

This is the 24th Affidavit of  
William E. Aziz in this case and  
was made on November 1, 2018

NO. S-1510120  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

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

AND

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

AND

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

PETITIONERS

**AFFIDAVIT**

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

1. I am the President of BlueTree Advisors Inc. ("**BlueTree**"), which has been retained to provide my services as Chief Restructuring Officer ("**CRO**") to the Petitioners (the "**New Walter Canada Group**"). As such I have personal knowledge of the facts hereinafter deposed, except where such facts are stated to be based upon information and belief, and where so stated I do verily believe the same to be true.
2. This Affidavit is made in support of a motion by the New Walter Canada Group under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**") seeking an Order, among other things, (i) extending the stay of proceedings in respect of the New Walter Canada Group to March 8, 2019; and (ii) authorizing Cambrian Energybuild Holdings ULC ("**Cambrian**") to take steps to cause Cambrian's English subsidiaries to be wound up.
3. I was initially retained by Walter Energy Canada Holdings, Inc. ("**Walter Energy Canada**") to provide my services as CRO to Walter Energy Canada, its direct and indirect subsidiaries and

affiliates, and the partnerships listed on Schedule "C" to the Initial Order (collectively, the "**Old Walter Canada Group**"). I was retained pursuant to an engagement letter dated December 30, 2015, as amended in response to certain requests made by Old Walter Canada Group stakeholders. BlueTree was appointed as CRO of the Old Walter Canada Group pursuant to the Order of this Honourable Court made on January 5, 2016 (the "**SISP Order**").

4. My engagement as CRO of the Old Walter Canada Group, other than as CRO of Cambrian, was terminated on December 15, 2016, when the entities comprising that group filed for bankruptcy.
5. The companies comprising the New Walter Canada Group (other than Cambrian) were incorporated on December 8, 2016, pursuant to the authorization granted in paragraph 5 of the Order of this Honourable Court made on December 7, 2016 (the "**CCAA Procedure Order**"). Each such company became a Petitioner in these CCAA proceedings and subject to the CCAA Charges (as defined in the CCAA Procedure Order), and I became CRO of each new company in the New Walter Canada Group when the companies were formed.
6. 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. On January 16, 2017, this Honourable Court extended the Stay Period until and including May 31, 2017. On May 30, 2017, this Honourable Court extended the Stay Period until and including October 6, 2017. On October 6, 2017, this Honourable Court extended the Stay Period until and including December 15, 2017. On December 13, 2017, this Honourable Court extended the Stay Period until and including February 28, 2018. On February 27, 2018, this Honourable Court extended the Stay Period until and including April 16, 2018. On April 10, 2018, this Honourable Court extended the Stay Period until and including June 1, 2018. On May 31, 2018, this Honourable Court extended the Stay Period until and including December 1, 2018.
7. After the most recent stay extension was granted by this Honourable Court, the New Walter Canada Group and the Monitor took significant steps for bringing this proceeding to its conclusion. In an order made on May 31, 2018 (the "**Meeting Order**"), this Honourable Court granted the New Walter Canada Group leave to file its Plan of Compromise and Arrangement dated May 29, 2018 (the "**Original Plan**"), and ordered that the Monitor take certain steps to provide notice to creditors of the filing of the Original Plan and the deemed Creditors Meetings (as defined in the Meeting Order) for voting on the Original Plan. These notice procedures were followed, as affirmed by this Honourable Court when granting the Sanction Order (defined below).

8. The Creditors Meetings were deemed to have occurred on June 27, 2018, following which the New Walter Canada Group applied for and obtained an Order made on July 3, 2018 (the "**Sanction Order**") sanctioning the New Walter Canada Group's Amended and Restated CCAA Plan of Compromise and Arrangement dated June 22, 2018 (the "**Amended Plan**"). In the reasons for granting the Sanction Order, this Honourable Court noted that the sanction hearing was the culmination of a two-and-a-half-years-long proceeding that involved realizations from the New Walter Canada Group's significant assets as well as significant contested proceedings and extensive negotiations to resolve claims advanced by significant stakeholders including the United Steelworkers, Local 1-424 (the "**USW**"), the United Mine Workers of America 1974 Pension Plan and Trust (the "**1974 Plan**"), and Warrior Met Coal, LLC ("**Warrior**").
9. Since obtaining the Sanction Order, the New Walter Canada Group has been acting diligently to satisfy prerequisites for implementing the Amended Plan. The New Walter Canada Group has also been acting diligently to finalize a plan for the wind-down of Energybuild Group Limited ("**EBG**"), Energybuild Holdings Limited ("**EBH**"), and Energybuild Opencast Limited ("**EBO**", and, collectively with EBG and EBH, "**Walter UK**") and attending to other outstanding matters.

#### Plan Implementation Matters

10. The principal remaining condition precedent that must be satisfied before any distributions under the Amended Plan can occur is obtaining a clearance certificate pursuant to section 159 of the *Income Tax Act* or such other comfort, satisfactory to the Monitor, from the Canada Revenue Agency (the "**CRA**") with respect to the distributions.
11. An application for a clearance certificate must be accompanied by a number of relevant documents, including a notice of assessment issued by the CRA for each entity seeking a clearance certificate. Prior to the hearing for the Sanction Order, all members of the New Walter Canada Group had filed their tax returns and the CRA had issued notices of assessment to every member of the New Walter Canada Group other than Cambrian.
12. Cambrian was required to file an election in connection with its tax returns in respect of the loans that Cambrian made to EBG in these proceedings. Because Cambrian and EBG are ultimately owned by New WEI, Inc., Cambrian and New WEI, Inc. are required to file a joint election to declare the EBG debt as "pertinent loan or indebtedness" ("**PLOI**") so that no adverse tax consequences for Cambrian would arise. New WEI, Inc. is subject to Chapter 7 proceedings under the U.S. Bankruptcy Code, and so the PLOI election had to be signed by the Chapter 7 trustee appointed in respect of New WEI, Inc. (the "**Chapter 7 Trustee**").

13. Following the issuance of the Sanction Order, Cambrian successfully negotiated the execution of the PLOI election with the Chapter 7 Trustee and filed it with the CRA in early August 2018. Since that date, the Monitor has been contacting the CRA periodically to inquire regarding the issuance of Cambrian's notice of assessment. To date, Cambrian's notice of assessment has not yet been issued.
14. The New Walter Canada Group, its counsel, the Monitor and its counsel have taken the following additional steps since the Sanction Order was granted in order to obtain a clearance certificate or other comfort on an expedited basis:
  - (a) Made multiple calls to the Department of Justice, as counsel to the CRA, and to the CRA itself to seek to identify a senior representative within the CRA who can commit to reviewing all tax matters related to the New Walter Canada Group on an expedited basis so that clearance certificates can be issued as soon as possible.
  - (b) Sent letters seeking an expedited review of the New Walter Canada Group's tax matters, including:
    - (i) A letter to the CRA dated July 25, 2018, informing the CRA that the New Walter Canada Group had obtained the Sanction Order and was seeking to obtain a clearance certificate. The letter provided background information about this proceeding and the New Walter Canada Group's tax filing status, explained why a clearance certificate was required, and included a request that the CRA review all tax matters related to New Walter Canada on an accelerated basis and consider issuing a clearance certificate or other comfort to allow distributions to occur in a timely manner.
    - (ii) A letter to the CRA dated August 8, 2018, advising the CRA that Cambrian had filed the PLOI election, that the New Walter Canada Group's outstanding tax filings were complete and reiterating the request that the CRA review all tax matters related to New Walter Canada on an accelerated basis and consider issuing a clearance certificate or other comfort to allow a distribution to occur in a timely manner.
  - (c) Participated in regular strategy calls regarding obtaining a clearance certificate.
  - (d) Provided certain documents to the CRA in connection with obtaining the clearance certificates, including the PLOI and certain bank statements and related documents requested by the CRA in connection with the distributions made in 2017 by the Monitor in accordance with an order of this Court to certain former employees of the Wolverine Mine.

- (e) Prepared and filed the TX-19 applications for clearance certificates despite the fact that Cambrian's notice of assessment has not been issued. A letter to the CRA dated October 19, 2018 was included with the applications for the clearance certificates again explaining the need for an expedited review of the applications.
- 15. Representatives of the New Walter Canada Group and the Monitor have spoken to a number of representatives of the CRA regarding the clearance certificate applications and other tax matters and believe that CRA representatives are attending to the applications and related tax matters.
- 16. The New Walter Canada Group will continue to seek an expedited review of the request for clearance certificates so that distributions under the Amended Plan can be made in as timely a manner as possible in the circumstances. I understand that the Monitor will provide a report in mid-February with an update regarding the New Walter Canada Group's progress in obtaining the clearance certificates.

#### Walter UK

- 17. In addition to obtaining a clearance certificate and making the distributions contemplated in the Amended Plan, the New Walter Canada Group will also be required to wind up EBG, EBH and EBO in accordance with the terms of the Settlement Term Sheet among the New Walter Canada Group, Warrior and the 1974 Plan dated October 10, 2017 (the "**Settlement Agreement**").
- 18. The Settlement Agreement provides that Walter UK is to be wound up in a cost effective and tax efficient manner that protects its directors and officers from liability to the fullest extent possible.
- 19. To that end, I have meet with Walter UK's financial, legal and tax advisors to determine the best path forward for EBG, EBH and EBO. The Monitor, New Walter Canada Group's legal counsel and I participated in multiple discussions with Walter UK's advisors in an effort to determine the best method to wind up Walter UK.
- 20. I am advised by Walter UK's advisors that there are three options in the circumstances: (i) an application to strike the companies off of the applicable corporate register (a "**voluntary strike off**" or "**VSO**"); (ii) a solvent liquidation proceeding overseen by an insolvency practitioner (a "**members' voluntary liquidation**" or "**MVL**"); or (iii) an insolvency proceeding (a "**creditors' voluntary liquidation**" or "**CVL**"). Attached hereto as Exhibit "A" is a summary prepared by the UK offices of KPMG LLP with respect to the three available processes and its recommended approach for each member of Walter UK.
- 21. A VSO can be completed rapidly whether or not a company is solvent, but the assets of a company that is subject to a VSO vest in the English Crown. Further, a VSO contains no process for

addressing creditors' claims and no finality. Any creditor can apply to have a company restored in the six years following dissolution and put the company into another process. In such circumstances, the directors may also be exposed to liability. A VSO is only appropriate for companies that have had very limited recent activity.

22. An MVL is only available to solvent companies. It involves the appointment of a liquidator to advertise for, negotiate and pay claims. Remaining funds are returned to the parent company. The MVL process is relatively straightforward: (i) the directors of the company swear that the company is solvent; (ii) the shareholder and the company resolve to commence a liquidation; (iii) a liquidator is appointed and is vested with all the assets of the company subject to a liquidation; (iv) the liquidator advertises for claims; and (v) after an appropriate time, the liquidator distributes funds to creditors and the companies are wound up. The timeline to complete an MVL from start to finish is approximately six months. If the companies are solvent at the commencement of an MVL, an MVL can provide finality for the companies and protect directors from potential claims.
23. A CVL is available to both solvent and insolvent companies. A CVL is generally analogous to a bankruptcy proceeding under Canadian law, and it is also similar to the MVL process. In addition to the steps described in the previous paragraph, a liquidator is required to conduct an investigation into all the company's activities and the activities of its directors. I am advised that a CVL is generally a longer and more expensive process than an MVL.
24. Walter UK and the New Walter Canada Group have determined that EBG and EBH should be wound up using an MVL. EBO was incorporated in 2003 and has been dormant since incorporation, so EBO qualifies for VSO.
25. The proposed approach to the wind-up of Walter UK will not require any funding from the New Walter Canada Group. The process will be funded from the remaining proceeds of EBH's sale of its subsidiaries, with an estimated recovery to Warrior of £526,000 (approximately CDN\$880,000 as of the date hereof). Pursuant to the Settlement Agreement, Warrior agreed to accept the remaining proceeds of sale following the wind-up of Walter UK in full satisfaction of the approximately US\$7 million claim against EBG that Warrior acquired from New WEI, Inc.
26. The New Walter Canada Group has discussed the possible approaches to winding up Walter UK with representatives of Warrior and understands that Warrior is considering the recommended approach. Warrior is the only known arm's-length creditor of Walter UK.
27. The New Walter Canada Group is therefore seeking authorization from this Court to cause the Walter UK to be wound up and to take any steps or execute any agreements required in connection

with the wind-up and an order that the New Walter Canada Group's director have no liability for any action taken in connection with the wind-up.

#### Other Matters

28. Finally, in addition to taking all the steps identified above for bringing these proceedings to a close, the New Walter Canada Group, its counsel and I have also taken the following steps since the most recent stay extension was granted:
- (a) Taken further steps to resolve the claim asserted by Kevin James (the "**James Claim**"), which is the only remaining unresolved claim in this proceeding.
  - (b) Engaged in discussions with the Chapter 7 Trustee and counsel to Warrior regarding US\$270,000 that was received from Scotiabank and that is currently being held by the Monitor. These funds were sent to the Monitor by Scotiabank after it cancelled some prepaid corporate credit cards without enquiring into the ownership of the funds. The New Walter Canada Group and the Monitor have determined that the funds belonged to New WEI, Inc. prior to the closing of the transaction that involved the sale of the majority of New WEI, Inc.'s assets to Warrior. If the funds were the property of the New Walter Canada Group, the funds would most likely be payable to Warrior. These funds (and certain other funds owing to New WEI, Inc. by other entities) are subject to a settlement agreement between Warrior and the Chapter 7 Trustee that has been approved by the U.S. Bankruptcy Court. The New Walter Canada Group has agreed to return these funds to the Chapter 7 Trustee at the time distributions are made under the Amended Plan.
  - (c) Assisted the Chapter 7 Trustee in connection with various U.S. tax matters.
  - (d) Renewed D&O insurance for the New Walter Canada Group.

#### Conclusion

29. The New Walter Canada Group is requesting an extension of the Stay Period until and including March 8, 2019. This extension is being requested to allow the New Walter Canada Group to obtain a clearance certificate or such other comfort, satisfactory to the Monitor, from the CRA as required by the Amended Plan, to take any other steps necessary for implementing the Amended Plan and permitting distributions to creditors to occur, to wind up Walter UK, and to continue litigating the James Claim. The date for the requested stay extension is appropriate in light of the fact that the outside date for implementing the Amended Plan is April 3, 2019.

30. The New Walter Canada Group is also requesting that this Court authorize Cambrian to take steps to cause Walter UK subsidiaries to be wound up.
31. 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 and through to the April 3, 2019 outside date for the implementation of the Amended Plan.
32. The New Walter Canada Group has been proceeding in good faith and with due diligence in these proceedings.
33. 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 and through to the April 3, 2019 outside date for the implementation of the Amended Plan.
34. It is my understanding that the Monitor also supports the wind-up of Walter UK.
35. It is in the best interests of the New Walter Canada Group and all its stakeholders that the Stay Period be extended to March 8, 2019 to allow the New Walter Canada Group to obtain a clearance certificate or other comfort from the CRA, to take any other steps necessary for implementing the Amended Plan and permitting distributions to creditors to occur. It is in the best interests of the New Walter Canada Group and all its stakeholders that Walter UK be wound up on a tax-efficient basis.

SWORN BEFORE ME at Oakville, in  
the Province of Ontario, on  
November 1, 2018.

*Sen Strain*

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

LSO# 710785

*William E. Aziz*

WILLIAM E. AZIZ





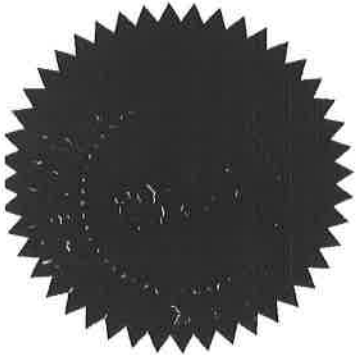
# TAB A

This is Exhibit "A" referred to in Affidavit #24 of **William E. Aziz** sworn November 1, 2018 at Oakville, Ontario.

*Sara Sturt*

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

LSO# 710795





# Energybuild UK companies due diligence report Summary

25 October 2018



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# Glossary

<b>Broomfield</b>	MHA Broomfield Alexander	<b>SSE</b>	Substantial Shareholding Exemption
<b>CRE</b>	Corporate Rescue Exemption	<b>VSO</b>	Voluntary Strike Off
<b>CVL</b>	Creditors' Voluntary Liquidation	<b>Warrior</b>	Warrior Met Coal, Inc
<b>EGL</b>	Energybuild Group Limited		
<b>EHL</b>	Energybuild Holdings Limited		
<b>EL</b>	Energybuild Limited		
<b>Energybuild Companies</b>	Collectively: Energybuild Group Limited, Energybuild Holdings Limited; and Energybuild Opencast Limited		
<b>EOL</b>	Energybuild Opencast Limited		
<b>Eversheds</b>	Eversheds Sutherland		
<b>HMRC</b>	HM Revenue & Customs		
<b>MVL</b>	Members' Voluntary Liquidation		
<b>NRW</b>	National Resources Wales		



# Routes to dissolution in the UK

	Members' Voluntary Liquidation (MVL)	Voluntary Strike Off (VSO)	Creditors' Voluntary Liquidation (CVL)
<b>Solvency</b>	Required	Not required	Not required
<b>To instigate process</b>	Directors swear declaration of solvency, shareholders pass resolutions.	Directors apply to the Registrar of Companies and send copy application to certain parties.	Similar to MVL, except creditors ratify the shareholders' choice of liquidator.
<b>Further steps</b>	Liquidator realises the assets and takes steps (including advertising) to seek out, agree and pay creditors' claims, including any liabilities due to HMRC. Once creditors have been paid, surplus funds are distributed to the shareholders.	Registrar advertises proposed dissolution.	Liquidator realises the assets and takes steps (including advertising) to seek out and agree creditors' claims, including any liabilities due to HMRC. Assets realised are used firstly to pay the costs of the CVL then, if sufficient funds exist, to make distributions to creditors.
<b>Advantages</b>	Ability to deal with creditor claims, process can be started quickly, capital can be returned, no investigation into director conduct, shareholders retain an element of control, restoration would return the company into liquidation.	Available to insolvent companies, cost efficient, no investigation into director conduct.	Creditors are not required to be paid in full.
<b>Disadvantages</b>	Not available to insolvent companies, potential implications for directors swearing a declaration of solvency without reasonable grounds, higher costs than VSO.	No process for dealing with creditor claims, cannot return capital, residual assets become bona vacantia on dissolution, restoration would return the company to the control of the directors.	Stigma, liquidator investigation into director conduct, directors and shareholders may not get their own choice of liquidator, costs are higher than MVL.

**Due diligence results**

# Suggested dissolution routes for the Companies

It is for the director of the Companies to decide on the most appropriate method of eliminating the Companies.

However, taking into account the advantages and disadvantages, the current status of the Companies, advice separately received from Eversheds, Broomfield and KPMG Tax, and the estimated return to Warrior in each scenario (see page 7), we have set out below our suggested elimination routes for each company.

Company	Elimination route
EOL	VSO (estimated timing of application is October/November 2018).
EGL	MVL (timing of commencement of MVL is dependant on completion of the recommended pre-elimination steps set out in the Report.
EHL	MVL (timing of commencement of MVL is dependant on completion of the recommended pre-elimination steps set out in the Report.

# Solvency of EGL and EHL

The following matters are considered to be the key threats to the solvency of EGL and EHL (the director will be required to swear a declaration of solvency as a prerequisite to MVL).

Threat to solvency	Narrative
Does the release of the Warrior debt due from EGL qualify for the CRE?	Based on current information, the partial release of the Warrior debt should qualify for the CRE. If HMRC were to challenge and deny the availability of CRE, EGL will have a taxable credit which could result in an estimated potential tax liability up to circa £1m.
Does the disposal by EHL of its subsidiaries qualify for the SSE?	Based on advice received, the SSE qualifying conditions ought to be met on the disposal so that no tax will arise. However, as there is uncertainty over the trading status of one of the subsidiaries being sold, the application of SSE could be challenged and denied by HMRC, which could result in a tax liability of £95k. To mitigate this risk, non-statutory clearance will be sought from HMRC in advance of the MVL.
As EHL is a former holding that operated mines, is there a risk that if there was an environmental claim against the mine operating company EHL could also be liable as the parent company?	EL was the operating company for the mines. EL's accounts filed at Companies House for the year ended 31 December 2017 includes two provisions for the restoration and closure costs of the mines. The first provision for £2.6m is not expected to be utilised for ten years and the second provision of £0.1m is expected to be completed in the near future. It is uncertain whether NRW (the Welsh environment agency) would have a right to claim against EHL if EL fails to pay for the closure and restoration of the mines. If they do have a right to claim, NRW would be a contingent creditor of EHL. Any liquidator of EHL would invite NRW to submit a claim in EHL's liquidation.
Does EHL have a contingent liability if it was a former tenant of a leasehold property and entered into an authorised guarantee agreement upon any assignment of the lease?	The accounts of EHL filed at Companies House for the period ended 30 June 2007 refer to EHL holding a lease in relation to the land and buildings. This indicates that a lease was formerly in EHL's name. EHL became dormant the following year. If there is any uncertainty as to whether EHL has a contingent liability as a former tenant, the liquidators would invite the landlord (if known) to submit a claim in the MVL.





Estimated outcome

# Comparative estimated return to Warrior

Calculation of estimated funds available for payment to Warrior, depending on whether the CRE and/or SSE apply and the method of elimination of EGL/EHL.

	MVL					Strike-off					CVL				
	Warrior		HMRC		Costs	Warrior		HMRC		Costs	Warrior		HMRC		Costs
	Claim £'000s	Payment £'000s	Claim £'000s	Payment £'000s	£'000s	Claim £'000s	Payment £'000s	Claim £'000s	Payment £'000s	£'000s	Claim £'000s	Payment £'000s	Claim £'000s	Payment £'000s	£'000s
CRE and SSE apply	5,367.6	526.0	-	-	106.0	5,367.6	562.0	-	-	70.0	5,367.6	492.0	-	-	140.0
CRE does not apply	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5,367.6	413.4	1,019.8	78.6	140.0
SSE does not apply	5,367.6	431.0	95.0	95.0	106.0	5,367.6	467.0	95.0	95.0	70.0	5,367.6	483.4	95.0	8.6	140.0
CRE and SSE do not apply	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5,367.6	407.4	1,114.8	84.6	140.0

Notes:

- (1) For the purpose of this estimate Warrior's US\$0,076,501 claim has been converted at the rate of USD 1.3 = GBP 1.0.
- (2) The calculation of the tax liabilities do not take into account any available tax losses other than the capital loss on the disposal of MEHL.
- (3) For the purpose of these estimates, it has been assumed that there will be no creditors apart from Warrior and HMRC.
- (4) It is assumed that if the Corporate Rescue Exemption does not apply, a tax liability will still arise because the Warrior release agreement has been executed.
- (5) As the Energybuild Companies are not VAT registered the costs include VAT.
- (6) The total costs of the elimination process (which includes costs incurred but not paid) and estimated payments to Warrior are estimated and the actual amounts could be higher or lower.





This Report has been prepared on the basis set out in our Engagement Letter dated 26 September 2018 and addressed to EHL (the 'Client'). EGL and EOL are Other Beneficiaries to the Engagement Letter. This Report should be read in conjunction with the Engagement Letter and is for the benefit of only the Client/Other Beneficiaries, and has been released to the Client/Other Beneficiaries on the basis that it shall not be copied, referred to or disclosed, in whole or in part, without our prior written consent. Nothing in this report constitutes a valuation or legal advice. We have not verified the reliability or accuracy of any information obtained in the course of our work, other than in the limited circumstances set out in the Engagement Letter. This Report is not suitable to be relied on by any party wishing to acquire rights against KPMG LLP (other than the Client/Other Beneficiaries) for any purpose or in any context. Any party other than the Client/Other Beneficiaries that obtains access to this Report or a copy and chooses to rely on this Report (or any part of it) does so at its own risk. To the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability in respect of this Report to any party other than the Client/Other Beneficiaries.

To the extent this report includes tax advice in relation to CRE, it is for discussion purposes only and is not intended to be a tax opinion. For ease of understanding and as a stylistic matter, we may use language (such as "will" or "should") that might suggest that we have come to a particular level of comfort or conclusion as to a particular issue. We hereby advise you that such language is not intended to state a level of comfort and you should not rely on such statements as such. The tax advice in relation to CRE has been prepared on the basis of current tax law and our understanding of UK published practice as at the date of this Report. Events becoming known to us or occurring after this date may significantly impact on the CRE advice and we accept no responsibility for updating our report or for informing any addressee of this Report of any such events.

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COAL CORP. AND CAMBRIAN ENERGYBUILD  
HOLDINGS ULC

PETITIONERS

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**AFFIDAVIT #24 OF WILLIAM E. AZIZ**

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