



This is the 9th Affidavit of  
William E. Aziz in this case and  
was made on January 12, 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 NEW WALTER ENERGY CANADA HOLDINGS, INC., NEW WALTER  
CANADIAN COAL CORP., NEW BRULE COAL CORP., NEW WILLOW  
CREEK COAL CORP., NEW WOLVERINE COAL CORP. AND CAMBRIAN  
ENERGYBUILD HOLDINGS ULC

PETITIONERS

**AFFIDAVIT**

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

1. I am the President of BlueTree Advisors Inc. ("**BlueTree**") which has been retained to provide my services as Chief Restructuring Officer ("**CRO**") to the Petitioners (the "**New Walter Canada Group**"). As such I have personal knowledge of the facts hereinafter deposed, except where such facts are stated to be based upon information and belief, and where so stated I do verily believe the same to be true.
2. This Affidavit is made in support of a motion by the New Walter Canada Group under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**") seeking an Order under the CCAA extending the stay of proceedings in respect of the New Walter Canada Group to May 31, 2017.

3. I was initially retained by Walter Energy Canada Holdings, Inc. ("**Walter Energy Canada**") to provide my services as CRO to Walter Energy Canada, its direct and indirect subsidiaries and affiliates, and the partnerships listed on Schedule "C" to the Order of this Honourable Court made on December 7, 2015 (the "**Initial Order**") (such corporations and partnerships, excluding Cambrian Energybuild Holdings ULC, collectively are the "**Old Walter Canada Group**"). I was retained pursuant to an engagement letter dated December 30, 2015 (the "**BlueTree Engagement Letter**") as amended in response to certain requests made by Old Walter Canada Group stakeholders. BlueTree was appointed as CRO of the Old Walter Canada Group pursuant to paragraph 9 of the Order of this Honourable Court made on January 5, 2016 (the "**SISP Order**").
4. My engagement as CRO of the Old Walter Canada Group was terminated on December 15, 2016, when the entities comprising that group filed for bankruptcy.
5. Pursuant to the authorization granted in paragraph 5 of the Order of this Honourable Court made on December 7, 2016 (the "**CCAA Procedure Order**"), the entities comprising the New Walter Canada Group were incorporated on December 8, 2016. Each entity became a Petitioner in these CCAA Proceedings and subject to the CCAA Charges (as defined in the CCAA Procedure Order), and I became CRO of the New Walter Canada Group when the entities comprising that group were formed.
6. The information in this affidavit is arranged under the following headings:
  - I. **Completion of the Residual Asset Sale Transaction** .....2
  - II. **Stay Extension** .....3
- I. **COMPLETION OF THE RESIDUAL ASSET SALE TRANSACTION**
7. As described in my fifth affidavit sworn on December 2, 2016 in these proceedings (the "**Fifth Aziz Affidavit**"), Walter Energy Canada, for and on behalf of the Old Walter Canada Group, as subject, agreed to a transaction (the "**Residual Asset Sale Transaction**") contemplated by a term sheet dated November 28, 2016 (the "**Term Sheet**"). The Term Sheet was approved by this Honourable Court in the CCAA Procedure Order. An amendment to the steps to the Transaction set out in the Term Sheet was approved by an Order of this Honourable Court made on December 12, 2016.
8. To implement the Residual Asset Sale Transaction, the members of the Old Walter Canada Group made a voluntary assignment into bankruptcy and then made a joint proposal (the "**Proposal**") under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3. The Proposal was approved at a meeting of the creditors of the Old Walter Canada Group on December 19, 2016, and sanctioned by an order of this Honourable Court (in bankruptcy and insolvency) made on December 21, 2016.

9. The Proposal Commencement date (as defined in the Proposal) occurred on December 28, 2016, after the delivery and filing of the Trustee's Certificate and the Monitor's Certificate, attached hereto as **Exhibits "A" and "B"**.
10. The Proposal was completed on December 29, 2016, when the Office of the Superintendent of Bankruptcy recorded the Proposal's completion in its records. A copy of the results of an electronic search of the Office of the Superintendent of Bankruptcy's records, dated December 30, 2016, is attached hereto as **Exhibit "C"**.

## II. **STAY EXTENSION**

11. This Honourable Court granted a stay of proceedings in the Initial Order, until January 6, 2016, or such later date as this Honourable Court may order (the "**Stay Period**"). On January 5, 2016, this Honourable Court extended the Stay Period until and including April 5, 2016. On March 30, 2016, this Honourable Court extended the Stay Period until and including June 24, 2016. On June 24, 2016, this Honourable Court extended the Stay Period until and including August 19, 2016. On August 16, 2016, this Honourable Court extended the Stay Period until and including January 17, 2017.
12. The New Walter Canada Group is requesting an extension of the Stay Period until and including May 31, 2017. This extension is being requested to allow the New Walter Canada Group to continue the claims process established by the order of the Court made on August 16, 2016 (the "**Claims Process Order**"), including adjudication of the 1974 Pension Plan Claim, and to address matters relating to the Walter U.K. Group (as defined in the SISP Order).
13. From my review of the current cash flow projections, I do verily believe that the New Walter Canada Group will have sufficient operating cash to continue operations during the proposed extended Stay Period.
14. The New Walter Canada Group has been proceeding in good faith and with due diligence in these proceedings. In addition to the activities described in my fifth affidavit sworn on December 2, 2016, in these proceedings, the New Walter Canada Group has been working to complete the Residual Asset Sale Transaction and to address claims process matters, including the 1974 Plan Claim.
15. It is my understanding that the Monitor supports the extension of the Stay Period and will file a report attaching a cash flow forecast that demonstrates, subject to the assumptions more fully set out in the report, that the New Walter Canada Group has sufficient liquidity to continue its operations as currently conducted through to the end of the proposed extended Stay Period.

16. It is in the best interests of the New Walter Canada Group and all its stakeholders that the Stay Period be extended to May 31, 2017 to enable the New Walter Canada Group to complete the claims process and deal with matters relating to the Walter U.K. Group.

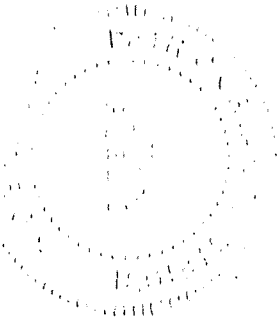
SWORN BEFORE ME at the City of Toronto, in )  
the Province of Ontario, on January 12, 2017. )

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

*Patrick Kester*

*William E. Aziz*

\_\_\_\_\_)  
**WILLIAM E. AZIZ**

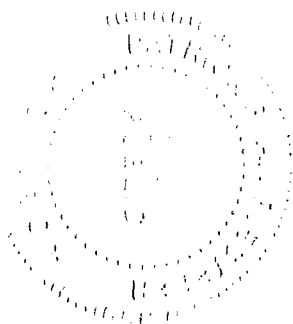


This is Exhibit "A" referred to in Affidavit #9 of **William E. Aziz** sworn January 12, 2017 at Toronto, Ontario.



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





TRUSTEE'S CERTIFICATE

Court File No.: B-160976
Estate No: 11-2199860
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT,
R.S.C. 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF THE JOINT PROPOSAL OF WALTER ENERGY CANADA HOLDINGS,
INC. WALTER CANADIAN COAL ULC, BRULE COAL ULC, WILLOW CREEK COAL ULC, PINE
VALLEY COAL LTD., WOLVERINE COAL ULC, 0541237 B.C. LTD., WALTER CANADIAN COAL
PARTNERSHIP, BRULE COAL PARTNERSHIP, WILLOW CREEK COAL PARTNERSHIP AND
WOLVERINE COAL PARTNERSHIP.

TRUSTEE'S CERTIFICATE - PROPOSAL COMMENCEMENT DATE


- 1. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the joint proposal concerning, affecting and involving the Debtors dated December 19, 2016 (the "Joint Proposal")...
2. Pursuant to paragraph 8 of the Order, KPMG Inc. in its capacity as Bankruptcy Trustee and Proposal Trustee of the Debtors (the "Trustee") delivers to the Debtors, the New Walter Canada Group, the Purchaser and the Official Receiver this certificate and hereby certifies that the conditions set out in Sections 5.3(g) and 5.3(h) of the Joint Proposal have been satisfied and all other conditions set out in Section 5.3 of the Joint Proposal have been satisfied or waived in accordance with the terms of the Proposal and the Proposal Commencement date shall occur upon the filing of this certificate with the Court.

DATED at the City of Vancouver, in the Province of British Columbia, this 28th day of December, 2016.

KPMG INC., in its capacity as Bankruptcy Trustee and Proposal Trustee of Walter Energy Canada Holdings, Inc., et al. and not in its personal or corporate capacity

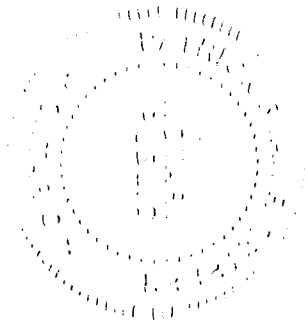
By: [Signature]
Name: ANTHONY TILLMAN
Title: SENIOR VICE PRESIDENT

This is Exhibit "B" referred to in Affidavit #9 of **William E. Aziz** sworn January 12, 2017 at Toronto, Ontario.



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





**Monitor's Certificate**

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

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

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

AND

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

PETITIONERS

**MONITOR'S CERTIFICATE: CCAA CONTINUITY**

**RECITALS**

1. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the joint proposal concerning, affecting and involving the Walter Canada Group dated as of December 19, 2016 (the "**Proposal**"), a copy of which is attached as Schedule "B" to the Order of the Court made in these proceedings on the 21<sup>st</sup> day of December, 2016 (the "**Order**"), as such Proposal may be amended, varied or supplemented from time to time in accordance with the terms thereof, the BIA or an Order of the Court.
2. Pursuant to paragraph 3 of the Order, KPMG Inc. in its capacity as Monitor hereby delivers to the Walter Canada Group, the New Walter Canada Group and the Purchaser this certificate and hereby certifies that it has delivered the Trustee's Certificate in accordance with the Proposal.

DATED at the City of Vancouver, in the Province of British Columbia, this 28<sup>th</sup> day of December, 2016.

**KPMG Inc., in its capacity as Monitor of Walter Energy Canada Holdings, Inc. and the other entities referenced on Schedule "A" hereto**

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

Name: ANTHONY TALLMAN

Title: SENIOR VICE PRESIDENT



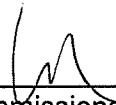
**SCHEDULE "A" to Monitor's Certificate****Petitioners**

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.
8. New Walter Energy Canada Holdings, Inc.
9. New Walter Canadian Coal Corp.
10. New Wolverine Coal Corp.
11. New Brule Coal Corp.
12. New Willow Creek Coal Corp.

**Partnerships**

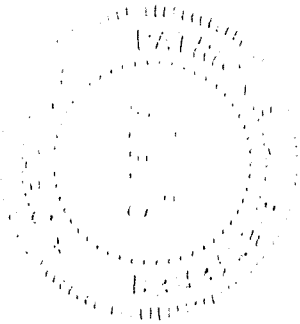
1. Walter Canadian Coal Partnership
2. Wolverine Coal Partnership
3. Brule Coal Partnership
4. Willow Creek Coal Partnership

This is Exhibit "C" referred to in Affidavit #9 of **William E. Aziz** sworn January 12, 2017 at Toronto, Ontario.



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





Government  
of Canada

Gouvernement  
du Canada

**Bankruptcy and Insolvency Records Search (BIA) search results |  
Résultats de la recherche dans le Registre des dossiers de faillite et d'insolvabilité  
(LFI)**

2016-12-30

Search Criteria | Critères de recherche :  
Reference | Référence :

Name | Nom = walter energy

A search of the Office of the Superintendent of Bankruptcy records has revealed the following information, for the period 1978 to 2016-12-28, based on the search criteria above-mentioned.

Une recherche dans les dossiers du Bureau du surintendant des faillites a permis de trouver l'information suivante, pour la période allant de 1978 à 2016-12-28, selon les critères de recherche susmentionnés.

BIA Estate Number   Numéro du dossier en vertu de la LFI :	11-2199860
BIA Estate Name   Nom du dossier en vertu de la LFI :	Walter Energy Canada Holdings, Inc.
Birth Date   Date de naissance :	
Province :	British Columbia   Colombie-Britannique
Address   Adresse :	c/o Lawson Lundell, 1600 - 925 WEST GEORGIA STREET, Vancouver, British Columbia, V6C3L2
Estate Type   Type de dossier :	COMMERCIAL PROPOSAL BY BANKRUPT   PROPOSITION COMMERCIALE DU FAILLI
Date of Proceeding   Date de la procédure :	2016-12-19
Total Liabilities*   Total du passif* :	\$1,224,478,442
Total Assets*   Total de l'actif* :	\$548,347
First Meeting of Creditors   Première assemblée des créanciers :	2016-12-19 14:00:00
Discharge Status   Statut de la libération :	PROPOSAL FULLY PERFORMED   EXÉCUTION INTÉGRALE DE LA PROPOSITION
Effective Date   Date d'entrée en vigueur :	2016-12-29
Court Number   Numéro de cour :	11-2199860

\* As declared by debtor | Tel que déclaré par le débiteur

Appointed Licensed Insolvency Trustee or Administrator   Syndic autorisé en insolvabilité ou administrateur nommé :	KPMG INC.
Responsible Person   Personne responsable :	TILLMAN, ANTHONY JOSEPH
Address   Adresse :	P.O. Box 10426, 777 DUNSMUIR STREET , Vancouver, British Columbia, Canada, V7Y1K3
Telephone   Téléphone :	604-646-6332
Fax   Télécopieur :	604-691-3036
Licensed Insolvency Trustee or Administrator's Discharge Date   Date de la libération du syndic autorisé en insolvabilité ou de l'administrateur :	

Canada



Protecting the  
integrity of the  
insolvency System

Protéger l'intégrité  
du système  
d'insolvabilité



NO. S-1510120  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

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

AND

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

AND

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

PETITIONERS

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**AFFIDAVIT #9 OF WILLIAM E. AZIZ**

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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

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