



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

PETITIONERS

**NOTICE OF APPLICATION**

**Names of applicants:** Walter Energy Canada Holdings, Inc. and the other Petitioners listed on **Schedule "A"** (collectively with the partnerships listed on Schedule "A" hereto, the "**Walter Canada Group**")

To: Service List attached hereto as **Schedule "B"**

TAKE NOTICE that an application will be made by the applicants to the Honourable Madam Justice Fitzpatrick at the courthouse at 800 Smithe Street, Vancouver, BC, V6Z 2E1 on August 15, 2016 at 10:00 a.m. for the orders set out in Part 1 below.

**Part 1: ORDERS SOUGHT**

1. A Stay Extension Order substantially in the form attached hereto as **Schedule "C"**.
2. An Approval and Vesting Order substantially in the form attached hereto as **Schedule "D"**.
3. A Claims Process Order substantially in the form attached hereto as **Schedule "E"**.
4. A Sealing Order substantially in the form attached hereto as **Schedule "F"**.

**Part 2: FACTUAL BASIS**

Introduction

1. Reference is made to the facts set out in Affidavits 1 and 2 of William G. Harvey and Affidavits 1, 2 (the "**Second Aziz Affidavit**") and 3 (the "**Third Aziz Affidavit**") of William E. Aziz and the Confidential Fourth Affidavit of William E. Aziz (the "**Confidential Affidavit**").
2. On December 7, 2015, this Honourable Court granted an Initial Order in favour of the Walter Canada Group pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**").
3. The terms of the Initial Order, including the stay of proceedings, were subsequently extended to April 5, 2016 pursuant to an order of this Honourable Court pronounced January 5, 2016 (the "**January 5 Order**")

4. Further extensions were granted on March 30, 2016 and June 24, 2016 to June 24, 2016 and August 19, 2016, respectively.
5. Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in orders pronounced and the pleadings filed in these proceedings.

#### Stay Extension Order

##### *Stay Extension*

6. At the time of the last application for an extension of the relief granted in the Initial Order, the Walter Canada Group had commenced a sales and solicitation process (the "**SISP**") for the purchase of all or substantially all of the Walter Canada Group's assets.
7. The SISP was approved pursuant to the January 5 Order.
8. Since the latest extension, the SISP progressed to Phase 2. As part of Phase 2, the Walter Canada Group has been working with the CRO, PJT Partners LP ("**PJT**") and the Monitor and has, *inter alia*:
  - (a) engaged in multiple discussions with bidders with qualified bids;
  - (b) facilitated discussions among the bidders and the Walter Canada Group's stakeholders;
  - (c) arranged for bidders to tour the Walter Canada Group's mines; and
  - (d) engaged in negotiations with some of the bidders regarding a potential sale transaction.
9. The Walter Canada Group reviewed the qualified bids with PJT and the Monitor and selected the most advantageous bid (the "**Successful Bid**").
10. Following extensive negotiations with the successful bidder, the parties negotiated the terms of a sale transaction (the "**Transaction**") which culminated in the finalization of an asset purchase agreement ("**APA**").
11. An extension is necessary to enable the Walter Canada Group, the Monitor and their advisors to complete the Transaction and a claims process (discussed further below).
12. To that end, the Walter Canada Group is seeking an extension of the relief granted in the Initial Order to January 17, 2017.
13. The Walter Canada Group has been acting and continues to act in good faith and with due diligence in these proceedings.
14. Further, the Monitor is supportive of the proposed stay extension.

##### *Monitor's Enhanced Powers*

15. Following the Closing of the Transaction, it is anticipated that members of the Walter Canada Group will no longer have any employees and all current employees will become employees of the Purchaser.
16. To address this fact, the Walter Canada Group is requesting that this Honourable Court grant certain additional powers to the Monitor to facilitate the collection of monies owed or owing to the Walter Canada Group and to facilitate the control of the Walter Canada Group's bank accounts (and the opening of new accounts).

*Amended and Restated PJT Engagement Letter*

17. As described in the Second Aziz Affidavit, the Walter Canada Group agreed to amend the PJT Engagement Letter to address the fact that there will be no Chapter 7 proceedings in respect of the Walter U.S. Group. Accordingly, the payment of the work fee by the Walter Canada Group commenced upon closing of the sale of the assets of the Walter U.S. Group. No other material changes to the PJT Engagement Letter were made.
18. The Walter Canada Group is requesting that this Honourable Court approve the Amended and Restated PJT Engagement Letter.

Approval and Vesting Order

*Approval of the Transaction*

19. The Walter Canada Group, in conjunction with PJT and the Monitor, has determined that the Successful Bid is superior to the other bids received based on a number of factors, including:
  - (a) the Purchase Price was the highest total price offered by any other bidder;
  - (b) the net cash proceeds available to the estate will be the highest of the transactions proposed by bidders;
  - (c) the Successful Bid contemplates the assumption of a number of liabilities that would otherwise remain liabilities of the Walter Canada Group;
  - (d) the Successful Bid contemplates the continued employment of the Walter Canada Group's current employees;
  - (e) the Successful Bid contemplates that certain of Walter Canada Group's mines may resume operations in the near future;
  - (f) the Successful Bid contemplates an infusion of activity in the local communities where Walter Canada Group's mines are located and, if operating, provide employment in the community and revenue to local suppliers and others;
  - (g) the Transaction is likely to close soon;
  - (h) the guarantees given in respect of the obligations in respect of the Successful Bid; and
  - (i) the Transaction is superior to any liquidation alternative.
20. The Transaction is described in more detail in the Third Aziz Affidavit.
21. An unredacted copy of the APA, complete with all exhibits, is attached as Exhibit "A" to the Confidential Affidavit.
22. In addition, PJT's report on the SISP and on the Transaction is attached as Exhibit "B" to the Confidential Affidavit.
23. In conjunction with the SISP, the Walter Canada Group, with the assistance of the Monitor, has launched a separate process to solicit liquidation proposals for its assets in order to assess the value of any LOIs or bids received.
24. The Walter Canada Group has determined, on the advice of the Financial Advisor and in consultation with the Monitor, that the Successful Bid is a better alternative than liquidation as explained in more detail in the Third Aziz Affidavit and the Fourth Report of the Monitor.

25. Further details regarding the Monitor's views regarding the Transaction and the Liquidation Alternative are set out in the Monitor's Confidential Supplemental Report (the "**Confidential Report**" and, collectively with the Confidential Affidavit, the "**Confidential SISP Materials**").

*Contract Mining Agreement and Indemnification Charge*

26. It is not a condition to the Closing that the Purchaser obtain all necessary permits and other approvals necessary for the operation of the Mines. It is contemplated that the Transfer Approvals will be obtained after the Closing.
27. In the meantime, the Purchaser and the Walter Canada Group have agreed to enter into an agreement (the "**Contract Mining Agreement**") pursuant to which the Purchaser will be granted the right to conduct, at the sole cost and expense of Purchaser, mining operations at the Brule Mine (in accordance with the mine plan for the Brule Mine currently in effect) and related processing and loading operations at the Willow Creek Mine following the Closing on the applicable Real Property under the applicable Permits.
28. Under the APA and the Contract Mining Agreement, the Purchaser and the Guarantors shall indemnify and hold harmless the Seller from any and all Liabilities arising out of or resulting from the Purchaser's operations of the Mines or any other activities occurring at the Mines, including in respect of operations conducted under Seller's applicable Permits.
29. To secure the indemnification obligations of the Purchaser to the Walter Canada Group, it is proposed that the Walter Canada Group be granted a Court-ordered first ranking charge over the Real Property (including any coal leases) and all Mineral Tenures including all accretions, substitutions, replacements, additions and accessions to any of them and all proceeds of any of the foregoing (the "**Indemnification Security Interest**"). It is proposed that the Indemnification Security Interest be extinguished upon the delivery of a second Monitor's certificate to the Purchaser certifying that it has received confirmation that no unresolved claims for which the Purchaser has indemnified the Walter Canada Group remain.
30. The proposed Court-ordered charge in respect of the Indemnification Security Interest and the method of extinguishing such charge is comparable to the charge granted in favour of the Walter Canada Group to facilitate the bulldozer equipment transaction described in the First Affidavit of William G. Harvey dated December 4, 2015, in this proceeding.

Claims Process Order

31. In addition to an extension of stay of proceedings sought herein, before a plan of arrangement can be prepared, it is necessary that a claims process be completed in order to determine the quantum of claims against the Walter Canada Group.
32. The Claims Process Order is expected to permit the Walter Canada Group to identify and quantify all of the Claims that must be identified and quantified to permit the development of a plan of arrangement or other distribution mechanism that would conclude these CCAA proceedings.
33. The claims process is described in detail in the Third Aziz Affidavit and the Fourth Report of the Monitor.
34. The proposed Claims Process Order sets out separate claims processes for ordinary Claimants, Employee Claimants and the 1974 Plan and sets an October 5, 2016 Claims Bar Date.
35. Ordinary Claimants will be provided an opportunity to submit Proofs of Claim to the Monitor for review.

36. Employee Claimants will be provided with "negative notice" of their Employee Claims; whereby the Monitor will advise the Employee Claimants of the best estimate of the Employee's Claim, as calculated by the Company with the oversight of the Monitor. Employee Claimants will be provided with an opportunity to dispute the amount as set out in the Notice of Employee Claim Amount.
37. The vast majority of Employees who will have claims against the Walter Canada Group are members of the USW. The Walter Canada Group and the Monitor have consulted with the USW and its advisors regarding the proposed Claims Process, including the dates and the manner of providing notice of the Employee Claims to the Employees. The USW has indicated that it supports the proposed Claims Process as set out in the Claims Process Order. The Walter Canada Group and the Monitor intend to continue to consult with the USW and its advisors regarding the quantum of the Employee Claims to be included in the Employee Claim Amount Notices.
38. The Monitor and the Walter Canada Group have designed the claims adjudication process to efficiently address the 1974 Plan's claim with the assistance of this Court. In particular, the 1974 Plan is not required to file a Proof of Claim. Rather, the 1974 Plan is permitted to assert the 1974 Pension Plan Claim by serving materials asserting and providing an evidentiary foundation for such Claims on the Walter Canada Group, the Monitor and the Service List before the Claims Bar Date. The advisors to the 1974 Plan have been informed of the proposed treatment of the 1974 Pension Plan Claims and have not objected to the proposed approach.

**Part 3: LEGAL BASIS**

*Extension of Stay of Proceedings*

1. Section 11.02 of the CCAA provides:

11.02

...

Stays, etc. — other than initial application

- (2) A court may, on an application in respect of a debtor company other than an initial application, make an order, on any terms that it may impose,
  - (a) staying, until otherwise ordered by the court, for any period that the court considers necessary, all proceedings taken or that might be taken in respect of the company under an Act referred to in paragraph (1)(a);
  - (b) restraining, until otherwise ordered by the court, further proceedings in any action, suit or proceeding against the company; and
  - (c) prohibiting, until otherwise ordered by the court, the commencement of any action, suit or proceeding against the company.

Burden of proof on application

- (3) The court shall not make the order unless
  - (a) the applicant satisfies the court that circumstances exist that make the order appropriate; and

- (b) in the case of an order under subsection (2), the applicant also satisfies the court that the applicant has acted, and is acting, in good faith and with due diligence.

CCAA, s. 11.02

2. The current stay of proceedings expires on August 19, 2016.
3. The Walter Canada Group needs further time to complete the Transaction and undertake a claims process to determine the amount of claims to be compromised and prepare a plan of arrangement.
4. The Walter Canada Group has been and continues to act in good faith and with due diligence in these proceedings.
5. Accordingly, an extension of the stay of proceedings to January 17, 2017 is appropriate to permit the Transaction to complete and to carry out a claims process.

*Sales of Assets*

6. Section 36(1) of the CCAA allows courts to authorize the sale of a debtor company's assets out of the ordinary course of business:

Restriction on disposition of business assets

36. (1) A debtor company in respect of which an order has been made under this Act may not sell or otherwise dispose of assets outside the ordinary course of business unless authorized to do so by a court. Despite any requirement for shareholder approval, including one under federal or provincial law, the court may authorize the sale or disposition even if shareholder approval was not obtained.

7. Subsection 36(3) sets out the factors courts are to consider in determining whether to approve a sale:

Factors to be considered

- (3) In deciding whether to grant the authorization, the court is to consider, among other things,
  - (a) whether the process leading to the proposed sale or disposition was reasonable in the circumstances;
  - (b) whether the monitor approved the process leading to the proposed sale or disposition;
  - (c) whether the monitor filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy;
  - (d) the extent to which the creditors were consulted;
  - (e) the effects of the proposed sale or disposition on the creditors and other interested parties; and
  - (f) whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.

8. Where the Monitor is of the view that the sale price and terms of the sale agreement are commercially reasonable and satisfactory and where the sale is supported by many stakeholders and not opposed by anyone, courts will approve the sale.

*Comstock Canada Ltd. (Re)*, 2014 ONSC 493

9. The Walter Canada Group has made extensive efforts to canvass the market and find a suitable bid for its assets, in conjunction with its professional advisors, including efforts made by the Walter Group and PJT prior to the commencement of the CCAA proceedings and the efforts of the Walter Canada Group and its advisors, including PJT, under the Court-approved SISP.
10. Stakeholders, including USW, have been consulted regarding the Transaction.
11. Further, the Walter Canada Group has consulted the Monitor extensively throughout the SISP process.
12. It is anticipated that the Fourth Report of the Monitor will state that the Monitor supports the Transaction and that the Transaction would be more beneficial to the Walter Canada Group's creditors than a sale or disposition under a bankruptcy.
13. The Successful Bidder is not related to any member of the Walter Canada Group.
14. The consideration to be received in respect of the assets subject to the Transaction is reasonable and fair, taking into account their market value. The Purchase Price from the Transaction was the highest price out of all of the SISP bids and is superior to the Liquidation Alternative.
15. As explained above, the Successful Bid contemplates the continued employment of Walter Canada Group's employees and an infusion of activity in the local communities where the Walter Canada Group's mines are located.
16. Accordingly, it is appropriate that the Transaction, as set out in the APA, be approved.

#### *Claims Process*

17. The broad remedial objective of the CCAA is to facilitate a restructuring rather than a liquidation of assets. A supervising judge of a CCAA proceeding has a broad and flexible authority to make such orders as necessary to achieve that objective.

*Century Services Inc. v. Canada (Attorney General)*, 2010 SCC 60, paras. 15-19, 57-66

18. Although the CCAA does not expressly provide for a claims process order, it is common practice for a CCAA court to make such an order pursuant to the court's inherent jurisdiction to control its own proceedings and process.

*ScoZinc Ltd. (Re)*, 2009 NSSC 136, paras. 18, 23-26

19. Claims process orders are an important part of restructuring proceedings. As noted by Mr. Justice Morawetz:

[41]...For a debtor company engaged in restructuring under the CCAA, which may include a liquidation of its assets, *it is of fundamental importance to determine the quantum of liabilities to which the debtor and, in certain circumstances, third parties are subject.* It is this desire for certainty that led to the development of the practice by which debtors apply to court for orders which establish a deadline for filing claims.

[42] Adherence to the claims-bar date becomes even more important when distributions are being made (in this case, to secured creditors), or when a plan is being presented to creditors and a creditors' meeting is called to consider the plan of compromise. These objectives are recognized by s. 12 of the CCAA, in particular the references to "voting" and "distribution".

[43] In such circumstances, stakeholders are entitled to know the implications of their actions. The claims-bar order can assist in this process. By establishing a claims-bar date, the debtor can determine the universe of claims and the potential distribution to creditors, and creditors are in a position to make an informed choice as to the alternatives presented to them. If distributions are being made or a plan is presented to creditors and voted upon, stakeholders should be able to place a degree of reliance in the claims bar process.

[Emphasis added]

*Timminco Ltd. (Re)*, 2014 ONSC 3393, paras. 41-43

20. Given that the purpose of the CCAA is to facilitate compromises between companies and their creditors, it is necessary to determine the true claims of the creditors that might be compromised or arranged.

*Bul River Mineral Corporation (Re)*, 2014 BCSC 1732, para. 36

21. The claims process sought herein is standard for these types of proceedings. CCAA courts have recognized that claims processes created by claims process orders generally are "both flexible and expeditious".

*ScoZinc*, para. 23  
*1587930 Ontario Inc. Re*, 2006 CanLII 34422 (Ont. S.C.J.), para. 2

22. Accordingly, it is appropriate that the Walter Canada Group be permitted to carry out a claims process.

#### *Sealing Documents*

23. The following two-part test applies when determining whether public access to a court document may be restricted:

- (a) Is the order necessary to prevent a serious risk to an important interest, including a commercial interest, in the context of litigation because reasonably alternative measures will not prevent the risk?; and
- (b) Do the salutary effects of the sealing order, including the effects on the right of civil litigants to a fair trial, outweigh its deleterious effects, including the effects on the right to free expression, which in this context includes the public interest in open and accessible court proceedings?

*Sierra Club of Canada v. Canada (Minister of Finance)*, 2002 SCC 41  
*Sahlin v. Nature Trust of British Columbia, Inc.*, 2010 BCCA 516

24. An unredacted copy of the APA and the PJT report on the SISP and the Successful Bid that are attached to the Confidential Affidavit contain confidential business information. In addition, the Monitor's Confidential Report contains the Monitor's assessment of the SISP and information



related to the Liquidation Alternative. The Confidential SISP Materials contain more information about the other bids received in the SISP.

25. The Purchase Price and certain other terms of the APA are commercially sensitive and should not be disclosed at any point before the Transaction successfully closes. It is not necessary to disclose the exact price because other terms of the APA have been disclosed and the Purchase Price is the highest price possible out of all of the SISP participants.
26. Similarly, the terms of the remaining bids and of the bids received in respect of the Liquidation Alternative are commercially sensitive, and it is not necessary to disclose the details of those bids because the fact that the Purchase Price is the highest value potential bid received has been disclosed.
27. The sealing order requested is necessary to protect the integrity of the SISP, particularly if the Transaction does not close.
28. To preserve the integrity of the SISP as well as certain commercially sensitive information in the APA, it is proposed that the Confidential SISP Materials should be sealed and remain sealed until further order of this Court
29. The prejudice of disclosing the confidential terms of the APA and the PJT report outweighs the potential harm, if any, if the Fourth Affidavit were to be sealed.
30. Accordingly, it is appropriate that the Fourth Affidavit be sealed.
31. The Walter Canada Group specifically relies on:
  - (a) *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, and in particular sections 11, 11.02, 19 and 36 thereof;
  - (b) *Supreme Court Civil Rules*, B.C. Reg. 241/2010, as amended, including Rules 8-1 and 13-1 thereof;
  - (c) the inherent and equitable jurisdiction of this Honourable Court; and
  - (d) such further and other grounds as counsel may advise and this Honourable Court may deem just.

**Part 4: MATERIAL TO BE RELIED ON**

1. Affidavit #1 of William E. Aziz, made March 22, 2016;
2. Affidavit #2 of William E. Aziz made June 17, 2016;
3. Affidavit #3 of William E. Aziz, to be sworn;
4. Confidential Affidavit #4 of William E. Aziz, to be sworn;
5. Monitor's Fourth Report, to be filed;
6. Monitor's Confidential Report, to be filed;
7. pleadings and other materials filed herein; and
8. such further and other materials as counsel may advise and this Honourable Court may permit.

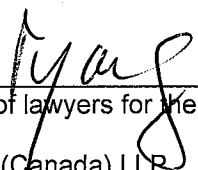
The applicants estimate that the application will take one day.

- This matter is within the jurisdiction of a master.
- This matter is not within the jurisdiction of a master. The Honourable Madam Justice Fitzpatrick is seized of these proceedings and the hearing of this application has been arranged with Trial Scheduling.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this notice of application, you must, within 5 business days after service of this notice of application or, if this application is brought under Rule 9-7, within 8 business days after service of this notice of application,

- (a) file an application response in Form 33;
- (b) file the original of every affidavit, and of every other document, that
  - (i) you intend to refer to at the hearing of this application, and
  - (ii) has not already been filed in the proceeding; and
- (c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:
  - (i) a copy of the filed application response;
  - (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
  - (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

August 9, 2016  
Dated

  
\_\_\_\_\_  
Signature of lawyers for the Petitioners  
DLA Piper (Canada) LLP  
(Mary I.A. Buttery and Tijana Gavric)

and

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

**To be completed by the court only:**

Order made

in the terms requested in paragraphs \_\_\_\_\_ of Part 1 of this notice of application

with the following variations and additional terms:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date: \_\_\_\_\_

Signature of  Judge  Master

**APPENDIX**

*The following information is provided for data collection purposes only and is of no legal effect.*

**THIS APPLICATION INVOLVES THE FOLLOWING:**

- discovery: comply with demand for documents
- discovery: production of additional documents
- oral matters concerning document discovery
- extend oral discovery
- other matter concerning oral discovery
- amend pleadings
- add/change parties
- summary judgment
- summary trial
- service
- mediation
- adjournments
- proceedings at trial
- case plan orders: amend
- case plan orders: other
- experts

## **SCHEDULE "A"**

### **Petitioners**

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

### **Partnerships**

1. Walter Canadian Coal Partnership
2. Wolverine Coal Partnership
3. Brule Coal Partnership
4. Willow Creek Coal Partnership

**SCHEDULE "B"**

**See Attached**

## SERVICE LIST

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<p><b>McMillan LLP</b> Royal Centre, 1055 West Georgia Street Suite 1500, PO Box 11117</p> <p>Wael Rostom Email: <a href="mailto:wael.rostom@mcmillan.ca">wael.rostom@mcmillan.ca</a></p> <p>Peter Reardon Email: <a href="mailto:peter.reardon@mcmillan.ca">peter.reardon@mcmillan.ca</a></p> <p>Caitlin Fell Email: <a href="mailto:caitlin.fell@mcmillan.ca">caitlin.fell@mcmillan.ca</a></p> <p>Copy to: Lori Viner Email: <a href="mailto:lori.viner@mcmillan.ca">lori.viner@mcmillan.ca</a></p>	<p>Counsel to KPMG Inc.</p>
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**SCHEDULE "C"**

**See Attached**

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED

AND

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

AND

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

PETITIONERS

**ORDER MADE AFTER APPLICATION**

BEFORE THE HONOURABLE )  
[MADAM JUSTICE FITZPATRICK] ) MONDAY, THE 15<sup>TH</sup> DAY OF  
AUGUST, 2016

THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia, on the 15<sup>th</sup> day of August, 2016; AND ON HEARING Mary I.A. Buttery, Tijana Gavric, Marc Wasserman and Patrick Riesterer, counsel for the Petitioners and the Partnerships listed on **Schedule "A"** hereto (collectively, the "**Walter Canada Group**"), Peter Reardon, counsel for KPMG Inc. and those other counsel listed on **Schedule "B"** hereto; AND UPON READING the material filed, including the Third Affidavit of William E. Aziz sworn ● \_\_\_\_, 2016 (the "**Affidavit**") and the Fourth Report of the Monitor dated ● \_\_\_\_, 2016;

THIS COURT ORDERS AND DECLARES THAT:

**DEFINITIONS**

1. Any capitalized term used and not defined herein shall have the meaning ascribed thereto in the Order of this Honourable Court granted on December 7, 2015 in these CCAA proceedings (the "**Initial Order**").

**STAY EXTENSION**

2. The Stay Period, as defined in paragraph 18 of the Initial Order, is hereby further extended up to and including January 17, 2017.

### AMENDMENT TO FINANCIAL ADVISOR ENGAGEMENT LETTER

3. The amendment to the FA Engagement Letter (as defined in the Order of this Honourable Court granted on January 5, 2016), and as contained in Exhibit "C" to the Affidavit, is hereby ratified and approved.

### ENHANCED MONITOR POWERS

4. The expansion of the Monitor's powers as set forth below is hereby authorized and approved on the terms and conditions set out herein. Nothing in this Order shall derogate from the powers and duties of the Monitor as provided for in the CCAA, the Initial Order or other Orders granted by this Court in these CCAA proceedings.
5. In addition to the Monitor's powers as contained in the Initial Order and any further Order of this Honourable Court, the Monitor is hereby authorized and empowered to:
  - (a) Receive, collect and take possession of all monies and accounts now owed or hereafter owing to any member of the Walter Canada Group, including without limitation refunds, management fees, dividends, distributions, rents, proceeds payable pursuant to a sale of any Property, and any other amounts payable to any member of the Walter Canada Group;
  - (b) Take control of any and all accounts of any member of the Walter Canada Group, including changing the signing authority on such accounts to such persons as the Monitor, in its sole discretion, deems appropriate, or, if deemed necessary by the Monitor, open one or more new accounts with any financial institution in the Monitor's own name (collectively, the "**Monitor's Accounts**") and receive third party funds into the Monitor's Accounts or transfer into the Monitor's Accounts such funds of the Walter Canada Group as the Monitor, in its sole discretion, deems necessary or appropriate to assist with the exercise of the Monitor's powers and duties as set out herein; and
  - (c) commence a claims process in accordance with terms of a Claims Process Order granted by this Honourable Court.

### GENERAL

6. Endorsement of this Order by counsel appearing, other than counsel for the Petitioners, is hereby dispensed with.

THIS COURT REQUESTS the aid and recognition of other Canadian and foreign Courts, tribunals, regulatory or administrative bodies, including any Court or administrative tribunal of any federal or State

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

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

---

Lawyers for the Petitioners

DLA Piper (Canada) LLP  
(Mary I.A. Buttery and Tijana Gavric)

and

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

BY THE COURT

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REGISTRAR

**SCHEDULE "A"**

Petitioners

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

Partnerships

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



NO. S-1510120  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**  
IN THE MATTER OF THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND

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

AND

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

PETITIONERS

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**ORDER MADE AFTER APPLICATION**

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**DLA PIPER (CANADA) LLP**

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Vancouver BC V6C 2Z7

Tel. No. 604.687.9444  
Fax No. 604.687.1612

Client Matter No. 15375-00001

TAG/mlf

**SCHEDULE "D"**

**See Attached**



**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED

AND

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

AND

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

PETITIONERS

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

BEFORE THE HONOURABLE )  
[MADAM JUSTICE FITZPATRICK] )  
MONDAY, THE 15<sup>TH</sup> DAY OF  
AUGUST, 2016

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

THIS COURT ORDERS AND DECLARES THAT:

**DEFINITIONS**

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

## APPROVAL OF THE SALE AGREEMENT

2. The sale transaction (the "**Transaction**") contemplated by the Asset Purchase Agreement dated August 8, 2016 (the "**Sale Agreement**") between Walter Energy Canada Holdings, Inc., and the other entities listed in Schedule A thereto (collectively, the "**Seller**"), Conuma Coal Resources Limited (the "**Purchaser**") and the Guarantors party thereto (collectively, the "**Parties**"), a copy of which is attached as Exhibit "A" to the Confidential Affidavit, is hereby approved, and the Sale Agreement is commercially reasonable. The execution of the Sale Agreement by the Seller is hereby authorized and approved, and the Seller is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the Assets described in the Sale Agreement (the "**Purchased Assets**"), including the execution of ancillary documents.
3. Upon delivery by the Monitor to the Purchaser of a certificate substantially in the form attached as **Schedule "C"** hereto (the "**Monitor's Certificate**"), all of the Seller's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, other than the Indemnification Security Interest Charge (as defined below) (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) the Administration Charge, the Directors' Charge, the KERP Charge, the Success Fee Charge, and the Intercompany Charge (each as defined in the Initial Order or the Order of this Court dated January 5, 2016, as applicable); (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system; and (iii) those Claims listed on **Schedule "D"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the Permitted Encumbrances (as defined in the Sale Agreement), the permitted encumbrances, easements and restrictive covenants listed on **Schedule "E"** hereto or the Indemnification Security Interest Charge as set out herein), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.
4. Upon the delivery of the Monitor's Certificate to the Purchaser, the Seller is hereby granted a charge on the Real Property Assets (including any coal leases) and the Mineral Tenures (including all accretions, substitutions, replacements, additions and accessions to any of them and all proceeds of any of the foregoing) (collectively the "**Indemnification Assets**") in the amount of \$100,000,000 to secure the Purchaser's indemnification obligations to the Seller under

the Sale Agreement and the Contract Mining Agreement (the "**Indemnification Security Interest Charge**"). The Indemnification Security Interest Charge shall constitute a mortgage, security interest, assignment by way of security and charge on the Indemnification Assets and shall rank in priority to all other security interests, trusts, liens, mortgages, charges, and encumbrances. Any security documentation evidencing, or the filing, registration or perfection of, the Indemnification Security Interest Charge shall not be required, and the Indemnification Security Interest Charge shall be effective as against the Indemnification Assets and shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered or perfected subsequent to the Indemnification Security Interest Charge coming into existence, notwithstanding any failure to file, register or perfect the Indemnification Security Interest Charge.

5. Upon the Seller's and the Monitor's receipt from the Purchaser of a certificate certifying that (i) all Transfer Approvals and Permits contemplated under the Sale Agreement and any Ancillary Agreements have been transferred or issued, as applicable, to the Purchaser, and (ii) there have been no incidents, violations or occurrences during the term of the Contract Mining Agreement that may give rise to a claim by the Purchaser against the Seller (the "**Purchaser's Certificate**"), the Monitor shall thereafter, and following satisfaction by the Monitor that there have been no incidents, violations or occurrences during the term of the Contract Mining Agreement that may give rise to a claim by the Seller against the Purchaser, deliver a second Monitor's certificate to the Purchaser substantially in the form attached as **Schedule "F"** hereto (the "**Second Monitor's Certificate**") certifying that it has received the Purchaser's Certificate. Upon the delivery of the Second Monitor's Certificate, the Indemnification Security Interest Charge shall be extinguished.
6. Upon presentation for registration in the Land Title Office for the Land Title District of [REDACTED] and Land Title Office for the Land Title District of [REDACTED] **[NTD: To be completed]** of a certified copy of this Order and the Monitor's Certificate, the British Columbia Registrar of Land Titles (the "**BC Registrar**") is hereby directed to:
  - (a) enter the Purchaser as the owner of the Owned Real Property, as identified in **Schedule "G"** hereto, together with all buildings and other structures, facilities and improvements located thereon and fixtures, systems, interests, licenses, rights, covenants, restrictive covenants, commons, ways, profits, privileges, rights, easements and appurtenances to the said hereditaments belonging, or with the same or any part thereof, held or enjoyed or appurtenant thereto, in fee simple in respect of the Owned Real Property, and this Court declares that it has been proved to the satisfaction of the Court on investigation that the title of the Purchaser in and to the Owned Real Property is a good, safe holding and marketable title and directs the BC Registrar to register indefeasible title in favour of the Purchaser as aforesaid; and

- (b) having considered the interest of third parties, to discharge, release, delete and expunge from title to the Owned Real Property all of the registered Encumbrances except for those listed in **Schedule "E"**.
7. Upon presentation of a certified copy of this Order and the Monitor's Certificate, the relevant mining recorders of British Columbia are directed to enter the Purchaser as the owner of the relevant Purchased Assets and enter a notation that all Encumbrances (excluding for greater certainty the Permitted Encumbrances and the Indemnification Security Interest Charge) are expunged and discharged from the Purchased Assets as at the date of the Monitor's Certificate.
  8. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Monitor's Certificate, all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.
  9. The Monitor is to file with the Court a copy of the Monitor's Certificate and the Monitor's Second Certificate forthwith after the respective delivery thereof.
  10. Pursuant to Section 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act* or Section 18(10)(o) of the *Personal Information Protection Act* of British Columbia, the Seller and the Monitor are hereby authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Seller's records pertaining to the Seller's past and current employees, including personal information of those employees listed in Schedule 5.9.1 to the Sale Agreement, and all previous such disclosure is hereby ratified and approved. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Seller.
  11. Subject to the terms of the Sale Agreement, vacant possession of the Purchased Assets, including any Real Property, shall be delivered by the Seller to the Purchaser at 12:00 noon on the Closing Date (as defined in the Sale Agreement), subject to the Permitted Encumbrances as set out in the Sale Agreement and listed on **Schedule "E"**.
  12. The Seller, with the consent of the Purchaser, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court.
  13. Notwithstanding:

- (a) these proceedings;
- (b) any applications for a bankruptcy order in respect of any member of the Walter Canada Group now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made by or in respect of any member of the Walter Canada Group,

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

#### GENERAL

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

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

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Lawyers for the Petitioners

DLA Piper (Canada) LLP  
(Mary I.A. Buttery and Tijana Gavric)

and

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

BY THE COURT

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REGISTRAR

## SCHEDULE "A"

### Petitioners

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

### Partnerships

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

**SCHEDULE "B"**

<b>COUNSEL LIST</b>	
<b>NAME</b>	<b>PARTY REPRESENTED</b>



SCHEDULE "C"

NO. S-1510120  
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED

AND

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

AND

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

PETITIONERS

**MONITOR'S CERTIFICATE**

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

**THE MONITOR HEREBY CERTIFIES as follows:**

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

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

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

By:

---

Name:  
Title:

**SCHEDULE "D"**

**ENCUMBRANCES**

**[TO BE COMPLETED]**

**SCHEDULE "E"**

**PERMITTED ENCUMBRANCES**

**[None]**

**SCHEDULE "F"**

NO. S-1510120  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED

AND

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

AND

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

PETITIONERS

**SECOND MONITOR'S CERTIFICATE**

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

**THE MONITOR HEREBY CERTIFIES as follows:**

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

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

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

By: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE "G"**

**OWNED REAL PROPERTY**

**[TO BE COMPLETED]**

NO. S-1510120  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND

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

AND

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

PETITIONERS

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**ORDER MADE AFTER APPLICATION**

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**DLA PIPER (CANADA) LLP**

Barristers & Solicitors  
2800 Park Place  
666 Burrard Street  
Vancouver BC V6C 2Z7

Tel. No. 604.687.9444  
Fax No. 604.687.1612

Client Matter No. 15375-00001

TAG/mif



**SCHEDULE "E"**

**See Attached**

**IN THE SUPREME COURT OF BRITISH COLUMBIA**  
IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED

AND

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

AND

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

PETITIONERS

**ORDER MADE AFTER APPLICATION  
(CLAIMS PROCESS ORDER)**

BEFORE THE HONOURABLE )  
MADAM JUSTICE FITZPATRICK ) MONDAY, THE 15<sup>TH</sup> DAY OF  
AUGUST, 2016 )

THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia, on ●, 2016;  
AND ON HEARING Mary I.A. Buttery, Marc S. Wasserman and Patrick Riesterer, counsel for the  
Petitioners and the Partnerships listed on Schedule "A" and Schedule "C" of the Initial Order (collectively,  
the "**Walter Canada Group**"), Peter Reardon, counsel for KPMG Inc. and those other counsel listed on  
Schedule "A" hereto; AND UPON READING the material filed, including the Third Affidavit of William E.  
Aziz sworn ●, 2016 and the Fourth Report of the Monitor dated ●, 2016;

THIS COURT ORDERS AND DECLARES THAT:

**DEFINITIONS AND INTERPRETATION**

1. All capitalised terms not otherwise defined in this Claims Process Order shall have the definitions set out in Schedule "B" hereto.
2. All references herein to time 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. on such Business Day unless otherwise indicated herein and any event that occurs on a day that is not a Business Day shall be deemed to occur on the next Business Day.
3. All references to the word "including" shall mean "including, without limitation."

4. All references to the singular herein include the plural, the plural include the singular and any gender includes all genders.

#### **GENERAL PROVISIONS**

5. The Claims Process, including the Claims Bar Date and the Restructuring Claims Bar Date is hereby approved.

6. The Monitor, in consultation with the Walter Canada Group, is hereby authorised to use reasonable discretion as to the adequacy of compliance with respect to the manner in which forms delivered hereunder are completed and executed and the time in which they are submitted and may, where it is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Claims Process Order, including in respect of the completion, execution and time of delivery of such forms, and may request any further documentation from a Claimant that the Monitor, in consultation with the Walter Canada Group, may determine is necessary or desirable in order to enable it to determine the validity of a Claim.

7. If any Claim arose in a currency other than Canadian dollars, then the Person making the Claim shall complete its Proof of Claim, indicating the amount of the Claim in such currency, rather than in Canadian dollars or any other currency. Where no currency is indicated, the Claim shall be presumed to be in Canadian dollars. The Monitor shall subsequently calculate the amount of such Claim in Canadian Dollars, using the Reuters closing rate on the Commencement Date (as found at <http://www.reuters.com/finance/currencies>).

8. Copies of all forms delivered by or to a Claimant hereunder, as applicable, and determinations of Claims by the Monitor or the Court, as the case may be, shall be maintained by the Monitor and, subject to further order of the Court, such Claimant will be entitled to have access in relation to their respective Claim by appointment during normal business hours on written request to the Monitor.

#### **MONITOR'S ROLE**

9. The Monitor, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA, the Initial Order and any other Orders of the Court in the CCAA Proceeding, is hereby directed and empowered to implement the Claims Process set out herein, including the determination of Claims of Claimants and the referral of any Claim to the Court and to take such other actions and fulfill such other roles as are authorized by this Claims Process Order or incidental thereto.

10. The Monitor shall: (i) have all of the protections given to it by the CCAA, the Initial Order, any other Orders of the Court in the CCAA Proceeding, and this Claims Process Order, and as an officer of the Court, including the stay of proceedings in its favour; (ii) incur no liability or obligation as a result of the carrying out of the provisions of this Claims Process Order; (iii) be entitled to rely on the books and records of the Walter Canada Group and any information provided by the Walter Canada Group and the

CRO (as defined herein), all without independent investigation; and (iv) not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

11. Consultation with the Court-appointed Chief Restructuring Officer of the Walter Canada Group, William E. Aziz of BlueTree Advisors Inc. (the "CRO"), shall satisfy any obligation of the Monitor in this Claims Process Order to consult with the Walter Canada Group.

12. The Monitor shall file a report with the Court on or before the Claims Bar Date (and serve such report on the Service List) detailing the nature and quantum of any Intercompany Claims based on the books and records of the Walter Canada Group.

13. The Monitor, exercising its reasonable judgement may schedule a motion with the Court to seek approval of a process for the resolution of any dispute in connection with the Intercompany Claims and any other disputes of Claimants and related motions, including a process regarding requests for the production of documents or any oral examinations.

#### **NOTICE OF CLAIMS**

14. Forthwith after this Claims Process Order, and in any event within seven (7) Business Days following the date of this Claims Process Order, the Monitor shall cause a Claims Package to be sent to:

- (a) Each known Claimant with a Claim as evidenced in the books and records of the Walter Canada Group as of the Commencement Date in accordance with paragraph 39 of this Claims Process Order; and
- (b) Each party having provided contact information to the Service List.

15. The Claims Package sent by the Monitor to each Employee Claimant shall include (i) a Notice of Employee Claim that sets out the amount of such Employee Claimant's Employee Claim as determined by the Monitor (in consultation with the Walter Canada Group) and as evidenced by the books and records of the Walter Canada Group and the identity of the Walter Canada Group entity liable for such Employee Claim and (ii) a blank Notice of Dispute of Employee Claim. Where an Employee Claimant is represented by the United Steelworkers, a copy of the Notice of Employee Claim will be provided to the United Steelworkers.

16. Forthwith after this Claims Process Order, and in any event within ten (10) Business Days following the date of this Claims Process Order, the Monitor shall cause the Newspaper Notice to be published for one (1) Business Day in the Globe and Mail (National Edition), the Vancouver Sun, the Chetwynd Echo and the Tumbler Ridge News.

17. Forthwith after the date of this Claims Process Order and in any event within five (5) Business Days following the date of this Claims Process Order, the Monitor shall post on the Monitor's Website a

copy of this Claims Process Order, a blank Proof of Claim form, the Instruction Letter and a blank Notice of Dispute form.

18. To the extent that any Claimant requests documents relating to the Claims Process prior to the Claims Bar Date or the Restructuring Claims Bar Date, as applicable, or the Monitor becomes aware of any further Claimants, the Monitor shall forthwith cause a Claims Package to be sent to the Claimant, direct the Claimant to the documents posted on the Monitor's Website, and otherwise respond to the request relating to the Claims Process as may be appropriate in the circumstances.

19. Subject to further order of the Court, any Notice of Disclaimer or Resiliation issued by a member of the Walter Canada Group must be issued by such Walter Canada Group entity at least fifteen (15) days prior to a scheduled Meeting Date, if any, or any adjournment thereof. Any Notice of Disclaimer or Resiliation delivered to a Person after the date of this Claims Process Order shall be accompanied by a Claims Package.

#### **NOTICE SUFFICIENT**

20. The forms of Instruction Letter, Employee Claim Amount Notice, Proof of Claim, Notice of Dispute of Employee Claim, Notice of Revision or Disallowance, Notice of Dispute and Newspaper Notice substantially in the forms attached to this Claims Process Order as Schedules "C", "D", "E", "F", "G", "H" and "I", respectively, are hereby approved. Schedule "J", Walter Canada Claims Process Key Dates, is also approved. Despite the forgoing, the Monitor, in consultation with the Walter Canada Group, may, from time to time, make minor changes to such forms as the Monitor, in consultation with the Walter Canada Group, may consider necessary or desirable and may make such changes to the key dates as are permitted pursuant to the terms hereof.

21. Publication of the Newspaper Notice, the mailing to the known Claimants of a Claims Package in accordance with this Claims Process Order, the mailing to Employee Claimants of the Employee Claim Amount Notices and completion of the other requirements of this Claims Process Order shall constitute good and sufficient service and delivery of notice of this Claims Process Order, the Claims Bar Date and the Restructuring Claims Bar Date on all Persons who may be entitled to receive notice and who may wish to assert a Claim, and no other notice or service need be given or made and no other document or material need be sent to or served upon any Person in respect of this Claims Process Order.

#### **FILING PROOFS OF CLAIM FOR CLAIMS OTHER THAN RESTRUCTURING CLAIMS**

22. Subject to paragraphs 24 and 27 hereof, any Claimant who wishes to assert a Claim (other than a Restructuring Claim) against any of the members of the Walter Canada Group and/or any Director and/or Officer shall file a Proof of Claim with the Monitor in the manner set out in paragraph 40 hereof so that the Proof of Claim is received by the Monitor by no later than the Claims Bar Date.

23. Subject to paragraphs **24** and **27** hereof, any Person who does not file a Proof of Claim as provided for in paragraph **22** hereof so that such Proof of Claim is received by the Monitor on or before the Claims Bar Date, or such later date as the Monitor, in consultation with the Walter Canada Group, may agree in writing or the Court may otherwise direct, shall:

- (a) be and is hereby forever barred, estopped and enjoined from asserting or enforcing any Claim against any of the Walter Canada Group entities and/or any of the Directors and/or Officers and all such Claims shall forever be extinguished;
- (b) not be permitted to vote on any Plan on account of such Claim;
- (c) not be permitted to participate in any distribution under the Plan, from the proceeds of any sale of the Walter Canada Group's assets or otherwise on account of such Claim(s);  
and
- (d) not be entitled to receive further notice in respect of the Claims Process, these CCAA Proceedings or the Meeting Dates.

24. Notwithstanding paragraphs **22** and **23** hereof, any Employee Claimant who receives an Employee Claim Amount Notice and who does not dispute the Employee Claim as set forth in the Employee Claim Amount Notice is not required to file a Proof of Claim by the Claims Bar Date. If an Employee Claimant who receives an Employee Claim Amount Notice does not file a Notice of Dispute of Employee Claim by the Claims Bar Date, then the Employee Claim as set out in such Employee Claimant's Employee Claim Amount Notice shall be such Employee's Allowed Claim for voting and distribution purposes. For the purposes of their Employee Claim, if the Monitor determines, in its discretion, that the Claims Process would be furthered thereby, all unionized Employees who have not yet been terminated as of the date of this Order shall be deemed to have been terminated as of the date of this Order solely for the purpose of calculating the value of their Employee Claim; provided, however, that nothing in this Order affects the rights of those unionized employees under their collective agreement or the operation of s. 35 of the *Labour Relations Code*.

25. Any Employee Claimant who receives an Employee Claim Amount Notice and wishes to dispute the amount set out therein shall file a Notice of Dispute of Employee Claim with the Monitor in the manner set out in paragraph **40** hereof so that the Notice of Dispute of Employee Claim is received by the Monitor by no later than the Claims Bar Date.

26. Notwithstanding anything contained in this Claims Process Order, Unaffected Claims shall not be extinguished or affected by this Claims Process Order and, for greater certainty, paragraph **23** shall not apply to the Unaffected Claims.

## **FILING PROOFS OF CLAIM FOR RESTRUCTURING CLAIMS**

27. Notwithstanding paragraphs 22 and 23 hereof, any Claimant who wishes to assert a Restructuring Claim against any member of the Walter Canada Group and/or any Director and/or Officer shall file a Proof of Claim with the Monitor in the manner set out in paragraph 40 hereof so that the Proof of Claim is received by the Monitor no later than the Restructuring Claims Bar Date. All other dates contained herein (other than the Claims Bar Date), shall apply equally to any Restructuring Claims.

28. Any Person that does not file a Proof of Claim in respect of a Restructuring Claim as provided for in paragraph 27 hereof, so that the Proof of Claim is received by the Monitor on or before the Restructuring Claims Bar Date, or such later date as the Monitor, in consultation with the Walter Canada Group, may agree in writing or the Court may otherwise direct, shall:

- (a) be and is hereby forever barred, estopped and enjoined from asserting or enforcing any Restructuring Claim against any of the Walter Canada Group entities and/or any of the Directors and/or Officers and all such Restructuring Claims shall be forever extinguished;
- (b) not be permitted to vote on the Plan on account of such Restructuring Claim(s);
- (c) not be permitted to participate in any distribution under any Plan, from the proceeds of any sale of the Walter Canada Group's assets or otherwise on account of such Restructuring Claim(s); and,
- (d) not be entitled to receive further notice in respect of the Claims Process, these CCAA Proceedings or the Meeting Dates (unless such Person is also a Claimant with a Claim other than such Restructuring Claim entitling such Person to further notice in these proceedings).

## **UMWA 1974 PENSION PLAN CLAIMS**

29. Notwithstanding anything to the contrary in this Claims Process Order, with respect to UMWA 1974 Pension Plan Claims: (i) the UMWA 1974 Pension Plan is authorized, but not directed, to serve, on or before the Claims Bar Date, materials seeking to prove that its Claim is enforceable by service on the Walter Canada Group, the Monitor and the Service List in these proceedings; (ii) following any such service and following the Claims Bar Date: (A) the Monitor shall seek a scheduling appointment before the Court, on notice to the Service List, to seek a schedule for the delivery of materials and the hearing of a motion to determine the validity and quantum, if any, of such UMWA 1974 Pension Plan Claims as set out in such materials; or (B) the Monitor, the Walter Canada Group and the UMWA 1974 Pension Plan shall collectively agree on a schedule for the delivery of materials and the hearing of a motion to determine the validity and quantum, if any, of such UMWA 1974 Pension Plan Claims as set out in such materials; and (iii) the UMWA 1974 Pension Plan Claim shall not be accepted or determined as Allowed Claims pursuant to this Claims Process without approval of this Court.

30. If the UMWA 1974 Pension Plan does not serve materials seeking to prove that its Claim is enforceable on or before the Claims Bar Date, paragraph 23 hereof shall apply and the UMWA 1974 Pension Plan Claim shall be forever barred.

#### **ADJUDICATION OF CLAIMS**

31. The Monitor shall provide the Walter Canada Group's counsel with copies of all Proofs of Claim, Employee Claim Amount Notices, Notices of Dispute of Employee Claims, Notices of Dispute and any other materials delivered by or filed with the Monitor pursuant to the Claims Process. The Monitor shall grant the Walter Canada Group and its legal counsel access to a database to be created by the Monitor, which includes, among other things:

- (a) a regularly updated claims register;
- (b) electronic copies of all Proofs of Claim filed with the Monitor;
- (c) electronic copies of all Employee Claim Amount Notices delivered by the Monitor;
- (d) electronic copies of all Notices of Dispute of Employee Claims filed with the Monitor;
- (e) electronic copies of all Notices of Revision or Disallowance issued by the Monitor; and,
- (f) electronic copies of all Notices of Dispute filed with the Monitor.

32. The Monitor, in consultation with the Walter Canada Group, shall review all Proofs of Claim, Notices of Dispute of Employee Claim and other Claims Process materials received on or before the Claims Bar Date or the Restructuring Claims Bar Date, as applicable, and shall accept, revise or disallow each Pre-Commencement Claim, Restructuring Claim or Employee Claim, as applicable, as set out therein. If the Monitor, in consultation with the Walter Canada Group, wishes to revise or disallow a Pre-Commencement Claim, a Restructuring Claim or an Employee Claim, the Monitor shall, by no later than November 7, 2016 or thirty (30) Business Days after the Restructuring Claims Bar Date, as applicable, send such Claimant a Notice of Revision or Disallowance advising that the Claimant's Claim as set out in its Proof of Claim has been revised or disallowed and the reasons therefore. Where an Employee Claimant is represented by the United Steelworkers, a copy of the Notice of Revision or Disallowance will be provided to the United Steelworkers. If the Monitor does not send a Notice of Revision or Disallowance to a Claimant by such date or such other date as may be determined by the Monitor, in consultation with the Walter Canada Group, and on notice to the Claimant, the Claim set out in the applicable Proof of Claim shall be an Allowed Claim for voting and/or distribution purposes. Unless otherwise agreed to by the Monitor, in consultation with the Walter Canada Group, or ordered by the Court, all Claims set out in Proofs of Claim that are filed after the Claims Bar Date or the Restructuring Claims Bar Date, as applicable, are deemed to be disallowed and the Monitor need not deliver a Notice of Revision or Disallowance in respect of such Claim.



33. Any Claimant who is sent a Notice of Revision or Disallowance pursuant to paragraph 32 hereof and wishes to dispute such Notice of Revision or Disallowance shall deliver a completed Notice of Dispute to the Monitor by no later than 5:00 p.m. on the later of December 6, 2016 or the day which is twenty (20) Business Days after the date of the applicable Notice of Revision or Disallowance or such other date as may be agreed to by the Monitor. If a Claimant fails to deliver a Notice of Dispute by such date, the Claim set out in the applicable Notice of Revision or Disallowance, if any, shall be deemed to be an Allowed Claim for voting and/or distribution purposes. Where an Employee Claimant is represented by the United Steelworkers, a Notice of Dispute may be filed by the United Steelworkers and may represent the employee in the resolution of the disputed Claim.

34. Upon receipt of a Notice of Dispute, the Monitor, in consultation with the Walter Canada Group, may attempt to consensually resolve the disputed Claim.

35. If the Monitor, in consultation with the Walter Canada Group, and the Claimant consensually resolve the disputed Claim, such Claim (as resolved) shall be an Allowed Claim.

36. If the disputed Claim cannot be consensually resolved the disputing party may bring a motion on a de novo basis before the Court in these proceedings to resolve the disputed Claim by the later of January 9, 2016 and the day that is twenty (20) Business Days after the date of delivery of a Notice of Dispute, or such time as may be extended by agreement between the Claimant and the Monitor.

37. Notwithstanding any other provision of this Order, the Monitor may refer any Claim to the Court for adjudication by sending written notice to the Claimant at any time, including, for greater certainty, in lieu of sending a Notice of Revision or Disallowance to any Claimant.

#### **NOTICE OF TRANSFEREES**

38. Subject to the terms of the order fixing a Meetings Date and the Plan if, after the Commencement Date, the holder of a Claim transfers or assigns the whole of such Claim to another Person, neither the Monitor nor the Walter Canada Group shall be obligated to give notice or otherwise deal with the transferee or assignee of such Claim in respect thereof unless and until actual written notice of such transfer or assignment, together with satisfactory evidence of such transfer or assignment shall have been received and acknowledged by the relevant member of the Walter Canada Group and the Monitor in writing and the Monitor has acknowledged such transfer through written notice to the transferor and thereafter such transferee or assignee shall for the purposes hereof constitute the "Claimant" in respect of such Claim. Any such transferee or assignee of a Claim shall be bound by any notices given or steps taken in respect of such Claim in accordance with the Claims Process prior to the receipt and acknowledgement by the relevant member of the Walter Canada Group and the Monitor of the delivery of satisfactory evidence of such transfer or assignment. A transferee or assignee of a Claim takes the Claim subject to any rights of set-off to which a member of the Walter Canada Group may be entitled with respect to such Claim. For greater certainty, a transferee or assignee of a Claim is not entitled to set-off,

apply, merge, consolidate or combine any Claims assigned or transferred to it against or on account or in reduction of any amounts owing by such Person to any of the Walter Canada Group entities. Reference to a transfer in this Claims Process Order includes a transfer or assignment whether absolute or intended as security.

## SERVICES AND NOTICES

39. The Monitor may, unless otherwise specified by this Claims Process Order, serve and deliver the Claims Package, any Notices of Revision or Disallowance, any letters, notices or other documents to a Claimant or any other interested Person by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, or electronic transmission to such Persons at their respective addresses or contact information as last shown on the records of the Walter Canada Group entities or set out in such Claimant's Proof of Claim. Any such service and delivery shall be deemed to have been received:

- (a) If sent by ordinary mail, on the third Business Day after mailing within British Columbia, the fifth Business Day after mailing within Canada (other than British Columbia) and the seventh Business Day after mailing outside of Canada;
- (b) If sent by courier or personal delivery, on the next Business Day following dispatch;
- (c) If delivered by electronic transmission, by 5:00 p.m. on a Business Day on such Business Day and if delivered after 5:00 p.m. or other than a Business Day, on the following Business Day.

40. Any Proofs of Claim, Notice of Dispute of Employee Claim, Notice of Dispute or other notice or communication to be provided or delivered by a Claimant to the Monitor under this Claims Process Order, shall be in writing in substantially the form, if any, provided for in this Claims Process Order and will be sufficiently given only if delivered by prepaid registered mail, courier, personal delivery, or email addressed to:

KPMG Inc.  
Court-appointed Monitor of Walter Energy Canada Holdings, Inc., *et al*  
777 Dunsmuir St  
Vancouver, BC V7Y 1K3

Attention: Mark Kemp-Gee/Mike Clark  
Email: mkempgee@kpmg.ca, maclark@kpmg.ca  
Phone: 604-691-3397; 604-691-3468

Any such notice or communication delivered by a Claimant shall be deemed to be received upon actual receipt thereof by the Monitor before 5:00 p.m. (Vancouver Time) on a Business Day or, if delivered after 5:00 p.m. (Vancouver Time), on the next Business Day.

41. If during any period which notice or other communications are being given pursuant to this Claims Process Order, a postal strike or postage work stoppage of general application should occur, such notice

or other communications sent by ordinary mail and then not received shall not, absent further Order of this Court, be effective, and notices and other communications given hereunder during the course of any such postage strike or work stoppage of general application shall only be effective if given by courier, personal delivery, email or posting on the Monitor's Website.

42. In the event this Claims Process Order is later amended by further Order of the Court, the Monitor may post such further Order on the Monitor's Website and serve such further Order on the Service List, and such posting and service shall constitute adequate notice to Claimants of such amended claims procedure.

#### **MISCELLANEOUS**

43. Notwithstanding any other provisions of this Claims Process Order, the solicitation by the Monitor of Proofs of Claim, and the filing by any Claimant of any Proof of Claim shall not, for that reason only, grant any Person standing in these CCAA Proceedings or rights under any proposed Plan.

44. Nothing in this Claims Process Order shall constitute or be deemed to constitute an allocation or assignment of Claims or Unaffected Claims by the Walter Canada Group into particular affected or unaffected classes for the purpose of a Plan.

45. Nothing in this Order shall prejudice the rights and remedies of any Directors, Officers, the Chief Restructuring Officer or other Persons under the Directors' Charge, any other Charge or any applicable insurance policy or prevent or bar any Person from seeking recourse against or payment from the Walter Canada Group's insurance and any Director's or Officer's liability insurance policy or policies that exist to protect or indemnify the Directors, Officers, or other Persons, whether such recourse or payment is sought directly by the Person asserting a Claim or a Directors/Officers Claim from the insurer or derivatively through the Director, Officer or any other Person, including any member of the Walter Canada Group; provided, however, that nothing in this Order shall create any rights in favour of such Person under any policies of insurance nor shall anything in this Order limit, remove, modify or alter any defence to such claim available to the insurer pursuant to the provisions of any insurance policy or at law; and further provided that any Claim or Directors/Officers Claim or portion thereof for which the Person receives payment directly from, or confirmation that she is covered by, the Walter Canada Group's insurance or any Director's or Officer's liability insurance or other liability insurance policy or policies that exist to protect or indemnify the Directors, Officers or other Persons shall not be recoverable as against the Walter Canada Group or a Director, Officer, or other Person, as applicable.

46. The Claims Bar Date and the Restructuring Claims Bar Date, and the amount and status of every Allowed Claim, as determined under the Claims Process, including any determination as to the nature, amount, value, priority or validity of any Claim, including any secured claim, shall continue in full force and effect and be final for all purposes (except as expressly stated in any Notice of Disallowance or Revision or settlement or order of the Court), including in respect of any Plan and voting thereon (unless provided

for otherwise in any Order of Court), and, including for any distribution made to Claimants of any of the Walter Canada Group entities, whether in these CCAA Proceedings or in any of the proceedings authorised by this Court or permitted by statute, including a receivership proceeding or bankruptcy affecting any member of the Walter Canada Group.

47. In carrying out the terms of this Claims Process Order and aiding the Monitor in accordance with the terms of this Claims Process Order, the CRO shall:

- (a) be entitled to rely on all of the protections granted to it in the SISP Order;
- (b) be entitled to rely on the books and records of the Walter Canada Group entities and any information provided by the Walter Canada Group entities, all without independent investigations; and
- (c) shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

48. Notwithstanding the terms of this Claims Process Order, the Walter Canada Group and the Monitor may apply to this Court from time to time for advice and directions from this Court with respect to this Claims Process Order, including the Claims Process and the schedules to this Claims Process Order, or for such further Order or Orders as either of them may consider necessary or desirable to amend, supplement or replace this Order, including any schedule to this Order.

#### **APPROVAL**

49. Endorsement of this Order by counsel appearing on this application is hereby dispensed with.

THIS COURT REQUESTS the aid, recognition and assistance of other Canadian and foreign Courts, tribunal, regulatory or administrative bodies, including any Court or administrative tribunal of any Federal or State Court or administrative body in the United States of America, to act in aid of and be complementary to this Court in carrying out the terms of this Claims Process Order where required. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to:

- (a) make such orders and to provide such assistance to the Walter Canada Group and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Claims Process Order;
- (b) grant representative status to any of the Walter Canada Group entities and the Monitor to act on behalf of any or all of the Walter Canada Group entities in any foreign proceeding; and,

- (c) assist the Walter Canada Group, the Monitor and the respective agents of each of the forgoing in carrying out the terms of this Claims Process Order.

In addition, each of the Walter Canada Group entities and the Monitor shall be at liberty, and is hereby authorized and empowered, to make such further applications, motions or proceedings to or before such other courts and judicial regulatory and administrative bodies, and take such other steps, in Canada, the United States of America or elsewhere, as may be necessary or advisable to give effect to this Claims Process Order and any other Order granted by this Court.

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

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Lawyers for the Petitioners

DLA Piper (Canada) LLP  
(Mary I.A. Buttery and Tijana Gavric)

and

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

BY THE COURT

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REGISTRAR

**Schedule "A"**

<b>Counsel Name</b>	<b>Party Represented</b>
Mary I.A. Buttery Marc Wasserman Patrick Riesterer	The Petitioners
Peter Reardon Wael Rostom (by phone)	The Monitor, KPMG Inc.

**Schedule "B"**  
**Definitions**

**"Allowed Claim"** means the amount, status and/or validity of the Claim of a Claimant finally determined in accordance with the Claims Process, which shall be final and binding for voting and/or distribution purposes under the Plan or otherwise. A Claim will be "finally determined" and become an Allowed Claim in accordance with the Claims Process if:

- i. An Employee Claimant was sent an Employee Claim Amount Notice by the Monitor and the Employee Claimant does not file a Notice of Dispute of Employee Claim by the Claims Bar Date;
- ii. A Claimant filed a Proof of Claim by the Claims Bar Date or the Restructuring Claims Bar Date, as applicable, and the Monitor has not sent a Notice of Revision or Disallowance by the deadline set out in paragraph **32** of the Claims Process Order;
- iii. The Monitor has sent the Claimant a Notice of Revision or Disallowance in accordance with the Claims Process and the Claimant has not sent a Notice of Dispute in response by the deadline set out in paragraph **33** of the Claims Process Order;
- iv. The Claimant sent a Notice of Dispute by the deadline set out in paragraph **33** and the Monitor and the Claimant have consensually resolved the disputed Claim; or
- v. The Court has made a determination with respect to the Claim and no appeal or application for appeal therefrom has been taken or served on either party, or if any appeal(s) or applications for leave to appeal or further appeal have been taken therefrom or served on either party, any (and all) such appeal(s) or application(s) have been dismissed, determined or withdrawn;

**"Business Day"** means any day, other than a Saturday, Sunday or holiday, on which banks in Vancouver, British Columbia are generally open for business;

**"CCAA"** means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;

**"CCAA Charge"** means any of the charges granted by the Court in the CCAA Proceedings pursuant to the Initial Order, the SISF Order and any further Orders of the Court;

**"CCAA Proceedings"** means the CCAA proceedings commenced by the Walter Canada Group, being Supreme Court of British Columbia Action No. S-1510120, on the Commencement Date pursuant to the Initial Order;

**"Claim"** means (i) any Pre-Commencement Claim, (ii) any Restructuring Claim; (iii) any Employee Claim (iv) any Intercompany Claim or (v) any Directors/Officers Claim;

**"Claims Bar Date"** means October 5, 2016 at 5:00 p.m. (Vancouver Time) or such other date as may be ordered by the Court;

**"Claims Package"** means the document package which includes a copy of (i) this Claims Process Order; (ii) the Instruction Letter, (iii) a blank Proof of Claim, and (v) such other materials as the Monitor, in consultation with the Walter Canada Group, considers necessary or appropriate;

“**Claims Process**” means the call for claims to be administered by the Monitor, in consultation with the Walter Canada Group, pursuant to the terms of this Claims Process Order;

“**Claims Process Order**” means this Order establishing a claims process;

“**Commencement Date**” means December 7, 2015;

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

“**Claimant**” means any Person asserting a Claim, whether such Person is located in Canada, the United States or elsewhere, and includes, without limitation, the transferee or assignee of a transferred Claim that is recognised in accordance with paragraph **38** hereof, or a trustee, liquidator, receiver, manager or other Person acting on behalf of such Person;

“**CRO**” has the meaning attributed to it in paragraph **11** of the Claims Process Order;

“**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 of any one or more members of the Walter Canada Group;

“**Directors/Officers Claim**” means any right or claim of any Person against one or more of the Directors and/or Officers that relates to a Pre-Commencement Claim or a Restructuring Claim, however arising, for which the Directors and/or Officers are by statute or otherwise by law liable to pay in their capacity as Directors and/or Officers;

“**Dispute Package**” means, with respect to any Claim, a copy of the related Proof of Claim, Notice of Revision or Disallowance and Notice of Dispute;

“**Employees**” means all employees of the Walter Canada Group as at the Commencement Date (including inactive employee of a Walter Canada Group entity as of the Commencement Date and including any employees of the Wolverine mine who were terminated after the Commencement Date due to the expiration of any recall or other rights under the applicable collective bargaining agreement), and “**Employee**” means any one of them. For the avoidance of doubt, Employee does not include individuals whose employment was terminated for any reason, without regard to any period of notice, prior to the Commencement Date;

“**Employee Claim**” means a Claim held by an Employee against a Walter Canada Group entity in respect of Wages and Benefits and, for greater certainty, does not include any other Claim of an Employee;

“**Employee Claimant**” means an Employee with an Employee Claim;

“**Employee Claim Amount Notice**” means a form of notice in which the Monitor may include in an Employee’s Claims Package setting out the Monitor’s determination of such Claimant Employee’s Claim, which shall be in substantially the form set out in **Schedule “D”**;

“**Financial Advisor**” means PJT Partners LP as financial advisor to the Walter Canada Group;

“**Initial Order**” means the Order of this Honourable Court granted on December 7, 2015 in these CCAA Proceedings, as amended;

“**Instruction Letter**” means the letter regarding completion of a Proof of Claim, which letter shall be substantially in the form attached hereto as **Schedule “C”**;



**"Intercompany Claim"** means: (i) any Claim of a member of the Walter Canada Group against another member of the Walter Canada Group or of any wholly owned, direct or indirect non-Walter Canada Group subsidiary of a member of the Walter Canada Group against a Walter Canada Group entity and (ii) any Claim by Walter Energy, Inc. or any of its non-Canadian affiliates against the Walter Canada Group (including for greater certainty any amount secured by one of the Charges);

**"Lien"** means any valid and enforceable mortgage, charge, pledge, assignment by way of security, lien, hypothec, security interest, deemed trust or other encumbrance granted or arising pursuant to a written agreement or statute or otherwise created by law;

**"Meeting Date"** means the date set for the meeting of the Walter Canada Group's Claimants, to be set by further Order of the Court;

**"Monitor"** means KPMG Inc., in its capacity as Court-appointed Monitor pursuant to the Initial Order;

**"Monitor's Website"** means the Monitor's website located at <http://www.kpmg.com/ca/walterenergycanada>;

**"Newspaper Notice"** means the notice of Claims Process to be published in the newspapers listed in paragraph 16 of this Claims Process Order, calling for any and all Claims of Claimants against the Walter Canada Group in substantially the form attached hereto as **Schedule "I"**;

**"Notice of Disclaimer or Resiliation"** means a written notice in any form issued on or after the Commencement Date by a member of the Walter Canada Group, with the prior consent of the Monitor, advising a Person of the restructuring, disclaimer, resiliation, termination or breach of any contract, employment agreement, lease or other agreement or arrangement of any nature whatsoever, whether written or oral, and whether such restructuring, disclaimer, resiliation, termination or breach took place or takes place before or after the date of this Claims Process Order;

**"Notice of Dispute"** means the notice that may be delivered by a Claimant who has received a Notice of Revision or Disallowance disputing such Notice of Revision or Disallowance, which notice shall be in substantially the form attached hereto as **Schedule "H"**;

**"Notice of Dispute of Employee Claim"** means the notice that may be delivered by an Employee Claimant who has received an Employee Claim Amount Notice and disputes the amount of the Employee Claim set out therein, which notice shall be in substantially the form attached hereto as **Schedule "E"**;

**"Notice of Revision or Disallowance"** means the notice that may be delivered by the Monitor to a Claimant advising that the Monitor has revised or disallowed in whole or in part such Claimant's Claim as set out in its Proof of Claim, which notice shall be substantially in the form attached hereto as **Schedule "G"**;

**"Officer"** means any Person who was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer of any one or more members of the Walter Canada Group;

**"Person"** means any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate (including a limited liability company and an unlimited liability company), corporation, unincorporated association or organisation, governmental authority, syndicate or other entity, whether or not having legal status;

**“Plan”** means any plan of compromise or arrangement of the Walter Canada Group pursuant to the CCAA, or any scheme of distribution by a trustee in bankruptcy of the Walter Canada Group under the *Bankruptcy and Insolvency Act*.

**“Pre-Commencement Claim”** means any right or claim of any Person that may be asserted or made in whole or in part against the Walter Canada Group (or any of them), 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, in existence on, or which is based on, an agreement, event, fact, act or omission or other matter which occurred, was entered into or relates in whole or in part prior to the Commencement Date, at law or in equity by reason of the commission of a tort (intentional or unintentional), any breach of contract or other agreement (oral or written), any breach of duty (including without limitation, any legal, statutory, equitable or fiduciary duty), any right of ownership or title to property or assets, any other claim on property or assets (including a royalty right or intellectual property right), or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise) or for any reason whatsoever against any members of the Walter Canada Group or any of their property or assets, any whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, un-liquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise and whether or not any right or claim is executive 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, together with any rights or claims not referred to above that are or would be claims provable in the bankruptcy had the Walter Canada Group (or any of them) become bankrupt on the Commencement Date and, for greater certainty, includes any Tax Claim; provided, however, that “Pre-Commencement Claim” shall not include an Employee Claim or an Unaffected Claim;

**“Proof of Claim”** means the form to be completed and filed by a Claimant setting forth its proposed Claim, which shall be substantially in the form attached hereto as **Schedule “E”**;

**“Restructuring Claim”** means any right or claim of any Person against the Walter Canada Group (or any of them) in connection with any indebtedness, liability or obligation of any kind whatsoever owed by the Walter Canada Group (or any of them) to such Person arising out of the restructuring, disclaimer, rescission, termination or breach on or after the Commencement Date of any contract, employment agreement, lease or other agreement or arrangement, whether written or oral, and whether such restructuring, disclaimer, rescission, termination or breach took place or takes place before or after the date of this Claims Process Order; provided, however, that “Restructuring Claim” shall not include an Employee Claim, an UMWA 1974 Pension Plan Claim or an Unaffected Claim;

**“Restructuring Claims Bar Date”** means the later of (i) the Claims Bar Date; and (ii) 5:00 p.m. (Vancouver Time) on the day that is twenty (20) Business Days after the date of the applicable Notice of Disclaimer or Rescission or such other date as may be ordered by the Court;

**“SISP Order”** means the Order of this Honourable Court granted on January 5, 2016 in these CCAA Proceedings approving, among other things, a sale and investment solicitation process with respect to the Walter Canada Group’s assets.

**“Tax”** or **“Taxes”** means any and all taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever, including all interest, penalties, fines, additions to tax or other additional amounts in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development,

occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all licence, franchise and registration fees and all employment insurance, health insurance and Canada, Quebec and other government pension plan premiums or contributions.

**"Tax Claim"** means any Claim against the Walter Canada Group (or any of them) for any Taxes in respect of any taxation year or period ending on or prior to the Commencement Date, and in any case where a taxation year or period commences on or prior to the Commencement Date, for any Taxes in respect of or attributable to the portion of that taxation period commencing prior to the Commencement Date and up to and including the Commencement Date. For greater certainty, a Tax Claim shall include, without limitation, any and all Claims of any Taxing Authority in respect of transfer pricing adjustments and any Canadian or non-resident Tax related thereto;

**"Taxing Authorities"** means Her Majesty the Queen, Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of each and every province or territory of Canada and any political subdivision thereof, the Internal Revenue Service and any similar revenue or taxing authority of the federal or state governments of the United States of America and any Canadian or foreign governmental authority and "Taxing Authority" means any one of the Taxing Authorities;

**"UMWA 1974 Pension Plan Claim"** means any claim alleged by or on behalf of the United Mine Workers of America 1974 Pension Plan and Trust against any member of the Walter Canada Group;

**"United Steelworkers"** means the United Steelworkers, Local 1-424;

**"Unaffected Claim"** means, subject to further Order of this Court,

- i. Any right or claim of any Person that may be asserted or made in whole or in part against the Walter Canada Group (or any of them) in connection with any indebtedness, liability or obligation of any kind which arose in respect of obligations first incurred on or after the Commencement Date (other than Restructuring Claims and Directors/Officers Claims) and any interest thereon, including any obligation of the Walter Canada Group toward Claimants who have supplied or shall supply services, utilities, goods or materials or who have or shall have advanced funds to the Walter Canada Group on or after the Commencement Date, but only to the extent of their claims in respect of the supply of such services, utilities, goods, materials or funds on or after the Commencement Date;
- ii. Any claim of any bank in respect of the Cash Management System as described in the Initial Order;
- iii. Any claim secured by any CCAA Charge;
- iv. Any Intercompany Claim;
- v. That portion of the Claim arising from a cause of action for which the Walter Canada Group entities are covered by insurance, but only to the extent of such coverage;
- vi. Any claim referred to in sections 6(3), 6(5) and 6(6) of the CCAA;
- vii. Any claims with respect to reasonable fees and disbursements of the CRO, the Financial Advisor, counsel of the Walter Canada Group and the Monitor or any Assistant (as defined in paragraph 4 of the Initial Order);

**"Wages and Benefits"** means all outstanding wages, salaries, benefits (including, but not limited to, medical, dental, disability, life insurance, post-retirement and pension benefits and any other similar benefits, plans or arrangements, employee assistance programs, and any contributions in respect of such benefits, plans, arrangements or programs) vacation pay, holiday pay, overtime pay, expense reimbursements, commissions, bonuses and other incentive compensation, payments under employment agreements or arrangements, collective bargaining agreements, stock options, profit sharing or other equity compensation, pay in lieu of notice, severance pay and termination pay, any amounts payable under the *Employment Standards Act*, any monies payable under the *Labour Relations Code* or due to order of the Labour Relations Board, in all cases whether owing under common law, contract, statute or otherwise.

Schedule "C"

FORM OF INSTRUCTION LETTER

INSTRUCTION LETTER

FOR THE CLAIMS PROCESS FOR THE CLAIMANTS OF WALTER ENERGY CANADA HOLDINGS, INC. AND THE PETITIONERS AND PARTNERSHIPS LISTED ON SCHEDULE "A" AND SCHEDULE "C", RESPECTIVELY, OF THE INITIAL ORDER (collectively, the "Walter Canada Group")

1. **Claims Procedure**

By order of the Supreme Court of British Columbia (the "**Court**") dated ●, 2016 (as may be amended, restated or supplemented from time to time, (the "**Claims Process Order**"), in the proceeding commenced by Walter Energy Canada Holdings, Inc. and the other Petitioners listed on Schedule "A" to the Initial Order under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the "**CCAA**"), KPMG Inc., in its capacity as the Court-appointed Monitor of the Walter Canada Group (the "**Monitor**"), has been authorised to conduct a claims process with respect to claims against the Walter Canada Group entities (the "**Claims Process**"). A copy of the Claims Process, with all schedules, may be found on the Monitor's Website at: <http://www.kpmg.com/ca/walterenergycanada>. Capitalised terms used in this letter which are not defined in this letter shall have the meaning ascribed to them in the Claims Process Order.

This letter provides instructions for completing the Proof of Claim. A blank Proof of Claim is included with this letter.

The Claims Process is intended for any Person asserting a Claim (other than an Unaffected Claim) of any kind or nature whatsoever against any of the Walter Canada Group entities and/or any of their Directors and/or Officers arising before the Commencement Date, and/or any Restructuring Claim arising on or after the Commencement Date as a result of a restructuring, disclaimer, resiliation, termination or breach by any of the Walter Canada Group entities on or after the Commencement Date of any contract, employment agreement, lease or other agreement or arrangement of any nature whatsoever, whether written or oral, and whether such restructuring, disclaimer, resiliation, termination or breach took place or takes place before or after the date of Claims Process Order.

Current employees are **not** required to submit a Proof of Claim in respect of any Employee Claim pertaining to wages, including vacation pay and banked time due to them.

In the event that you are an Employee Claimant, a notice setting out the amount which the Monitor has determined to be the amount of your Employee Claim (an "**Employee Claim Amount Notice**") is enclosed with this letter, and if you do **not** dispute the nature or amount of such Employee Claim as set out in the Employee Claim Amount Notice, you are **not** required to file a Proof of Claim, a Notice of Dispute of Employee Claim or any other materials with the Monitor unless you are requested to do so. If an Employee Claim Amount Notice is enclosed and you dispute the nature or amount of your Employee Claim as set out in the Employee Claim Amount Notice, you must file a Notice of Dispute of Employee Claim (as referenced in paragraph 2 below) to avoid the barring and extinguishment of that portion of your Employee Claim that exceeds the amount set out in the Employee Claim Amount Notice. Any Employee Claimant who receives an Employee Claim Amount Notice and who does not file a Notice of Dispute of Employee Claim by the Claims Bar Date in accordance with paragraph 2 below is deemed to have accepted the nature and amount of such Employee Claim as set out in the applicable Employee Claim Amount Notice.

If an Employee Claim Amount Notice is not enclosed with this letter and you wish to file a Claim, you must file a Proof of Claim (as referenced in paragraph 2 below) to avoid the barring and extinguishment of any Claim which you may have against any of the Walter Canada Group entities and/or any of their Directors and/or Officers.

If you have any questions regarding the Claims Process, please contact the Court-appointed Monitor at the address below.

All enquiries with respect of the Claims Process should be addressed to:

KPMG Inc.  
Court-appointed Monitor of Walter Energy Canada Holdings, Inc., *et al.*  
777 Dunsmuir St  
Vancouver, BC V7Y 1K4

Attention: Mark Kemp-Gee/Mike Clark  
Email: mkempgee@kpmg.ca, maclark@kpmg.ca  
Phone: 604-691-3397; 604-691-3468

## 2. For Claimants Submitting a Proof of Claim or Notice of Dispute of Employee Claim

If you have not received an Employee Claim Amount Notice you are required to file a Proof of Claim, in the form enclosed herewith, and **ensure that it is received by the Monitor by 5:00 p.m. (Vancouver Time) on October 5, 2016** (the "**Claims Bar Date**") to avoid the barring and extinguishment of any Claim (other than a Restructuring Claim) that you may have against any of the Walter Canada Group entities and/or any of their Directors and/or Officers.

To avoid the barring and extinguishment of any Restructuring Claim you may have against any of the Walter Canada Group entities and/or any of their Directors and/or Officers, you are required to file a Proof of Claim, in the form enclosed herewith, and ensure **that it is received by the Monitor by the later of: (a) the Claims Bar Date; and (b) 5:00 p.m. (Vancouver Time) on the day which is twenty (20) Business Days after the date of the Notice of Disclaimer or Resiliation sent to you (the "Restructuring Claims Bar Date")**.

If you have received an Employee Claim Amount Notice and you dispute the nature or amount of the Employee Claim as set out in such Employee Claim Amount Notice, you are required to file a Notice of Dispute of Employee Claim, in the form enclosed herewith, and ensure that it is received by the Monitor by the Claims Bar Date or such further date as stipulated by the Monitor.

For the avoidance of doubt, any Claim or Restructuring Claim you may have against the Walter Canada Group must be filed in accordance with the procedures set forth herein. Proofs of Claim filed solely with the United States Bankruptcy Court, Northern District of Alabama in Walter Energy, Inc.'s Chapter 11 proceedings, are invalid, and failure to file an additional Proof of Claim with the Monitor pursuant to these procedures will lead to the consequences detailed below. Please note, however, that if you received an Employee Claim Amount Notice with this letter and you fail to file an additional Proof of Claim with the Monitor pursuant to these procedures, your Employee Claim shall be deemed to be the amount set forth in the Employee Claim Amount Notice.

Additional Proof of Claim forms can be found on the Monitor's website at <http://www.kpmg.com/ca/walterenergycanada> or obtained by contacting the Monitor at the address indicated above and providing particulars as to your name, address, facsimile number and email address. Once the Monitor has this information, you will receive, as soon as practicable, additional Proof of Claim forms.

If you are submitting your Proof of Claim electronically, please submit it in PDF form and ensure that the name of the file is **[legal name of Claimant]poc.pdf**. If you submit your claim electronically and you do **not** receive an email confirming receipt of your Proof of Claim within one (1) business day of submitting the Proof of Claim, your Proof of Claim has **not** been successfully received by the Monitor and you should submit your Proof of Claim using an alternate method.

**UNLESS YOU ARE THE HOLDER OF AN EMPLOYEE CLAIM FOR WHICH YOU HAVE RECEIVED AN EMPLOYEE CLAIM AMOUNT NOTICE THAT YOU DO NOT DISPUTE, IF A PROOF OF CLAIM IN**

**RESPECT OF YOUR CLAIM IS NOT RECEIVED BY THE MONITOR BY THE CLAIMS BAR DATE OR THE RESTRUCTURING CLAIMS BAR DATE, AS APPLICABLE:**

- A. YOUR CLAIM SHALL BE FOREVER BARRED AND EXTINGUISHED AND YOU WILL BE PROHIBITED FROM MAKING OR ENFORCING ANY CLAIM AGAINST ANY MEMBER OF THE WALTER CANADA GROUP AND/OR ANY OF THEIR DIRECTORS AND/OR OFFICERS;
- B. YOU SHALL NOT BE PERMITTED TO VOTE ON THE PLAN OR ENTITLED TO ANY FURTHER NOTICE OR DISTRIBUTION UNDER THE PLAN, IF ANY;
- C. YOU SHALL NOT BE ENTITLED TO ANY PROCEEDS OF SALE OF ANY MEMBER OF THE WALTER CANADA GROUP'S ASSETS; AND,
- D. YOU SHALL NOT BE ENTITLED TO PARTICIPATE AS A CLAIMANT IN THE CCAA PROCEEDINGS OF ANY MEMBER OF THE WALTER CANADA GROUP.

Schedule "D"

FORM OF EMPLOYEE CLAIM AMOUNT NOTICE

**EMPLOYEE CLAIM AMOUNT NOTICE  
OF WALTER ENERGY CANADA HOLDINGS, INC. AND THE PETITIONERS AND PARTNERSHIPS  
LISTED ON SCHEDULE "A" AND SCHEDULE "C", RESPECTIVELY, OF THE INITIAL ORDER  
(collectively, the "Walter Canada Group")**

Full Legal Name of Claimant: \_\_\_\_\_

Pursuant to the order of the Supreme Court of British Columbia dated ●, 2016, and as may be amended, restated or supplemented from time to time (the "Claims Process Order"), KPMG Inc., in its capacity as the Court-appointed Monitor of the Walter Canada Group, hereby gives you notice that the Walter Canada Group, in consultation with the Monitor, have determined your Employee Claim to be as follows:

	Walter Entity	Unsecured (\$CDN)
Contractual Severance Pay (per [collective bargaining / employment] agreement)		
Group Termination Pay		
Northern Working Allowance		
Section 54 Claim		
Section 54 Claim Mitigation		
Other (specify): _____		
<b>Total Claim</b>		

If you do not agree with this Employee Claim Amount Notice, please take note of the following:

**If you intend to dispute this Employee Claim Amount Notice, you must deliver a Notice of Dispute of Employee Claim, in the form attached hereto, by prepaid registered mail, personal delivery, email (in PDF format), or courier to the following address:**

KPMG Inc.  
Court-appointed Monitor of Walter Energy Canada Holdings, Inc., *et al.*  
777 Dunsmuir St  
Vancouver, BC V7Y 1K4

Attention: Mark Kemp-Gee/Mike Clark  
Email: mkempgee@kpmg.ca, maclark@kpmg.ca  
Phone: 604-691-3397; 604-691-3468

**so that such Notice of Dispute of Employee Claim is received by the Monitor by 5:00 p.m. (Vancouver time) on October 5, 2016, being the Claims Bar Date, or such other date as may be agreed by the Monitor. The form of Notice of Dispute of Employee Claim is attached to this Notice.**



If you do not deliver a Notice of Dispute of Employee Claim by the time specified, the nature and amount of your Employee Claim, shall be as set out in this Employee Claim Amount Notice for voting and/or distribution purposes.

**IF YOU FAIL TO TAKE ACTION WITHIN THE PRESCRIBED TIME PERIOD, THIS EMPLOYEE CLAIM AMOUNT NOTICE WILL BE BINDING UPON YOU.**

DATED at \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, 2016 .

**KPMG INC.**

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

Per:

\_\_\_\_\_

Name:

\_\_\_\_\_

Title:

\_\_\_\_\_

Schedule "E"

FORM OF PROOF OF CLAIM

**PROOF OF CLAIM  
AGAINST WALTER ENERGY CANADA HOLDINGS, INC. AND THE PETITIONERS AND  
PARTNERSHIPS LISTED ON SCHEDULE "A" AND SCHEDULE "C", RESPECTIVELY, OF THE  
INITIAL ORDER (collectively, the "Walter Canada Group")**

Please read the enclosed Instruction Letter carefully prior to completing this Proof of Claim. Defined terms not defined within this Proof of Claim form shall have the meaning ascribed thereto in the Claims Process Order dated ●, 2016, as may be amended, restated or supplemented from time to time.

1. **Particulars of Claimant**

- a. Please complete the following (Full legal name should be the name of the original Claimant, regardless of whether an assignment of a Claim, or a portion thereof, has occurred prior to or following the Commencement Date) and Full Mailing Address of the Claimant (the Original Claimant, not the Assignee.)

Full Legal Name:	
Full Mailing Address:	
Telephone Number:	
Facsimile Number:	
Email Address:	
Attention (Contact Person):	

- b. Has the Claim been sold, transferred or assigned by the Claimant to another party (an Assignee")

Yes:

No:

2. **Particulars of Assignee (if any)**

- a. Please complete the following if all or a portion of the Claim has been assigned, insert full legal name of assignee(s) of the Claim. If there is more than one assignee, please attach a separate sheet with the required information:

Full Legal Name of Assignee:	
Full Mailing Address of Assignee:	
Telephone Number of Assignee:	
Facsimile Number of Assignee:	

Email Address of Assignee:	
Attention (Contact Person):	

**Proof of Claim**

I, \_\_\_\_\_, (name of individual Claimant or Representative of corporate Claimant), of \_\_\_\_\_ (City, Province or State) do hereby certify: that I [ ] am a Claimant; OR

that I [ ] am a Claimant; OR

[ ] am \_\_\_\_\_ (state position or title) of \_\_\_\_\_ (name of corporate Claimant) which is a Claimant;

that I have knowledge of all the circumstances connected with the Claim referred to below;

that \_\_\_\_\_ (name of applicable Walter Canada Group entity and/or Directors and/or Officers) was and still is indebted to the Claimant as follows;

CLAIM (other than a Restructuring Claim):

\$ \_\_\_\_\_ (insert value of Claim)

**RESTRUCTURING CLAIM**

\$ \_\_\_\_\_ (insert value of Claim arising after the Commencement Date resulting from the restructuring, disclaimer, rescission, termination or breach after the Commencement Date of any contract, employment agreement, lease or other agreement or arrangement of any nature whatsoever, whether written or oral);

that the Claimant's Claim and the Claimant's invoices, statements and/or supporting documents attached are denominated in:

[ ] Canadian Dollars

[ ] U.S. Dollars

[ ] Other \_\_\_\_\_ (stipulate other currency referenced)

A. TOTAL CLAIM(S): \$ \_\_\_\_\_

**Nature of Claim:**

(Check and complete appropriate category)

[ ] A. UNSECURED CLAIM OF \$ \_\_\_\_\_. That in respect of this debt, no assets of any of the Walter Canada Group entities are pledged as security.

[ ] B. SECURED CLAIM OF \$ \_\_\_\_\_. That in respect of this debt, assets of \_\_\_\_\_ (insert name of applicable Walter

Canada Group entity) valued at \$ \_\_\_\_\_ are pledged to me as security, particulars of which are as follows.

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

**Particulars of Claims:**

Other than as already set out herein, the particulars of the undersigned's total Claim and/or Restructuring Claim are attached.

(Provide all particulars of the claims and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the claims, name of any guarantor which has guaranteed the claims, and amount of invoices, particulars of all credits, discounts, etc. claimed, description of the security, if any, granted by the Walter Canada Group entities to the Claimant and estimated value of such security. Where a claim is advanced against any Directors or Officers, please provide either a reference to a statutory authority for your claim or enclose a draft Notice of Civil Claim.)

**Filing of Claims:**

This Proof of Claim **must be received by the Monitor by no later than 5:00 p.m. (Vancouver Time) on October 5, 2016** (the "Claims Bar Date") unless your claim is a Restructuring Claim.

Proofs of Claim for Restructuring Claims arising after the Commencement Date resulting from a restructuring, disclaimer, resiliation, termination or breach after the Commencement Date of any contract, employment agreement, lease or other agreement, or arrangement of any nature whatsoever, whether written or oral, **must be received by the Monitor by the later of (a) the Claims Bar Date, and (b) by 5:00 p.m. (Vancouver Time) on the day which is twenty (20) Business Days after the date of the applicable Notice of Disclaimer or Resiliation** (the "Restructuring Claims Bar Date")

Failure to file your proof of claim as directed by the Claims Bar Date or Restructuring Claims Bar Date, as applicable, will result in your claim being forever barred and extinguished and you will be prohibited from making or enforcing a claim against any of the Walter Canada Group entities and/or any of their Directors and/or Officers.

KPMG Inc.  
Court-appointed Monitor of Walter Energy Canada Holdings, Inc., et al.  
777 Dunsmuir St  
Vancouver, BC V7Y 1K4

Attention: Mark Kemp-Gee/Mike Clark  
Email: mkempgee@kpmg.ca, maclark@kpmg.ca  
Phone: 604-691-3397; 604-691-3468

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

Witness: \_\_\_\_\_

Per: \_\_\_\_\_

Print name of Claimant:

*If Claimant is not an individual, print name and title of authorised signatory.*

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Schedule "F"**

**FORM OF NOTICE OF DISPUTE OF EMPLOYEE CLAIM**

**NOTICE OF DISPUTE  
OF WALTER ENERGY CANADA HOLDINGS, INC. AND THE PETITIONERS AND PARTNERSHIPS  
LISTED ON SCHEDULE "A" AND SCHEDULE "C", RESPECTIVELY, OF THE INITIAL ORDER  
(collectively, the "Walter Canada Group")**

Pursuant to the order of the Supreme Court of British Columbia dated ●, 2016, and as may be amended restated or supplemented from time to time (the "**Claims Process Order**"), I/we hereby give you notice of my/our intention to dispute the Notice of Employee Claim Amount bearing Reference Number \_\_\_\_\_ and dated \_\_\_\_\_, 2016 issued by KPMG Inc., in its capacity as Monitor of the Walter Canada Group in respect of my/our Claim.

Full Legal Name of Claimant: \_\_\_\_\_

	<b>Employee Claim Amount per Notice of Employee Claim Amount (\$CDN)</b>	<b>Employee Claim Amount Asserted (\$CDN)</b>
Contractual Severance Pay (per [collective bargaining / employment] agreement)		
Group Termination Pay		
Northern Working Allowance		
Section 54 Claim		
Section 54 Claim Mitigation		
Other (specify): _____		
<b>TOTAL CLAIM</b>		

Reasons for Dispute (attach additional sheet and copies of supporting documentation if necessary):

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Signature of Individual:

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Date:

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(Print name):

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Telephone number:

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Facsimile number:

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Email address:

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Mailing Address:

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**This form and supporting documentation is to be returned by prepaid registered mail, personal delivery, email (in PDF format), or courier to the address indicated herein and is to be received by the Monitor by 5:00 p.m. (Vancouver time) on October 5, 2016 (the Claims Bar Date) or such other date as may be agreed to by the Monitor. If this Notice of Dispute is not received by the Monitor on or before the Claims Bar Date, your Employee Claim will be the amount set out in your Notice of Employee Claim Amount.**

Where this Notice of Dispute of Employee Claim is being submitted electronically, please submit one PDF file with the file name as follows: **[legal name of Claimant]**pocdispute.pdf. If you submit your Notice of Dispute electronically and you do **not** receive an email confirming receipt of your Notice of Dispute within one (1) business day of submitting the Notice of Dispute of Employee Claim, your Notice of Dispute of Employee Claim has **not** been successfully received by the Monitor and you should submit your Notice of Dispute of Employee Claim using an alternative method.

Address for service of Notices of Dispute of Employee Claim:

KPMG Inc.  
Court-appointed Monitor of Walter Energy Canada Holdings, Inc., *et al.*  
777 Dunsmuir St  
Vancouver, BC V7Y 1K4

Attention: Mark Kemp-Gee/Mike Clark  
Email: mkempgee@kpmg.ca, maclark@kpmg.ca  
Phone: 604-691-3397; 604-691-3468

Schedule "G"

**FORM OF NOTICE OF REVISION OR DISALLOWANCE**

**NOTICE OF REVISION OR DISALLOWANCE  
OF WALTER ENERGY CANADA HOLDINGS, INC. AND THE PETITIONERS AND PARTNERSHIPS  
LISTED ON SCHEDULE "A" AND SCHEDULE "C", RESPECTIVELY, OF THE INITIAL ORDER  
(collectively, the "Walter Canada Group")**

Full Legal Name of Claimant:

\_\_\_\_\_

Reference Number:

\_\_\_\_\_

Pursuant to the order of the Supreme Court of British Columbia dated ●, 2016, and as may be amended restated or supplemented from time to time (the "**Claims Process Order**"), KPMG Inc., in its capacity as Monitor of the Walter Canada Group, hereby gives you notice that the Walter Canada Group, in consultation with the Monitor, have reviewed your Proof of Claim and have revised or disallowed your Claim as follows:

	<b>Proof of Claim as Submitted (\$CDN)</b>	<b>Revised Claim as accepted (\$CDN)</b>	<b>Secured (\$CDN)</b>	<b>Unsecured (\$CDN)</b>
<b>Total Claim</b>				

Reason for the Revision or Disallowance

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\_\_\_\_\_

If you do not agree with this Notice of Revision or Disallowance, please take note of the following:

**If you intend to dispute a Notice of Revision or Disallowance, you must deliver a Notice of Dispute, in the form attached hereto, by prepaid registered mail, personal delivery, email (in PDF format), or courier to the address indicated herein so that such Notice of Dispute is received by the Monitor by the later of November 7, 2016 and the day that is twenty (20) Business Days after the date of this Notice of Revision or Disallowance, or such other date as may be agreed by the Monitor. The form of Notice of Dispute is attached to this Notice.**

Where a Notice of Dispute is being submitted electronically, please submit one PDF file with the file named as follows: **[legal name of Claimant]pocdispute.pdf**.

If you do not deliver a Notice of Dispute by the time specified, the nature and amount of your Claim, if any, shall be as set out in this Notice of Revision or Disallowance for voting and/or distribution purposes.

Address for service of Notices of Dispute:

KPMG Inc.  
Court-appointed Monitor of Walter Energy Canada Holdings, Inc., *et al.*  
777 Dunsmuir St  
Vancouver, BC V7Y 1K4

Attention: Mark Kemp-Gee/Mike Clark  
Email: mkempgee@kpmg.ca, maclark@kpmg.ca  
Phone: 604-691-3397; 604-691-3468

**IF YOU FAIL TO TAKE ACTION WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU.**

DATED at \_\_\_\_\_, \_\_\_\_\_, this \_\_\_\_\_  
day of \_\_\_\_\_, 2016

**KPMG INC.**

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

Per:

\_\_\_\_\_

Name:

\_\_\_\_\_

Title:

\_\_\_\_\_



Schedule "H"

FORM OF NOTICE OF DISPUTE

NOTICE OF DISPUTE  
OF WALTER ENERGY CANADA HOLDINGS, INC. AND THE PETITIONERS AND PARTNERSHIPS  
LISTED ON SCHEDULE "A" AND SCHEDULE "C", RESPECTIVELY, OF THE INITIAL ORDER  
(collectively, the "Walter Canada Group")

Pursuant to the order of the Supreme Court of British Columbia dated ●, 2016, and as may be amended restated or supplemented from time to time (the "Claims Process Order"), I/we hereby give you notice of my/our intention to dispute the Notice of Revision or Disallowance bearing Reference Number \_\_\_\_\_ and dated \_\_\_\_\_, 2016 issued by KPMG Inc., in its capacity as Monitor of the Walter Canada Group in respect of my/our Claim.

Full Legal Name of Claimant: \_\_\_\_\_

	Proof of Claim as Submitted (\$CDN)	Revised Claim as accepted (\$CDN)	Secured (\$CDN)	Unsecured (\$CDN)
<b>Total Claim</b>				

Reasons for Dispute (attach additional sheet and copies of supporting documentation if necessary):

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Signature of Individual:

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Date:

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(Print name):

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Telephone number:

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Facsimile number:

Email address:

Mailing Address:

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**This form and supporting documentation is to be returned by prepaid registered mail, personal delivery, email (in PDF format), or courier to the address indicated herein and is to be received by the Monitor by the later of December 6, 2016 and the day that is twenty (20) Business Days after the date of the Notice of Revision or Disallowance or such other date as may be agreed to by the Monitor.**

Where this Notice of Dispute is being submitted electronically, please submit one PDF file with the file name as follows: **[legal name of Claimant]**pcodispute.pdf. If you submit your Notice of Dispute electronically and you do **not** receive an email confirming receipt of your Notice of Dispute within one (1) business day of submitting the Notice of Dispute, your Notice of Dispute has **not** been successfully received by the Monitor and you should submit your Notice of Dispute using an alternative method.

Address for service of Notices of Dispute:

KPMG Inc.  
Court-appointed Monitor of Walter Energy Canada Holdings, Inc., *et al.*  
777 Dunsmuir St  
Vancouver, BC V7Y 1K4

Attention: Mark Kemp-Gee/Mike Clark  
Email: mkempgee@kpmg.ca, maclark@kpmg.ca  
Phone: 604-691-3397; 604-691-3468

Schedule "I"

FORM OF NEWSPAPER NOTICE

NOTICE TO THE CREDITORS OF WALTER ENERGY CANADA HOLDINGS, INC. AND THE PETITIONERS AND PARTNERSHIPS LISTED ON SCHEDULE "A" AND SCHEDULE "C", RESPECTIVELY, OF THE INITIAL ORDER (collectively, the "Walter Canada Group")

RE: NOTICE OF THE CLAIMS PROCESS FOR THE WALTER CANADA GROUP PURSUANT TO THE COMPANIES' CREDITORS ARRANGEMENT ACT ("CCAA")

This notice is being published pursuant to an order of the Supreme Court of British Columbia dated ●, 2016 (the "**Claims Process Order**") which approved a claims process for the determination of certain claims against the Walter Canada Group and/or their Directors and/or Officers. Any capitalized terms used but not defined herein have the meanings ascribed to them in the Claims Process Order.

The claims procedure only applies to the Claims or Claimants described in the Claims Process Order. A copy of the Claims Process Order and other public information concerning the CCAA proceedings can be obtained on the website of KPMG Inc., the Court-Appointed Monitor of the Walter Canada Group (the "**Monitor**") at <http://www.kpmg.com/ca/walterenergycanada>. Any person who may have a claim against any of the Walter Canada Group entities and/or any of their Directors and/or Officers should carefully review and comply with the Claims Process Order.

Any person having a Claim against any of the Walter Canada Group entities and/or any of their Directors and/or Officers arising or relating to the period prior to December 7, 2015 (the "**Commencement Date**"), which would have been a claim provable in bankruptcy had the Walter Canada Group become bankrupt on the Commencement Date and who does not receive an Employee Claim Amount Notice with their Claims Package, or who receives an Employee Claim Amount Notice with their Claims Packages, but disputes the amount or nature of their Employee Claim as listed in their Employee Claim Amount Notice, must send a Proof of Claim to the Monitor, **to be received by the Monitor by no later than 5:00 p.m. (Vancouver Time) on October 5, 2016** (the "**Claims Bar Date**").

Proofs of Claim for claims arising as a result of a restructuring, disclaimer, resiliation, termination or breach by any of the Walter Canada Group entities on or after the Commencement Date of any contract, employment agreement, lease or other agreement or arrangement of any nature whatsoever, whether written or oral, **must be received by the Monitor by no later than (a) the Claims Bar Date, and (b) 5:00 p.m. (Vancouver Time) on which is twenty (20) Business Days after the date of the notice of disclaimer or resiliation sent by the Monitor to such Claimant.**

For the avoidance of doubt, any claim a Claimant may have against any of the Walter Canada Group entities must be filed in accordance with the procedures set forth in the Claims Process Order. Proofs of Claim filed solely with the United States Bankruptcy Court, Northern District of Alabama in respect of Walter Energy, Inc.'s Chapter 11 proceedings are invalid.

Claimants requiring more information or who have not received a Proof of Claim form or Claims Package should contact the Monitor by phone at ● or email at ● or visit the Monitor's website at <http://www.kpmg.com/ca/walterenergycanada>.

UNLESS EXPRESSLY PROVIDED IN THE CLAIMS PROCESS ORDER, HOLDERS OF CLAIMS THAT DO NOT FILE PROOFS OF CLAIM WITH THE MONITOR BY THE APPLICABLE DEADLINE SPECIFIED ABOVE SHALL NOT BE ENTITLED TO ANY FURTHER NOTICE OR DISTRIBUTION UNDER A PLAN, IF ANY, OR OF ANY PROCEEDS OF SALE OF ANY OF THE WALTER CANADA GROUP'S ASSETS, OR TO PARTICIPATE AS A CLAIMANT IN THE CCAA PROCEEDINGS OF THE WALTER CANADA GROUP, AND SHALL BE PROHIBITED FROM MAKING OR ENFORCING ANY CLAIM AGAINST ANY OF THE WALTER CANADA GROUP ENTITIES AND/OR ANY OF THEIR DIRECTORS AND/OR OFFICERS. ADDITIONALLY, ANY CLAIMS SUCH CLAIMANT MAY HAVE

AGAINST ANY OF THE WALTER CANADA GROUP ENTITIES AND/OR ANY OF THEIR DIRECTORS AND/OR OFFICERS SHALL BE FOREVER BARRED AND EXTINGUISHED.

**Schedule "J"**

**WALTER CANADA CLAIMS PROCESS KEY DATES**

<b><u>Event</u></b>	<b><u>Date</u></b>
Issuance of the Claims Process Order	August 15, 2016
Monitor to post on its Website a copy of the Claims Process Order, a blank Proof of Claim form, the Instruction Letter and a blank Notice of Dispute form.	August 22, 2016
Monitor to send Claims Packages to known Claimants	August 24, 2016
Monitor to have Newspaper Notice published for one Business Day in the Globe and Mail (National Edition), the Vancouver Sun, the Tumbler Ridge News and the Chetwynd Echo	August 29, 2016
Claims Bar Date	October 5, 2016
Filing of the Intercompany Claims Report	October 5, 2016
Deadline for UMWA 1974 Pension Plan to serve materials seeking to prove the enforceability of its Claim	October 5, 2016
Monitor to seek a scheduling appointment before the Court for a hearing of a motion to determine the validity of the UMWA 1974 Pension Plan Claim, if applicable	Following service by UMWA 1974 Pension Plan to prove the enforceability of its Claim
Monitor to send Notices of Revision or Disallowance in respect of Pre-Commencement Claims or Employee Claims	November 7, 2016
Claimants to send Notices of Dispute to the Monitor in respect of Pre-Commencement Claims or Employee Claims	December 6, 2016
Disputing party to bring a motion to the Court to resolve a disputed Claim in respect of Pre-Commencement Claims or Employee Claims	January 9, 2017

NO. S-1510120  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**  
IN THE MATTER OF THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND

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

AND

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

PETITIONERS

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**ORDER MADE AFTER APPLICATION**

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**DLA PIPER (CANADA) LLP**

Barristers & Solicitors  
2800 Park Place  
666 Burrard Street  
Vancouver BC V6C 2Z7

Tel. No. 604.687.9444  
Fax No. 604.687.1612

Client Matter No. 15375-00001

TAG/mlf

**SCHEDULE "F"**

**See Attached**

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

PETITIONERS

**ORDER MADE AFTER APPLICATION**

BEFORE THE HONOURABLE )  
MADAM JUSTICE FITZPATRICK ) MONDAY, THE 15<sup>TH</sup> DAY OF  
AUGUST, 2016 )

ON THE APPLICATION of the Petitioners coming on for hearing at 800 Smithe Street, Vancouver, British Columbia, on August 15, 2016; AND ON HEARING Mary I.A. Buttery, Marc Wasserman and Patrick Riesterer, counsel for the Petitioners and the Partnerships listed on **Schedule "A"** hereto and those other counsel listed on **Schedule "B"** hereto; AND UPON READING the material filed herein;

THIS COURT ORDERS that:

1. Access to sealed items permitted by:  Counsel of Record  
 Parties on Record  
 Further Court Order  
 Others:



**Items to be sealed**

Document Name	Date Filed (Date on Court Stamp)	Number of copies filed, including any extra copies for the judge	Duration of sealing order	Sought	Granted	
					Yes	No
Affidavit #4 of William G. Harvey sworn August ____, 2016	August __, 2016	two	Until further order	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Monitor's Confidential Supplemental Report dated August ____, 2016	August __, 2016	two	Until further order	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

2. Endorsement of this Order by counsel appearing, other than counsel for the Petitioners, is hereby dispensed with.

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

\_\_\_\_\_  
Counsel for the Petitioners

DLA Piper (Canada) LLP  
(Mary I.A. Buttery and Tijana Gavric)

and

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

BY THE COURT

\_\_\_\_\_  
REGISTRAR

## SCHEDULE "A"

### Petitioners

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

### Partnerships

1. Walter Canadian Coal Partnership
2. Wolverine Coal Partnership
3. Brule Coal Partnership
4. Willow Creek Coal Partnership



NO. S-1510120  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**  
IN THE MATTER OF THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND

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

AND

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

PETITIONERS

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**ORDER MADE AFTER APPLICATION**

---

**DLA PIPER (CANADA) LLP**  
Barristers & Solicitors  
2800 Park Place  
666 Burrard Street  
Vancouver, BC V6C 2Z7

Tel. No. 604.687.9444  
Fax No. 604.687.1612

Client Matter No. 15375-00001

TAG/mlf

CAN: 22400951.1

NO. S-1510120  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND

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

AND

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

PETITIONERS

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**NOTICE OF APPLICATION**

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**DLA Piper (Canada) LLP**  
Barristers & Solicitors  
2800 Park Place  
666 Burrard Street  
Vancouver BC V6C 2Z7

Tel. No. 604.687.9444  
Fax No. 604.687.1612

File No. 15375-00001

TAG/mlf