



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

PETITIONERS

NOTICE OF APPLICATION

Name of applicants: Walter Energy Canada Holdings, Inc. ("**Walter Energy Canada**") 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 Walter Energy Group to the Honourable Madam Justice Fitzpatrick at the courthouse at 800 Smithe Street, Vancouver, B.C., V6Z 2E1, on Wednesday, **December 7, 2016** at 10:00 a.m. for the orders set out in Part 1 below.

Part 1: ORDERS SOUGHT

1. Orders substantially in the forms attached hereto as **Schedules "C" and "D"**.

Part 2: FACTUAL BASIS

Procedural History

1. Reference is made to the facts set out in Affidavit #5 of William E. Aziz (the "**Fifth Aziz Affidavit**") and the Confidential Affidavit #6 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*, RSC 1985, c. C-36

("CCAA"). The Initial Order also appointed KPMG Inc. as the Monitor of the Walter Canada Group.

3. The terms of the Initial Order, including the stay of proceedings, were granted on December 7, 2015 and subsequently extended multiple times. The most recent stay extension expires on January 17, 2017.
4. On August 16, 2016 this Honourable Court granted an order setting a claims process for the Walter Canada Group (the "Claims Process Order"). Capitalised terms not otherwise defined have the meaning ascribed in the Claims Process Order.
5. Conuma Coal Resources Limited agreed to purchase the principal assets of the Walter Canada Group pursuant to an asset purchase agreement dated August 8, 2016. This transaction was approved by the Court pursuant to an Approval and Vesting Order pronounced August 16, 2016.
6. At the time of the approved principal asset purchase, the Walter Canada Group indicated an intention to realize value from any remaining assets of the Walter Canada Group (the "**Residual Assets**") at a later date. The Walter Canada Group now seeks to realize the value from the Residual Assets through implementation of a series of transactions, which include:
 - (a) the incorporation of new entities under the British Columbia *Business Corporations Act*, S.B.C. 2002, c. 57, to consist of a new corporation ("**New Walter**") as a wholly owned subsidiary of Walter Energy, Inc. ("**WEI**"), a new corporation ("**New WCCP**") as a wholly owned subsidiary of New Walter; and new corporations ("**New Wolverine**", "**New Brule**", and "**New Willow**") as wholly owned subsidiaries of New WCCP (these five new corporations collectively comprising the "**New Walter Group**");
 - (b) from and after the date of formation of the New Walter Group, deeming each member of the New Walter Group to be a debtor company as defined in the CCAA, to be subject to the CCAA proceedings, and to be added as a Petitioner in the CCAA proceedings;
 - (c) from and after the date of the formation of the New Walter Group, extending all the provisions of the Initial Order and the Order of this Honourable Court made on January 5, 2016 (the "**SISP Order**") to the members of the New Walter Group and extending the appointment of the Monitor to the New Walter Group;

- (d) appointing BlueTree as CRO of the New Walter Group and providing that the powers, responsibilities and protections set out in the SISP Order shall apply and continue to apply in respect of such appointment;
- (e) causing the Administration Charge, the Directors' Charge, and the Success Fee Charge to attach to all property of the New Walter Group (including for greater certainty any after acquired property) (steps a - e collectively the "**Formation**");
- (f) terminating the engagement of the CRO with respect to a member of the Walter Canada Group at the last moment of time before the assignment in bankruptcy of such member of the Walter Canada Group becomes effective (the "**Termination**");
and
- (g) conducting a sale transaction (the "**Transaction**") as contemplated by the Term Sheet among Walter Energy Canada, as vendor, and 1098138 B.C. Ltd., as purchaser (the "**Purchaser**") and Amacon Land Corporation, as guarantor, made November 28, 2016 (the "**Term Sheet**").

Approval of the Formation, Termination, and Transaction

7. The Walter Canada Group, in conjunction with the Monitor, has determined to execute the Formation and Transaction based on a number of factors, including:
 - (a) the Formation and Transaction contemplates the assumption of a number of liabilities that would otherwise remain liabilities of the Walter Canada Group;
 - (b) the Formation and Transaction will result in additional assets to the estate for the benefit of the creditors of the Walter Canada Group;
 - (c) the Transaction is likely to close soon;
 - (d) the guarantees given in respect of the obligations in respect of the Transaction; and
 - (e) the Formation and Transaction are superior to any liquidation alternative.
8. The Formation, Termination, and Transaction are described in more detail in the Fifth Aziz Affidavit.
9. An unredacted copy of the Term Sheet, complete with all exhibits, is attached as Exhibit "A" to the Confidential Affidavit.

10. The Walter Canada Group has determined, on the advice of the Financial Advisor and in consultation with the Monitor, that the Formation, Termination, and Transaction are a better alternative than liquidation as explained in more detail in the Fifth Aziz Affidavit.
11. The Formation and Transaction are contemplated in the expectation that all creditors of the Walter Canada Group will derive a greater benefit from the implementation of the Transaction and Formation than would otherwise result. The Formation Transaction provides a better recovery for the creditors of the Walter Canada Group than they would receive in a bankruptcy and is in the best interests of the creditors of the Walter Canada Group. If the transaction is consummated, the New Walter Group will be deemed liable for all claims against the Walter Canada Group.
12. The Petitioners have been and continue to act with good faith and due diligence in these proceedings.

Part 3: LEGAL BASIS

1. The Petitioners specifically rely on:
 - (a) Companies' Creditors Arrangement Act, RSC 1985, c C-36;
 - (b) Business Corporations Act, SBC 2002, c 57;
 - (c) Supreme Court Civil Rules, BC Reg 241/2010;
 - (d) the inherent and equitable jurisdiction of this Honourable Court; and
 - (e) such further and other grounds as counsel may advise and this Honourable Court may deem just.

Authority to Authorize the Transaction

2. Section 36 of the CCAA does not apply because the Transaction contemplates a proposal to creditors being voted on and approved by the court.
3. However, in the event that section 36 of the CCAA does apply, all of the factors enumerated in section 36 of the CCAA are met, as set out in the Fifth Aziz Affidavit:

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.

Approval of the Formation of the New Walter Group and the Termination

- 4. In order to complete the Transaction, the Formation of the New Walter Group and Termination must first occur.
- 5. Section 11 of the CCAA provides the court with the general power and discretion to make any order that is appropriate in the circumstances:

11. Despite anything in the *Bankruptcy and Insolvency Act* or the *Winding-up and Restructuring Act*, if an application is made under this Act in respect of a debtor company, the court, on the application of any person interested in the matter, may, subject to the restrictions set out in this Act, on notice to any other person or without notice as it may see fit, make any order that it considers appropriate in the circumstances.

- 6. Accordingly, based on the language of section 11 of the CCAA, the court has the jurisdiction and the discretion to make any order that realistically advances the CCAA's broad, remedial purpose to "enable compromises to be made for the common benefit of the creditors and of the company, particularly to keep a company in financial difficulties alive and out of the hands of liquidators."

Century Services Inc. v Canada (AG), 2010 SCC 60 at paras 59 - 71

Re Northland Properties Ltd., (sub nom. Northland Properties Ltd. v. Excelsior Life Insurance Co. of Canada), [1989] 3 WWR 363, 34 BCLR (2d) 122

- 7. In complex reorganizations of large companies courts have been asked to exercise their jurisdiction and discretion in innovative ways by sanctioning measures "for which there is no explicit authority in the CCAA."

Century Services at para 61

8. The “incremental exercise of judicial discretion” under the CCAA is the “primary method by which the CCAA has been adapted and has evolved to meet contemporary business and social needs.”

Century Services at para 58

9. Accordingly, as long as the measures sought are consistent with the broad, remedial purpose of the CCAA, the Court has the inherent discretion to grant relief that is not expressly codified in the legislation.

Century Services, at paras 58-62

10. In the present circumstances, approval of the Transaction, the Formation and Termination serves the interests of the company and its creditors, thereby advancing the broad, remedial purpose of the CCAA. The Formation and Transaction will preserve and maximize the value of the Walter Canada Group without requiring the creditors to compromise their respective interests and/or their security in the company. The net result is an increase in the value available to creditors, which is consistent with the CCAA, and the order sought is “in furtherance of the CCAA’s [remedial] purposes”.

Century Services at para 59

11. The proposed reorganization will preserve each creditor's claim in its entirety, while providing the creditors with added value. As a consequence of the Formation, Termination, and Transaction, the Walter Canada Group will gain the purchase price from the sale of the Residual Assets. As the Orders sought clearly and realistically advance the CCAA's purposes, “the ability to make it is within the discretion of the CCAA court.”

Century Services at para 71

12. Although the New Walter Group will not initially have assets sufficient for the CCAA to apply, the New Walter Group are affiliated companies to the Walter Canada Group. Subsection 3 of the CCAA provides that the CCAA applies in respect of affiliated companies:

Application

3 (1) This Act applies in respect of a debtor company or affiliated debtor companies if the total of claims against the debtor company or affiliated debtor companies, determined in accordance with section 20, is more than \$5,000,000 or any other amount that is prescribed.

Affiliated companies

(2) For the purposes of this Act,

- (a) companies are affiliated companies if one of them is the subsidiary of the other or both are subsidiaries of the same company or each of them is controlled by the same person; and
- (b) two companies affiliated with the same company at the same time are deemed to be affiliated with each other.

13. The Walter Canada Group are affiliated companies to the New Walter Group and the CCAA applies to all companies in the corporate group. Therefore, each member of the New Walter Group can be made subject to the CCAA proceedings.
14. In the circumstances, it is appropriate to authorize the approval of the Formation and Termination.

Sealing Order

15. 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

16. An unredacted copy of the Term Sheet attached to the Confidential Affidavit contains confidential business information. In addition, the Confidential Report of the Monitor contains the Monitor's assessment of the Transaction and the confidential terms.
17. The Purchase Price and certain other terms of the Term Sheet 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 Term Sheet have been disclosed.
18. The sealing order requested is necessary to protect the integrity of the Transaction, particularly if the Transaction does not close.

19. The prejudice of disclosing the confidential terms of the Term Sheet outweighs the potential harm, if any, if the Confidential Affidavit were to be sealed.
20. Accordingly, it is appropriate that the Confidential Affidavit be sealed.

Part 4: MATERIAL TO BE RELIED ON

1. Affidavit #5 of William E. Aziz, to be sworn;
2. Confidential Affidavit #6 of William E. Aziz, to be sworn
3. Monitor's Sixth Report, to be filed;
4. Confidential Monitor's Report, to be filed;
5. pleadings and other materials filed herein; and
6. such further and other materials as counsel may advise and this Honourable Court may permit.

The Petitioners estimate that the application will take 30 minutes.

- 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 Petitioners 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).

December 2, 2016 _____
Dated



Signature of lawyer for the Petitioners

DLA Piper (Canada) LLP
(Mary I.A. Buttery and H. Lance Williams)
and
Osler, Hoskin & Harcourt LLP
(Marc Wasserman and Patrick Riesterer)

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
- other

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

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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
(New Walter Group Procedure Order)**

BEFORE THE HONOURABLE)
MADAM JUSTICE FITZPATRICK) WEDNESDAY, THE 7TH DAY OF
) DECEMBER, 2016

THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia, on the 7th day of December, 2016; AND ON HEARING Mary I.A. Buttery, H. Lance Williams, Marc Wasserman and Patrick Riesterer, counsel for the Petitioners and the Partnerships listed on Schedule "A" hereto (collectively, the "**Walter Canada Group**"), Peter Reardon and Wael Rostom, counsel for KPMG Inc. and those other counsel listed on **Schedule "B"** hereto; AND UPON READING the material filed, including the 5th Affidavit of William E. Aziz sworn December ●, 2016 (the "**Affidavit**"), the Confidential 6th Affidavit of William E. Aziz sworn December ●, 2016, the Sixth Report of the Monitor dated December ● and the Confidential Supplemental Report to the Sixth Report of the Monitor dated December ●;

THIS COURT ORDERS AND DECLARES THAT:

SERVICE AND DEFINITIONS

1. The time for service of the notice of application for this order is hereby abridged and deemed good and sufficient and this application is properly returnable today.
2. 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 pursuant to *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended (the "**CCAA**") in respect of the Walter Canada Group (the "**Initial Order**") or in the Affidavit.

TRANSACTION APPROVAL

3. The sale transaction (the "**Transaction**") contemplated by the Term Sheet among Walter Canada Group, as subject, and 1098138 B.C. Ltd., as purchaser (the "**Purchaser**") and Amacon Land Corporation, as guarantor, made November 28, 2016 (the "**Term Sheet**"), a copy of which is attached as Exhibit "A" to the Confidential 6th Affidavit of William Aziz is hereby approved, and the Term Sheet is commercially reasonable. The execution of the Term Sheet by Walter Canada Group is hereby authorized and approved, and the Walter Canada Group is hereby authorized to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction contemplated by the Term Sheet, including the execution of ancillary documents.

TRANSACTION STEPS AND PROCEDURAL MATTERS

4. Each of the members of the Walter Canada Group are authorized but not directed to make an assignment in bankruptcy at such time as the Walter Canada Group determines, in its sole discretion, that it is necessary or advisable to do so.

NEW WALTER ENTITIES

5. The formation of corporations under the British Columbia *Business Corporations Act* to consist of New Walter, New WCCP, New Brule, New Willow Creek and New Wolverine (collectively, the "**New Walter Group**") as provided for by the Term Sheet is hereby authorized and:
 - (a) upon formation, New Walter shall issue shares to Walter Energy, Inc., such that New Walter will be wholly-owned by Walter Energy, Inc. and such shares shall be deemed to be fully paid, non-assessable shares;
 - (b) upon formation, New WCCP shall issue shares to New Walter, such that New WCCP will be wholly-owned by New Walter and such shares shall be deemed to be fully paid, non-assessable shares; and
 - (c) upon formation, each of New Brule, New Willow Creek and New Wolverine shall issue shares to New WCCP, such that each of New Brule, New Willow Creek and New Wolverine will be wholly-owned by New WCCP and such shares shall be deemed to be fully paid, non-assessable shares.
6. The Monitor, on behalf of the New Walter Group and the Walter Canada Group, is authorized to contribute \$5 from the Deposit (as defined in the Term Sheet) as payment by the Purchaser, as agent for Walter Energy Inc., of the subscription price for the shares of New Walter and to invest such portion of the \$5 on behalf of New Walter in the other members of the New Walter Group as required.

7. The adoption, execution, delivery, implementation and consummation of any matters required to form the members of the New Walter Group involving any corporate action shall be deemed to have been authorized and approved in all respects and for all purposes without any requirement of any further action by any shareholders, directors or officers of any member of the New Walter Group and all necessary approvals to take any actions shall be deemed to have been obtained from the shareholders and directors of each member of the New Walter Group, and no vote of or action by any shareholder shall be required to complete the steps contemplated hereby or by the Term Sheet.
8. From and after the date of the formation of the members of the New Walter Group, each member of the New Walter Group shall be and is hereby deemed, upon formation:
 - (a) to be a debtor company (as defined in the CCAA);
 - (b) to be subject to these proceedings; and
 - (c) to be added as a Petitioner in these CCAA proceedings.
9. From and after the date of the formation of the members of the New Walter Group, the provisions of the Initial Order (as amended and extended) shall apply to the each member of the New Walter Group and the Monitor shall be appointed as Monitor of the New Walter Group, with all of the powers, responsibilities and duties set out in the Initial Order and shall be granted and shall continue to have all of the applicable rights and protections. All charges over the Property of the Petitioners granted in these proceedings shall apply equally and with the same respective priority to the Property of each of the members of the New Walter Group (including, for greater certainty, any after acquired property of the New Walter Group and any property transferred to the New Walter Group pursuant to the Term Sheet and the Transaction). For greater certainty, and without limiting the generality of the foregoing, the Administration Charge, the Director Charge and the Success Fee Charge, each as defined and described in the Initial Order and the order of the Court pronounced January 5, 2016 (the "**SISP Order**") (each as amended by any subsequent Order of the Court), shall attach to all Property of the New Walter Group.
10. The Monitor is hereby authorized and directed to file with the Court a certificate substantially in the form attached hereto as **Schedule "C"** indicating the names of each member of the New Walter Group and, following the delivery of such certificate, the style of cause in these CCAA proceedings shall be amended to include the names of the members of the New Walter Group as Petitioners.
11. The Monitor is hereby granted all of the enhanced powers set out in the Order of the Court pronounced August 16, 2016 (the "**Enhanced Powers Order**") with respect to the New Walter Group and is also hereby authorized and directed to:

- (a) open such bank accounts or brokerage accounts with such financial institutions as the Monitor, in its sole discretion, deems are necessary or advisable in connection with the exercise of the Monitor's powers, the Transaction, the claims process underway with respect to the Walter Canada Group and any other matter in these CCAA proceedings, including accounts in the name of the Monitor in trust for any member of the New Walter Group and any accounts in the name of any member of the Walter Canada Group;
- (b) change the signing authority of any of the foregoing bank accounts or brokerage accounts, including as deemed necessary by the Monitor to facilitate the completion of the Transaction, at such times as the Monitor may determine; and
- (c) receive, collect and take possession of all monies, securities or other negotiable instruments of the Walter Canada Group or the New Walter Group.

CHIEF RESTRUCTURING OFFICER

- 12. BlueTree Advisors Inc. ("**BlueTree**") shall be and shall be deemed to have been engaged to provide the services of William E. Aziz to act as chief restructuring officer ("**CRO**") of the New Walter Group; the CRO Engagement Letter, including any indemnification obligations set out therein, shall apply to the members of the New Walter Group and the New Walter Group shall be "Walter Canada" or the "Company" as defined in the CRO Engagement Letter; and BlueTree and the CRO shall be granted and shall continue to have all continue to have all of the powers, responsibilities and duties set out in the SISP Order and shall be granted and shall continue to have all of the applicable rights and protections set out in the SISP Order, in each case as amended by any subsequent Order of the Court, including the benefit of the Administration Charge and the Success Fee Charge.
- 13. At the last moment in time before the assignment in bankruptcy of any member of the Walter Canada Group, the appointment of BlueTree and the CRO in respect of such member of the Walter Canada Group shall be and is hereby terminated and deemed terminated and BlueTree and the CRO be and are hereby discharged as of such time and relieved from any further obligations, responsibilities or duties in the capacity of CRO of such member of the Walter Canada Group pursuant to the SISP Order, any other Order of this Court in the CCAA proceedings or otherwise and, notwithstanding any provision of this Order, nothing contained in this Order shall affect, vary, derogate from or amend any of the rights, approvals and protections in favour of the CRO in the SISP Order, any other Order of this Court in the CCAA proceedings or otherwise.

GENERAL

- 14. Each of the Walter Canada Group and New Walter Group and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the

terms of this Order and the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada, including acting as a foreign representative of the Walter Canada Group and New Walter Group to apply to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the *United States Bankruptcy Code*, 11 U.S.C. §§ 101-1330, as amended.

15. 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 New Walter 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 New Walter Group and the Monitor and their respective agents in carrying out the terms of this Order.

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

Lawyers for the Petitioners

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

and

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

BY THE COURT

REGISTRAR

SCHEDULE "A"

Petitioners

1. Walter 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 "C"

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" TO THE INITIAL ORDER

PETITIONERS

MONITOR'S CERTIFICATE: NEW WALTER GROUP

RECITALS

A. Pursuant to an Order of the Honourable Justice Fitzpatrick of the British Columbia Supreme Court (the "**Court**") dated December 7, 2015 (the "**Initial Order**"), KPMG Inc. was appointed as the monitor (the "**Monitor**") in connection with the CCAA proceedings of the Petitioners.

B. Pursuant to the Order of the Court dated _____ (the "**New Walter Group Procedure Order**"), the Court authorized the formation of New Walter, New WCCP, New Brule, New Willow Creek and New Wolverine (the "**New Walter Group**") and that the New Walter Group be and be deemed to be Petitioners in the *Companies' Creditors Arrangement Act* ("**CCAA**") proceedings initiated by the Initial Order.

C. The Monitor was directed to file this certificate upon the formation of the entities comprising the New Walter Group.

D. All capitalized terms used but not defined herein shall have the meaning given in the New Walter Group Procedure Order.

THE MONITOR CERTIFIES the following:

1. The New Walter Group, consisting of New Walter, New WCCP, New Brule, New Willow Creek and New Wolverine have been formed and:
 - a. "**New Walter**" means _____.
 - b. "**New WCCP**" means _____.
 - c. "**New Brule**" means _____.
 - d. "**New Willow Creek**" means _____.

e. "New Wolverine" means _____.

2. Pursuant to the terms of the New Walter Group Procedure Order, each of New Walter, New WCCP, New Brule, New Willow Creek and New Wolverine are Petitioners in the CCAA proceedings and are subject to the Initial Order and the style of cause is to be amended to be as follows:

[STYLE OF CAUSE TO BE INSERTED].

This Certificate was delivered by the Monitor at _____ on _____, 2016.

KPMG Inc., in its capacity as Monitor of Walter Energy Canada Holdings, Inc., the other members of the Walter Canada Group and the members of the New Walter Group and not in its personal capacity

Per: _____
Name:
Title:

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

PETITIONERS

SEALING ORDER

BEFORE THE HONOURABLE
MADAM JUSTICE FITZPATRICK

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)
)

WEDNESDAY, THE 7TH DAY
OF DECEMBER, 2016

ON THE APPLICATION of the Petitioners coming on for hearing at 800 Smithe Street, Vancouver, British Columbia, on December 7, 2016; AND ON HEARING Mary I.A. Buttery, H. Lance Williams, Marc Wasserman and Patrick Riesterer, counsel for the Petitioners and the Partnerships listed on **Schedule "A"** hereto 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 #6 of William E. Aziz sworn Dec. 2, 2016	Dec. ◆, 2016	two	Until further order	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/>	
Confidential Supplemental Report to the Sixth Report of the Monitor, KPMG Inc.	Dec. ◆, 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 Lance Williams)
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

SCHEDULE "B"

Counsel List	
Name	Party Represented

NO. S-15010120
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

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

PETITIONERS

NOTICE OF APPLICATION

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File No. 15375-00001

LZW/sd