excess Administrative Costs Reserve funds to the Deemed Interest Claim Distribution Cash Pool and declare a Distribution Date in respect thereof.

6.2 Payment of Insurance Reserve Costs

On the Plan Implementation Date, the Insurance Reserve will be funded in accordance with **Section 5.3** of the CCAA Plan and shall be administered in accordance with the CCAA Plan and the Sanction Order. The Petitioners, in consultation with the Monitor, may purchase any reasonable "run off" or "tail" insurance for the Directors and Officers and pay any deductibles required in connection with any claims made in respect thereof.

In the event that there is a deductible payable in connection with such insurance, the Monitor may pay, on behalf of the Petitioners, any D&O Claim entitled to the benefit of any applicable insurance policy directly from the Insurance Reserve rather than paying any deductible in respect of such D&O Claim if, in the opinion of the Petitioners and the Monitor, the amount of such D&O Claim is less than or comparable to the deductible payable in respect of such D&O

Claim or the Petitioners and the Monitor determine, for any other reason, that it is inadvisable to pay an amount in respect of the deductible for such D&O Claim and provided that sufficient funds remain in the Insurance Reserve to fund the deductible for any other D&O Claims that have been or are likely to be made that are entitled to the benefit of any applicable insurance policy.

The Monitor, on behalf of the Petitioners, may, in circumstances where the Monitor determines, in consultation with the Petitioners and Warrior, that there are funds in the Insurance Reserve sufficiently in excess of the amount of all costs payable from such reserve, transfer such excess Insurance Reserve funds to the Deemed Interest Claim Distribution Cash Pool.

6.3 Payment of Wind-Down Reserve Costs

On the Plan Implementation Date, the Wind-Down Reserve will be funded in accordance with **Section 5.4** of the CCAA Plan and shall be administered in accordance with the CCAA Plan and the Sanction Order. The Monitor may, on behalf of and in consultation with the Petitioners and Energybuild, pay any costs covered by the Wind-Down Reserve as and when due.

The Monitor, on behalf of the Petitioners, may, in circumstances where the Monitor determines, in consultation with the Petitioners and Warrior, that there are funds in the Wind-Down Reserve sufficiently in excess of the amount of all costs payable from such reserve (other than any portion of the Wind-Down Reserve consisting of amounts held by or on behalf of Energybuild, which shall be distributed to Warrior in accordance with the Settlement Term Sheet), transfer such excess Wind-Down Reserve funds to the Deemed Interest Claim Distribution Cash Pool.

6.4 Distributions from the Affected Creditors' Distribution Cash Pool

The Affected Creditors' Distribution Cash Pool shall be distributed by the Monitor, on behalf and for the account of the Petitioners, on the Plan Implementation Date or on any Distribution Date, as the case may be, to each Affected Creditor in the amount of such Affected Creditor's Proven Claim by way of cheque sent by prepaid ordinary mail to the address for such Affected Creditor specified in the Proof of Claim filed by such Affected Creditor or to such other address of such Affected Creditor as the Monitor may have acquired, including the addresses of Employee Claimants, or, at the discretion of the Monitor, by wire transfer of immediately available funds in accordance with wire transfer instructions satisfactory to the Monitor and delivered to the Monitor at least three (3) Business Days in advance of the Plan Implementation Date or any Distribution Date.

Distributions to Employee Claimants in respect of Employee Claims will be made following review by Service Canada and net of any employment insurance overpayment deductions or other amounts required by Applicable Law to be withheld from the amount to be distributed to Employee Claimants and remitted or paid to Service Canada or any other Government Authority. Distributions to Employee Claimants shall not be made by the Monitor until the Service Canada review is complete and the amount of any remittance or payment due to Service Canada has been determined. Within five (5) Business Days of making any distribution to an Employee Claimant in respect of an Employee Claim, the Monitor shall make a distribution to Service Canada and any other Government Authority equal to the amount required by Applicable Law to be remitted or paid to Service Canada or such Government Authority and such distribution

shall be deemed to be a remittance or payment, as applicable, made to Service Canada or such Government Authority by the applicable Petitioner or Employee.

On the Plan Implementation Date, the Monitor shall pay the USW Settlement Amount to the USW on account of USW's costs in the CCAA Proceedings by wire transfer of immediately available funds in accordance with wire transfer instructions satisfactory to the Monitor and delivered by the USW to the Monitor at least three (3) Business Days in advance of the proposed date of such payment.

Following the distribution to be made by the Monitor, on behalf of the Petitioners, to Affected Creditors on the Plan Implementation Date or on a Distribution Date pursuant to, and in accordance with, **Section 8.2** of the CCAA Plan, the Monitor shall have no further obligation to make any payment out of the Affected Creditors' Distribution Cash Pool.

6.5 Distributions from the Deemed Interest Claim Distribution Cash Pool

The following payments shall be made:

- (a) On the Plan Implementation Date, or as soon as reasonably practicable thereafter as may be determined by the Monitor and the Petitioners, in their discretion, the Monitor shall pay the 1974 Plan Settlement Amount from the Deemed Interest Claim Distribution Cash Pool to the 1974 Plan by wire transfer of immediately available funds in accordance with wire transfer instructions satisfactory to the Monitor and delivered by the 1974 Plan to the Monitor at least three (3) Business Days in advance of the proposed date of such payment and the 1974 Plan Claim shall be fully and finally satisfied, settled, extinguished, released and discharged immediately upon the 1974 Plan Settlement Amount being paid to the 1974 Plan.
- (b) On the Plan Implementation Date or on any Distribution Date, as the case may be, the Monitor shall transfer amounts as determined by the Petitioners and the Monitor in consultation with Warrior in accordance with the CCAA Plan, on behalf and for the account of the applicable Petitioner, from the Deemed Interest Claim Distribution Cash Pool (each such transfer being a "**Deemed Interest Claim Distribution**") (i) as successive capital contributions by New Walter to New WCCC, by New WCCC to Cambrian and by Cambrian to Energybuild Group Limited in an amount not to exceed the amount owing to Warrior by Energybuild Group Limited (in the maximum amount of US\$6,976,591.45) and provided that Energybuild Group Limited shall direct Cambrian to pay such amount to Warrior on account of Energybuild Group Limited's debt to Warrior; and/or (ii) directly to Warrior by wire transfer of immediately available funds to such account as Warrior shall specify.

6.6 Cancellation of Instruments Evidencing Affected Claims

Following completion of the steps and transactions in the sequence set forth in **Section 8.2** of the CCAA Plan, all agreements, invoices and other instruments evidencing Affected Claims will not entitle any holder thereof to any compensation or participation other than as expressly provided for in the CCAA Plan and will be cancelled and will be null and void.

6.7 Crown Priority Claims

Within six (6) months after the Plan Sanction Date, the Monitor, on behalf of the Petitioners, shall pay in full to Her Majesty in Right of Canada or any province all Crown Claims.

6.8 Currency

Unless specifically provided for in the CCAA Plan or the Sanction Order, for the purposes of distribution, an Affected Claim shall be denominated in Canadian currency. If a Proof of Claim sets forth the amount of an Affected Claim in any other currency, such Affected Claim shall be converted to an amount in Canadian currency in accordance with the Claims Process Order. For greater certainty, the Deemed Interest Claim shall not be converted to Canadian currency.

6.9 Interest

No interest shall be paid on any Proven Claim unless so specified in the applicable Proof of Claim. No interest will be paid on any Proven Claim for the period from and after the Filing Date.

6.10 Treatment of Undeliverable Distributions

If any Affected Creditor's distribution by way of cheque is returned as undeliverable or is not cashed, no further distributions to such Affected Creditor shall be made unless and until the Petitioners and the Monitor are notified by such Affected Creditor of such Affected Creditor's current address, at which time all such distributions shall be made to such Affected Creditor without interest accruing on account of the cheque being undeliverable or not cashed. All claims for undeliverable or uncashed distributions in respect of Proven Claims of any Affected Creditors will expire twelve (12) months after the date of such distribution, after which date the Proven Claims of any Affected Creditor or successor of such Affected Creditor with respect to such unclaimed or uncashed distributions shall be forever discharged and forever barred, without any compensation therefor, notwithstanding any federal, state, provincial or territorial laws to the contrary, at which time the cash amount held by the Monitor in relation to such Proven Claims will be, or will be deemed to be, transferred to the Deemed Interest Claim Distribution Cash Pool. Nothing contained in the CCAA Plan shall require the Petitioners or the Monitor to attempt to locate any Affected Creditor.

6.11 Assignment of Claims for Voting and Distribution Purposes

(a) Assignment of Claims Prior to the Affected Creditors' Meeting

Subject to any restrictions contained in Applicable Laws, Affected Creditors other than the 1974 Plan may transfer or assign the whole of their Affected Claims (or where an Affected Claim includes an indemnity claim, the whole of their Affected Claims other than that part of the Affected Claim relative to the indemnity) prior to the Affected Creditors' Meeting provided that the Petitioners and the Monitor shall not be obliged to deal with any transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment has been given to the Petitioners and the Monitor by 5:00 p.m. (Vancouver time) on the day that is at least five (5) Business Days immediately prior to the Affected Creditors' Meeting, or such other date as the Petitioners and the

Monitor may agree. In the event of such notice of transfer or assignment prior to the Affected Creditors' Meeting, the transferee or assignee shall, for all purposes, be treated as the Affected Creditor of the assigned or transferred Affected Claim, will be bound by any and all notices previously given to the transferor or assignor in respect of such Affected Claim and shall be bound, in all respects, by any and all notices given and by the Orders of the Court in the CCAA Proceedings. For greater certainty, other than as described above, the Petitioners shall not recognize partial transfers or assignments of Affected Claims.

(b) *Assignment of Claims Subsequent to the Affected Creditors' Meeting*

Subject to any restrictions contained in Applicable Laws, Affected Creditors other than the 1974 Plan may transfer or assign the whole of their Affected Claims (or where an Affected Claim includes an indemnity claim, the whole of their Affected Claims other than that part of the Affected Claim relative to the indemnity) after the Affected Creditors' Meeting provided that the Petitioners and the Monitor shall not be obliged to deal with any transferee or assignee as an Affected Creditor and the Monitor shall not be obliged to make any distributions to the transferee or assignee in respect thereof unless and until actual notice of the transfer or assignment, together with evidence of the transfer or assignment and a letter of direction executed by the transferor or assignor, all satisfactory to the Petitioners and the Monitor, has been given to the Petitioners and the Monitor by 5:00 p.m. (Vancouver time) on the day that is at least five (5) Business Days immediately prior to the Plan Implementation Date or any Distribution Date(s), as the case may be, or such other date as the Petitioners and the Monitor may agree. Thereafter, the transferee or assignee shall, for all purposes, be treated as the Affected Creditor of the assigned or transferred Affected Claim, will be bound by any notices previously given to the transferor or assignor in respect of such Affected Claim and shall be bound, in all respects, by notices given and steps taken, and by the orders of the Court in the CCAA Proceedings. For greater certainty, other than as described above, the Petitioners shall not recognize partial transfers or assignments of Affected Claims.

6.12 Assignment of the Deemed Interest Claim and 1974 Plan Claim

Warrior shall not transfer or assign all or any part of the Deemed Interest Claim and the 1974 Plan shall not transfer or assign all or any part of the 1974 Plan Claim or its entitlement to the 1974 Plan Settlement Amount and no transfer or assignment of such Claims or entitlements shall be recognized by the Petitioners or the Monitor and the Petitioners and the Monitor shall not be obliged to deal with any transferee or assignee of all or any portion of the Deemed Interest Claim, the 1974 Plan Claim or any entitlement to the 1974 Plan Settlement Amount, in each case until such time as any proposed assignee executes an agreement in form and substance satisfactory to New Walter setting out such person's agreement to support the approval and implementation of the Plan, in each case as contemplated herein.

6.13 Allocation of Distributions

All distributions made by the Monitor, on behalf of the Petitioners, pursuant to the CCAA Plan shall be first in consideration for the outstanding principal amount of the Claims and secondly, subject to **Section 6.9**, in consideration for accrued and unpaid interest and penalties, if any, which forms part of such Claims. No interest will be paid on any Claim for the period from and after the Filing Date.

6.14 Withholding and Reporting Requirements

The Petitioners and the Monitor shall be entitled to deduct and withhold from any distribution, payment or consideration otherwise payable to an Affected Creditor, the 1974 Plan in respect of the 1974 Plan Settlement Amount, USW in respect of the USW Settlement Amount or Warrior in respect of the Deemed Interest Claim, such amounts (a “**Withholding Obligation**”) as the Petitioners or the Monitor, as the case may be, are reasonably required or entitled to deduct and withhold with respect to such payment under the *Income Tax Act* (Canada), or any other provision of any Applicable Law; provided, however, that the 1974 Plan Settlement Amount and any Withholding Obligation in respect thereof shall be calculated such that the 1974 Plan receives \$13 million, and any Withholding Obligation shall be in addition to such amount. To the extent that amounts are so deducted or withheld and remitted to the applicable Government Authority or as required by Applicable Law, such amounts deducted or withheld shall be treated for all purposes of the CCAA Plan as having been paid to such Person as the remainder of the payment in respect of which such withholding and deduction were made. For greater certainty, no distribution, payment or other consideration shall be made to or on behalf of an Affected Creditor with a Proven Claim, the Deemed Interest Claim or the 1974 Plan Settlement Amount pursuant to the CCAA Plan unless and until such Person has delivered to the Monitor such documentation prescribed by Applicable Law or otherwise reasonably required by the Monitor as will enable the Monitor to determine whether or not, and to what extent, such distribution, payment or consideration to such Person is subject to any Withholding Obligation imposed by any Government Authority.

ARTICLE 7

PROCEDURE FOR DISTRIBUTIONS REGARDING UNRESOLVED CLAIMS

7.1 No Distribution Pending Allowance

Notwithstanding any other provision of the CCAA Plan, no payments or distributions shall be made with respect to all or any portion of an Unresolved Claim unless and to the extent it has become a Proven Claim, in whole or in part.

7.2 Distributions After Unresolved Claims Resolved

The Unresolved Claims shall be finally determined in accordance with the Claims Process Order and any other applicable Order. If, after the Plan Implementation Date, an Affected Creditor’s Unresolved Claim is finally determined to be a Proven Claim pursuant to and in accordance with the Claims Process Order or if an Affected Creditor’s Unresolved Claim is accepted, in each case, in whole or in part, (a) the Monitor, on behalf of the Petitioners, shall distribute the amount from the Unresolved Claims Reserve equal to such Affected Creditor’s Proven Claim, if any, that would have been distributed on the Plan Implementation Date had such Affected Claim been a Proven Claim on that date (the “**Proven Claim Amount**”) to such Affected Creditor in full satisfaction, payment, settlement, release and discharge of such Affected Creditor’s Proven Claim; and (b) that Proven Claim Amount shall be deemed to have first been transferred to the Affected Creditors’ Distribution Cash Pool and then paid therefrom by the Monitor, on behalf of the Petitioners. When all Unresolved Claims have been finally determined in accordance with the Claims Process Order and any other applicable Order and when all Proven Claim Amounts have been paid, any balance that remains in the Unresolved Claims Reserve will be deemed to be transferred to the Administrative Costs Reserve.

ARTICLE 8 COMPANY REORGANIZATION

8.1 Corporate Authorizations

The adoption, execution, delivery, implementation and consummation of all matters contemplated under the CCAA Plan involving corporate action of the Petitioners will occur and be effective as of the Plan Implementation Date, and will be authorized and approved under the CCAA Plan and by the Court, where appropriate, as part of the Sanction Order, in all respects and for all purposes without any requirement of further action by any shareholder, Director, Officer or any other Person. All necessary approvals to take actions shall be deemed to have been obtained from the Directors, Officers and shareholders of the Petitioners, as applicable, including the deemed passing by any shareholder of any resolution or special resolution and no shareholders' agreement or agreement between a shareholder and another Person limiting in any way the right to vote shares held by such shareholder(s) with respect to any of the steps contemplated by the CCAA Plan shall be deemed to be effective and shall have no force and effect.

8.2 Plan Implementation Date Steps and Transactions

The steps, transactions, settlements and releases to be effected in the implementation of the CCAA Plan shall occur, and be deemed to have occurred, in the following order without any further act of formality, beginning at the Effective Time on the Plan Implementation Date:

- (a) the Monitor, on behalf of the Petitioners, shall use the Available Funds to fund the following reserves and distribution cash pools in the order specified below:
 - (i) Administrative Costs Reserve;
 - (ii) Insurance Reserve;
 - (iii) Wind-Down Reserve;
 - (iv) Unresolved Claims Reserve;
 - (v) Affected Creditors' Distribution Cash Pool; and
 - (vi) Deemed Interest Claim Distribution Cash Pool,and shall administer such reserves and distribution cash pools pursuant to and in accordance with the CCAA Plan;
- (b) The Charges and the Intercompany Charge shall be released and discharged as against the funds in the Insurance Reserve, Wind-Down Reserve, Unresolved Claims Reserve, Affected Creditors' Distribution Cash Pool and Deemed Interest Claim Distribution Cash Pool, but, for greater certainty, shall remain attached to the funds in the Administrative Costs Reserve and to any other asset of the Petitioners;
- (c) the Monitor, on behalf of the Petitioners, shall pay from the Administrative Costs Reserve to the Financial Advisor any remaining amount due in connection with

the Success Fee Charge and the Success Fee Charge, the KERP Charge and the Intercompany Charge shall be released and discharged;

- (d) the steps, distributions, transfers, payments, settlements and releases set out in Schedule "A" of the CCAA Plan shall be deemed to be completed in the order and at the times specified therein; and
- (e) the releases referred to in **Section 9.1** and the injunctions referred to in **Section 9.2** of the CCAA Plan shall become effective in accordance with the CCAA Plan.

8.3 Post-Plan Implementation Date Transactions

As specified herein, each of the Petitioners, or the Monitor on their behalf, as the case may be, shall take the following steps after the Plan Implementation Date:

- (a) the Monitor, on behalf of the Petitioners, shall take all steps necessary to further fund any of the reserves, to pay any amounts required to be paid to an Affected Creditor or in respect of the Deemed Interest Claim on any Distribution Date, or to make any payment to any other Person, in each case pursuant to, and in accordance with, this CCAA Plan; and
- (b) (i) the Monitor, on behalf of the Petitioners, shall take all steps necessary to make any distributions, payments, or transfers of funds in order to fund, or otherwise in connection with, the making of the payments referred to in subparagraph (a) above; and (ii) the Petitioners, in consultation with the Monitor, shall take all steps necessary to undertake any other transactions as between the Petitioners or any other Person in order to fund, or otherwise take steps in connection with, the making of the payments referred to in subparagraph (a) above,

in each case, as tax efficiently for the Petitioners as is reasonably possible, as determined by the Petitioners.

8.4 On-Going Matters

Following the Plan Implementation Date, the Petitioners, in consultation with the Monitor and Warrior, shall continue to seek an orderly wind-down or other process acceptable to the New Walter Canada Group for Energybuild and address any other matters that arise in connection with the CCAA Proceedings. The Monitor shall, on a no less than monthly basis, provide detailed reporting to Warrior with respect to distributions made or to be made pursuant to this CCAA Plan, including the payments, current balance and expected payments made or to be made from the various reserves described in the CCAA Plan.

ARTICLE 9 RELEASES

9.1 CCAA Plan Releases

On the Plan Implementation Date and in accordance with the Plan Implementation Date steps and transactions set out in **Section 8.2** of the CCAA Plan, the Petitioners, the Monitor, KPMG Inc. and its affiliates, the CRO, the Financial Advisor, the Directors and the Officers, each and

every present and former Employee who filed or could have filed an indemnity claim against the Walter Canada Group or the Petitioners, each and every affiliate, subsidiary, partner, member (including members of any committee or governance council), auditor, financial advisor, legal counsel, consultant, and agent thereof and any Person claiming to be liable derivatively through any or all of the foregoing Persons (the “**Releasees**”) shall be released and discharged from any and all demands, claims (including any Claims), actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, including any and all claims in respect of the payment and receipt of proceeds and statutory liabilities of Directors, Officers and Employees and any alleged fiduciary or other duty (whether acting as a Director, Officer, member or Employee or acting in any other capacity in connection with the Walter Canada Group’s business, the Petitioners’ business, an individual member of the Walter Canada Group or an individual Petitioner), whether known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the later of the Plan Implementation Date and the date on which actions are taken to implement the CCAA Plan that are in any way related to, or arising out of or in connection with the Claims (including Unresolved Claims, Proven Claims, the Deemed Interest Claim and any Claim that has been barred or extinguished pursuant to the Claims Process Order or any other applicable Order), the Walter Canada Group’s business and affairs whenever or however conducted, the Petitioners’ business and affairs whenever or however conducted, the CCAA Plan and the CCAA Proceedings, and all claims arising out of such actions or omissions shall be forever waived and released (other than the right to enforce the Petitioners’ obligations under the CCAA Plan or any related document), all to the fullest extent permitted by Applicable Law, provided that nothing in the CCAA Plan shall release or discharge any Petitioner from any Excluded Claim, any Director from any Claim that cannot be compromised pursuant to Section 5.1(2) of the CCAA, or any Releasee from any obligation created by or existing under the CCAA Plan or any related document and provided that any Unresolved Claim shall remain a Claim on the Unresolved Claims Reserve until such time as such Unresolved Claim is finally determined in accordance with the Claims Process Order and any other Order and, if such Unresolved Claim becomes a Proven Claim, such Proven Claim is paid as contemplated by this CCAA Plan.

9.2 Injunctions

All Persons are permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Time, with respect to any and all of the Releasees in respect of any matter in any way related to, or arising out of or in connection with the Claims (including Unresolved Claims, Proven Claims, the Deemed Interest Claim and any Claim that has been barred or extinguished pursuant to the Claims Process Order or any other applicable Order), the Walter Canada Group’s business and affairs whenever or however conducted, the Petitioners’ business and affairs whenever or however conducted, the CCAA Plan and the CCAA Proceedings, from: (i) commencing, conducting or continuing in any manner, directly or indirectly, any actions, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Releasees; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any Releasee or its property; (iii)

commencing, conducting or continuing in any manner, directly or indirectly, any actions, suits or demands, including without limitation, by way of contribution or indemnity or other relief, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim, in any manner or forum, against one or more of the Releasees; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind against any Releasee or its property; or (v) taking any actions to interfere with the implementation or consummation of the CCAA Plan; provided, however, that the foregoing shall not apply to the enforcement of any obligations under the CCAA Plan.

ARTICLE 10

COURT SANCTION, CONDITIONS PRECEDENT AND IMPLEMENTATION

10.1 Application for Sanction Order

Following the Affected Creditors Meeting and the making of the Deemed Interest Claim Resolution approving the CCAA Plan, the Petitioners shall apply for the Sanction Order.

10.2 Sanction Order

The Sanction Order shall, among other things, include provisions in substance similar to the following:

- (a) declare that the Affected Creditors' Meeting shall have been duly called and held in accordance with the Meeting Order and that the Deemed Interest Claim Resolution shall have been duly obtained in accordance with the Meeting Order;
- (b) declare that (i) the CCAA Plan has been unanimously approved by the Affected Creditors in conformity with the CCAA; (ii) the CCAA Plan has been approved pursuant to Deemed Interest Claim Resolution in conformity with the CCAA; (iii) the activities of the Petitioners have been in reasonable compliance with the provisions of the CCAA and the Orders of the Court made in the CCAA Proceedings in all respects; (iv) the Court is satisfied that the Petitioners have not done or purported to do anything that is not authorized by the CCAA; and (v) the CCAA Plan and the transactions contemplated thereby are fair and reasonable;
- (c) declare that as of the Effective Time, the CCAA Plan and all associated steps, settlements, transactions, arrangements and releases effected thereby are approved, binding and effective upon the Petitioners, all Affected Creditors, the Directors and Officers, the Releasees and all other Persons named or referred to in, or subject to, the CCAA Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;
- (d) declare that the steps to be taken and the releases to be effective on the Plan Implementation Date are deemed to occur and be effected in the sequential order contemplated by the CCAA Plan on the Plan Implementation Date, beginning at the Effective Time;

- (e) release and discharge the Petitioners and the Directors and Officers from the Deemed Interest Claim and any and all Affected Claims of any nature in accordance with the CCAA Plan, and declare that the ability of any Person to proceed against the Petitioners or the Directors or Officers in respect of or relating to the Deemed Interest Claim or any Affected Claims shall be forever discharged and restrained, and all proceedings with respect to, in connection with or relating to such Affected Claims are permanently stayed, subject only to (i) the right of Affected Creditors with Unresolved Claims to continue pursuing such Unresolved Claims in accordance with the Claims Process Order and the CCAA Plan until such time as such Unresolved Claim is finally determined in accordance with the Claims Process Order and any other Order and, if such Unresolved Claim becomes a Proven Claim, such Proven Claim is paid as contemplated by this CCAA Plan; and (ii) the right of Affected Creditors with Proven Claims and of Warrior in respect of the Deemed Interest Claim to receive payments and distributions pursuant to the CCAA Plan;
- (f) stay the commencing, taking, applying for or issuing or continuing of any and all steps or proceedings, including without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any Releasee in respect of all Claims and any matter which is released pursuant to the CCAA Plan;
- (g) declare that on or following the Plan Implementation Date, the Monitor shall be and is authorized and directed to make payments out of the Administrative Costs Reserve, on behalf of the Petitioners, in respect of the payment of Administrative Costs, and to make payments out of the Insurance Reserve and the Wind-Down Reserve, on behalf of the Petitioners, in respect of the payment of costs covered by such reserves, in each case by way of cheque (sent by prepaid ordinary mail to the Monitor's last known address for such recipient Persons) or by wire transfer (in accordance with wire transfer instructions, if provided by such recipient Persons to the Monitor at least three (3) Business Days prior to the payment date set by the Monitor);
- (h) declare that all payments and distributions by or at the direction of the Monitor, in each case on behalf of the Petitioners or any other Person, as applicable, under the CCAA Plan are for the account of the Petitioners or such other Person, as applicable, and the fulfillment of their obligations under CCAA Plan;
- (i) declare that the Monitor shall not incur any liability under the Tax Statutes as a result of the completion of the steps or transactions contemplated by the CCAA Plan, including in respect of its making any payments or distributions ordered or permitted under the CCAA Plan or the Sanction Order and including any steps or transactions contemplated by **Section 8.3** of this CCAA Plan, and are released, remised and discharged from any claims against them under or pursuant to the Tax Statutes or otherwise at law, arising in respect of the completion of the steps or transactions contemplated by the CCAA Plan, including in respect of making any payments or distributions ordered or permitted under the CCAA Plan or the Sanction Order and including any steps or transactions contemplated by **Section**

8.3 of this CCAA Plan, and that any claims of such a nature are forever barred and extinguished;

- (j) declare that any Affected Claims for which a Proof of Claim or Notice of Dispute of Employee Claim was required to be delivered to the Monitor pursuant to the Claims Process Order has not been filed by the Claims Bar Date, the Restructuring Claims Bar Date or the Unresolved Restructuring Claims Bar Date, as applicable, shall be forever barred and extinguished;
- (k) authorize and direct the Petitioners and the Monitor to, on and after the Plan Implementation Date, (i) complete the Claims Process established in the Claims Process Order; and (ii) take such further steps and seek such amendments to the Claims Process Order or additional Orders of the Court as the Petitioners, in consultation with the Monitor, consider necessary or appropriate in order to fully determine, resolve or deal with any Claims;
- (l) declare that, in addition to its prescribed rights under the CCAA and the powers granted by the Court, the powers granted to the Monitor are expanded as may be required to, and the Monitor is empowered and authorized on and after the Plan Implementation Date to, take such additional actions, as the Monitor, in consultation with the Petitioners, considers necessary or desirable in order to perform its functions and fulfill its obligations under the CCAA Plan, the Sanction Order and any order of the Court in the CCAA Proceedings and to facilitate the implementation of the CCAA Plan;
- (m) declare that the Petitioners, the CRO and the Monitor may apply to the Court for advice and direction in respect of any matters arising from or under the CCAA Plan; and
- (n) such other relief which the Petitioners or the Monitor may request.

10.3 Conditions Precedent to Implementation of the CCAA Plan

The implementation of the CCAA Plan shall be conditional upon the fulfillment (or, in the case of paragraph (c), waiver) of the following conditions on or prior to the Plan Implementation Date, as the case may be:

- (a) *CCAA Plan Approval*

The Affected Creditors shall have been deemed to have unanimously voted in favour of the CCAA Plan at the Affected Creditors' Meeting and the Deemed Interest Claim Resolution shall have been deemed to have been obtained to approve the CCAA Plan.

- (b) *Plan Sanction Order*

The Sanction Order shall have been made and be in full force and effect, and all applicable appeal periods in respect thereof shall have expired and any appeals

therefrom shall have been finally disposed of, leaving the Sanction Order wholly operable.

(c) *Resolution of Certain Liabilities*

The Petitioners shall be satisfied that (i) all material consents, declarations, rulings, certificates, or approvals of any Government Authority as may be considered necessary by the Petitioners and the Monitor in respect of the transactions contemplated by the CCAA Plan shall have been obtained, provided that, without limiting the generality of the forgoing, and notwithstanding any other provision of the CCAA Plan, no distributions shall be made by the Monitor from any of the Unresolved Claims Reserve, Affected Creditors' Distribution Cash Pool or the Deemed Interest Claim Distribution Pool unless and until one of the following conditions have been met to the satisfaction of, or waived by, the Monitor, in its sole discretion: (a) certificates have been issued by or on behalf of the Minister of National Revenue (Canada) ("**CRA**") pursuant to section 159 of the *Income Tax Act* (Canada) in respect each of the members of the New Walter Canada Group, or (b) the Monitor has received written confirmation from the CRA that it may distribute the property of the New Walter Canada Group without any personal liability; (ii) all tax returns required to be filed by or on behalf of the Petitioners have been or will be duly filed in all appropriate jurisdictions; and (iii) all taxes required to be paid in respect thereof have been or will be paid.

(d) *Outside Date*

The Plan Implementation Date shall have occurred no later than the Outside Date and the Petitioners and the Monitor shall be satisfied that there will be sufficient Available Funds to pay all Proven Claims of Affected Creditors, the USW Settlement Amount and the 1974 Plan Settlement Amount.

10.4 Monitor's Certificate

Upon the Petitioners advising the Monitor in writing that the conditions to implementation of the CCAA Plan set out in **Section 10.3** have been satisfied or waived (provided however that the Petitioners shall only be permitted to waive the condition to implementation set out in **Section 10.3(c)(i)** with the consent of the Monitor), the Monitor shall deliver to the Petitioners the Monitor's Certificate. Following the Plan Implementation Date, the Monitor shall file the Monitor's Certificate with the Court.

ARTICLE 11 GENERAL

11.1 Binding Effect

On the Plan Implementation Date:

- (a) the CCAA Plan will become effective at the Effective Time;

- (b) the treatment of Affected Claims, USW, the 1974 Plan and the Deemed Interest Claim under the CCAA Plan shall be final and binding for all purposes and enure to the benefit of the Petitioners, all Affected Creditors, the Directors and Officers, the Releasees and all other Persons and parties named or referred to in, or subject to, the CCAA Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;
- (c) all Affected Claims (including the 1974 Plan Claim) shall be forever discharged and released, excepting only (i) the right of Affected Creditors with Unresolved Claims to continue pursuing such Unresolved Claims in accordance with the Claims Process Order, any other applicable Order and the CCAA Plan; and (ii) the obligation of the Petitioners to make payments and distributions in respect of such Affected Claims in the manner and to the extent provided for in the CCAA Plan;
- (d) the Deemed Interest Claim shall be forever discharged and released, excepting only the obligation of the Petitioners to make payments and distributions in respect of such Deemed Interest Claim (including to the 1974 Plan) in the manner and to the extent provided for in the CCAA Plan;
- (e) each Affected Creditor will be deemed to have consented and agreed to all of the provisions of the CCAA Plan, in its entirety;
- (f) Warrior will be deemed, in respect of the Deemed Interest Claim, to have consented and agreed to all of the provisions of the CCAA Plan, in its entirety; and
- (g) each Affected Creditor, and Warrior in respect of the Deemed Interest Claim, shall be deemed to have executed and delivered to the Petitioners all consents, directions, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the CCAA Plan in its entirety.

11.2 Waiver of Defaults

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Petitioners then existing or previously committed by the Petitioners or caused by the Petitioners, caused by any of the provisions in the CCAA Plan or steps contemplated in the CCAA Plan, and any non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, lease, guarantee, agreement for sale or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Petitioners and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under any such agreement shall be deemed to have been rescinded and of no further force or effect, provided that nothing shall be deemed to excuse the Petitioners from performing their obligations under the CCAA Plan or be a waiver of defaults by the Petitioners under the CCAA Plan and the related documents. This Section does not affect the rights of any Person to pursue any recoveries for an Affected Claim that may be obtained from a guarantor and any security granted by such guarantor, provided that no Person shall have any right of subrogation

or other Claim whatsoever against the Petitioners or the Directors and Officers in respect of any such guarantee or security.

11.3 Claims Bar Date, Restructuring Claims Bar Date and Unresolved Restructuring Claims Bar Date

Nothing in the CCAA Plan extends or shall be interpreted as extending or amending the Claims Bar Date, the Restructuring Claims Bar Date or the Unresolved Restructuring Claims Bar Date, as applicable, or gives or shall be interpreted as giving any rights to any Person in respect of Affected Claims that have been barred or extinguished pursuant to the Claims Process Order or any other Order of the Court.

11.4 Deeming Provisions

In the CCAA Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

11.5 Non-Consummation

The Petitioners reserve the right to revoke or withdraw the CCAA Plan at any time prior to the Plan Sanction Date. If the Petitioners revoke or withdraw the CCAA Plan, if the Sanction Order is not issued, or if the Plan Implementation Date does not occur by the Outside Date, (a) the CCAA Plan shall be null and void in all respects, (b) any settlement or compromise embodied in the CCAA Plan including the fixing or limiting to an amount certain any Claim, or any document or agreement executed pursuant to the CCAA Plan shall be deemed null and void, and (c) nothing contained in the CCAA Plan, and no acts taken in preparation for consummation of the CCAA Plan, shall (i) constitute or be deemed to constitute a waiver or release of any Affected Claims or the Deemed Interest Claim by or against the Petitioners or any other Person; (ii) prejudice in any manner the rights of the Petitioners or any other Person in any further proceedings involving the Petitioners; or (iii) constitute an admission of any sort by the Petitioners or any other Person. Notwithstanding the foregoing, a revocation or withdrawal of the CCAA Plan shall not be or be deemed to be a revocation, withdrawal or termination of the Settlement Term Sheet or shall extend or amend the Claims Bar Date, the Restructuring Claims Bar Date or the Unresolved Restructuring Claims Bar Date, as applicable, or give or shall be interpreted as giving any rights to any Person in respect of Affected Claims that have been barred or extinguished pursuant to the Claims Process Order or any other Order of the Court.

11.6 Modification or Withdrawal of the CCAA Plan

- (a) The Petitioners reserve the right, at any time and from time to time, to amend, restate, modify and/or supplement the CCAA Plan, provided that any such amendment, restatement, modification or supplement must be contained in a written document which is filed with the Court, be consistent with the Settlement Term Sheet, and (i) if made prior to the Affected Creditors' Meeting and/or the making of the Deemed Interest Claim Resolution, communicated to the Affected Creditors and/or Warrior in respect of the Deemed Interest Claim, as applicable, in the manner required by the Court (if so required); and (ii) if made following the Affected Creditors' Meeting and/or the making of the Deemed Interest Claim

Resolution, approved by the Court following notice to the Affected Creditors and/or Warrior in respect of the Deemed Interest Claim, as applicable.

- (b) Notwithstanding **Section 11.6(a)**, any amendment, restatement, modification or supplement may be made by the Petitioners with the consent of the Monitor or pursuant to an Order following the Plan Sanction Date, provided that it concerns a matter which, in the opinion of the Petitioners, acting reasonably, is of an administrative nature required to better give effect to the implementation of the CCAA Plan, the Settlement Term Sheet and the Sanction Order or to cure any errors, omissions or ambiguities and is not materially adverse to the financial or economic interests of the Affected Creditors, or Warrior in respect of the Deemed Interest Claim.
- (c) Any amended, restated, modified or supplementary plan or plans of compromise filed with the Court and, if required by this Section, approved by the Court, shall, for all purposes, be and be deemed to be a part of and incorporated in the CCAA Plan.
- (d) In the event that this CCAA Plan is amended, restated, modified or supplemented, the Monitor shall post such amended restated, modified or supplementary CCAA Plan on the Monitor's Website and such posting shall constitute adequate notice of such amendment.

11.7 Paramountcy

From and after the Effective Time on the Plan Implementation Date, if there is any express conflict between:

- (a) the CCAA Plan and the Sanction Order; and
- (b) the Meeting Order, the Settlement Term Sheet and the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, articles or bylaws of the Petitioners, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors or Warrior in respect of the Deemed Interest Claim, as the case may be, and the Petitioners as at the Plan Implementation Date,

such conflict will be deemed to be governed by the terms, conditions and provisions of the CCAA Plan and the Sanction Order, which shall take precedence and priority.

11.8 Severability of Plan Provisions

If, prior to the Plan Sanction Date, any term or provision of the CCAA Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Petitioners, shall have the power to either (a) sever such term or provision from the balance of the CCAA Plan and provide the Petitioners with the option to proceed with the implementation of the balance of the CCAA Plan as of and with effect from the Plan Implementation Date, or (b) alter and interpret such term

or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, and provided that the Petitioners proceed with the implementation of the CCAA Plan, the remainder of the terms and provisions of the CCAA Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

11.9 Reviewable Transactions

Section 36.1 of the CCAA, sections 38 and 95 to 101 of the BIA and any other federal or provincial law relating to preferences, fraudulent conveyances or transfers at undervalue, shall not apply to the CCAA Plan or to any payments or distributions made in connection with transactions entered into by or on behalf of the Petitioners, whether before or after the Filing Date, including to any and all of the payments, distributions and transactions contemplated by and to be implemented pursuant to the CCAA Plan.

11.10 Responsibilities of the Monitor

KPMG Inc. is acting in its capacity as Monitor in the CCAA Proceedings with respect to the Petitioners and the CCAA Plan and not in its personal or corporate capacity, and will not be responsible or liable for any obligations of the Petitioners under the CCAA Plan, arising from implementation of the CCAA Plan or otherwise.

11.11 Different Capacities

Persons who are affected by the CCAA Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Person in writing or unless its Claims overlap or are otherwise duplicative.

11.12 Notices

Any notice or other communication to be delivered hereunder must be in writing and reference the CCAA Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or by facsimile or email addressed to the respective parties as follows:

If to the Petitioners:

c/o Osler, Hoskin & Harcourt
1055 W Hastings St
Suite 1700
Vancouver, BC V6E 2E9
Attention: Chief Restructuring Officer
Email: baziz@bluetreeadvisors.com

with a copy to:

Osler, Hoskin & Harcourt LLP

100 King Street West
1 First Canadian Place, Suite 6100, P.O. Box 50
Toronto, Ontario M5X 1B8
Attention: Marc S. Wasserman / Patrick Riesterer
Fax: (416) 862-6666
Email: mwasserman@osler.com / priesterer@osler.com

If to an Affected Creditor:

to the address or facsimile number or email address for Warrior or such Affected Creditor specified in the Proof of Claim filed by Warrior or such Affected Creditor or to such other address of such Affected Creditor as the Monitor may have acquired, including the addresses of Employee Claimants;

If to the Monitor:

KPMG Inc.
777 Dunsmuir Street, PO Box 10426
Vancouver, British Columbia V7Y 1K3
Attention: Anthony Tillman / Mark Kemp-Gee / Mike Clark
Facsimile: (604) 691-3036
Email: atillman@kpmg.ca / mkempgee@kpmg.ca / maclark@kpmg.ca

with a copy to:

McMillan LLP
181 Bay Street, Suite 4400
Toronto, ON M5J 2T3
Attention: Wael Rostom / Peter Reardon / Vicki Tickle
Facsimile: 416.865.7048
Email: wael.rostom@mcmillan.ca / peter.reardon@mcmillan.ca /
vicki.tickle@mcmillan.ca

or to such other address as any party may from time to time notify the others in accordance with this Section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, faxed or sent before 5:00 p.m. (Vancouver time) on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

If, during any period during which notices or other communications are being given pursuant to this CCAA Plan, a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary mail and then not received shall not, absent further Order of the Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery or electronic or digital transmission in accordance with this Order.

11.13 Further Assurances

Each of the Persons named or referred to in, or subject to, the CCAA Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the CCAA Plan and to give effect to the transactions contemplated herein.

DATED as of the May 29, 2018.

SCHEDULE “A”
SPECIFIED PLAN IMPLEMENTATION DATE STEPS

In order to facilitate the satisfaction of Proven Claims of Affected Creditors and a distribution by the Petitioners to Warrior, USW and the 1974 Plan pursuant to and in accordance with the CCAA Plan, the following steps, assumptions, distributions, transfers, payments, contributions, reductions of capital, settlements and releases shall be deemed to occur (a) immediately after the completion of the step set out in Section 8.2(c) of the CCAA Plan; (b) in the order specified in this Schedule “A”; and (c) in the manner specified in this Schedule “A”.

- (a) Step 1: Each of New Walter, New WCCC, New Willow Creek, New Brule and New Wolverine shall have ratified the Waterfall Agreement.
- (b) Step 2: New Walter shall fund (or cause its subsidiaries to fund) the Administrative Cost Reserve, the Insurance Reserve and the Wind-Down Reserve.
- (c) Step 3: New WCCC and New Walter shall pay cash into the Unresolved Claims Reserve in an amount sufficient to pay the Proven Claim Amount in respect of all Unresolved Claims. Such cash shall come (i) first from the proceeds of sale received by New WCCC of Belcourt Saxon Coal Limited Partnership and Belcourt Saxon Coal Ltd., (ii) second, if necessary, from New WCCC’s other funds; and (iii) third, if necessary, from New Walter’s funds.
- (d) Step 4:
 - (i) Each of New Walter, New WCCC, New Willow Creek, New Brule and New Wolverine shall pay into the Affected Creditors’ Distribution Cash Pool cash in an amount sufficient to pay such Petitioner’s portion of all Proven Claims of Affected Creditors that were Allowed Claims on the Proposal Commencement Date in full in cash. To the extent that the payment into the Affected Creditors’ Distribution Cash Pool by any of New Willow Creek, New Brule and New Wolverine is insufficient to pay any Affected Creditor’s Proven Claim against such Petitioner in full in cash, New WCCC shall pay cash sufficient to satisfy such Claim into the Affected Creditors’ Distribution Cash Pool. Such cash shall come (A) first from the proceeds of sale to New WCCC of Belcourt Saxon Coal Limited Partnership and Belcourt Saxon Coal Ltd., and (B) second, if necessary, from New WCCC’s other funds.
 - (ii) To the extent New WCCC does not have sufficient cash to make the foregoing payments, New Walter shall pay into the Affected Creditors’ Distribution Cash Pool cash sufficient to satisfy such Claim in full in cash.
 - (iii) New Walter shall also pay into the Affected Creditors’ Distribution Cash Pool an amount equal to all amounts needed to pay any Claims that are Proven Claims of Affected Creditors as of the Plan Implementation Date that were not Allowed Claims on the Proposal Commencement Date.

- (e) Step 5: Each of New Willow Creek, New Brule and New Wolverine shall pay to New WCCC and New Walter the amount (if any) retained by such Petitioner following the payments set out in Step 4 as its respective contribution to the professional fees and other costs and expenses paid by New WCCC and New Walter, including under Steps 2, 3 & 4, on behalf of New Willow Creek, New Brule and New Wolverine. Cambrian shall pay to New WCCC and New Walter all remaining cash in its possession (if any) towards the professional fees and other costs and expenses paid by New WCCC and New Walter on behalf of Cambrian.
- (f) Step 6: New WCCC shall pay the amounts received under Step 5 plus the amount (if any) retained by New WCCC following the payments set out in Steps 3 & 4 to New Walter as its contribution to the professional fees and other costs and expenses paid by New Walter, including under Steps 2, 3 & 4, on behalf of New WCCC.
- (g) Step 7: New Walter shall pay all its remaining funds after the satisfaction of the payments set out in Steps 1-4 and after receipt of any funds pursuant to Step 5 & 6 into the Deemed Interest Claim Distribution Cash Pool.
- (h) Step 8: The Monitor shall make the required distributions from the Affected Creditors' Distribution Cash Pool to Affected Creditors with Claims that are or that become Proven Claims in accordance with the CCAA Plan in full and final satisfaction of all Affected Claims other than Excluded Claims and any remaining Unresolved Claims and shall pay the the USW Settlement Amount to USW.
- (i) Step 9: The Monitor shall make the required distributions from the Deemed Interest Claim Distribution Cash Pool in accordance with the CCAA Plan, including, (A) the payment of the 1974 Plan Settlement Amount to the 1974 Plan, and (B) (I) as successive capital contributions by New Walter to New WCCC, by New WCCC to Cambrian and by Cambrian to Energybuild Group Limited in an amount not to exceed the amount owing to Warrior by Energybuild Group Limited (in the maximum amount of US\$6,976,591.45) and provided that Energybuild Group Limited shall direct Cambrian to pay such amount to Warrior on account of Energybuild Group's debt to Warrior; and/or (II) directly to Warrior.
- (j) Step 10:
 - (i) The Monitor shall have the discretion to make partial distributions to Warrior at such times as the Monitor, in consultation with New Walter and Warrior, may determine is advisable, which may include transfers of funds held in any of the reserves (following a determination that such funds are no longer needed) to the Deemed Interest Claim Distribution Cash Pool for distribution to Warrior.
 - (ii) At such time as (i) all Unresolved Claims are resolved, and, if applicable, paid, and (ii) the Monitor, in consultation with the Petitioners and Warrior, have determined that the remaining funds in the Insurance Reserve, the

Unresolved Claims Reserve, the Wind-Down Reserve and the Administrative Costs Reserve are no longer needed, such funds shall be transferred or deemed transferred to the Deemed Interest Claim Distribution Cash Pool and New Walter shall pay all remaining funds into the Deemed Interest Claim Distribution Cash Pool to Warrior in accordance with the CCAA Plan in full and final satisfaction of the Deemed Interest Claim and such Deemed Interest Claim shall be extinguished.

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 OR
ARRANGEMENT OF NEW WALTER ENERGY
CANADA HOLDINGS, INC., NEW WALTER CANADIAN
COAL CORP., NEW BRULE COAL CORP., NEW
WILLOW CREEK COAL CORP., NEW WOLVERINE
COAL CORP. AND CAMBRIAN ENERGYBUILD
HOLDINGS ULC

PETITIONERS

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Client Matter No. 1164807