



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 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 June 24, 2016 at 10:00 a.m. for the order set out in Part 1 below.

Part 1: ORDER SOUGHT

1. An Order substantially in the form attached hereto as **Schedule "C"**.

Part 2: FACTUAL BASIS

Introduction

1. Reference is made to the facts set out in Affidavit #1 and Affidavit #2 of William G. Harvey and Affidavit #1 and Affidavit #2 of William E. Aziz (the "**Second Aziz 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 and to June 24, 2016 pursuant to an order of this Honourable Court pronounced March 30, 2016.

Stay extension and sales process update

4. 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 investment solicitation process (the "**SISP**") for the restructuring, recapitalization or other form of reorganization (including the purchase of

any equity interests held by Walter Energy Canada) and/or a purchase of all or substantially all of the Walter Canada Group's assets.

5. The SISP was approved by this Honourable Court.
6. Since the approval of the SISP, the Walter Canada Group has been working with the Monitor, the chief restructuring officer (the "CRO"), as well as its financial advisor, PJT Partners LP (the "FA"), on soliciting bids for its business and assets.
7. The results of the SISP to date and the parallel liquidation process are set out in Parts I and II of the Second Aziz Affidavit.
8. As a result of the extension of certain deadlines in the SISP, and the steps to be taken to clarify bids, the CRO (in consultation with the Monitor and the FA) decided to extend the Outside Termination Date (as defined in the SISP) to July 30, 2016.
9. An extension of the provisions of the Initial Order, including the stay of proceedings, is necessary to enable the Walter Canada Group, the Monitor and their advisors to fully carry out the terms of the SISP in order to obtain the best possible result for the benefit of all stakeholders through a sale of the business. To that end, the Walter Canada Group is seeking an extension of the relief granted in the Initial Order, including the stay of proceedings, to October 12, 2016 (the "Extension").
10. During the Extension, it is anticipated that the Walter Canada Group will bring a motion for approval of a going concern sale, or, if it is determined that an alternative course is more beneficial for the Walter Canada Group and its stakeholders, that the Walter Canada Group will bring a motion for approval of that alternative course.
11. It is also anticipated that the Walter Canada Group will bring a motion for approval of a claims procedure during the Extension to permit creditors of the Walter Canada Group to prove their claims.
12. The Walter Canada Group has been acting and continues to act in good faith and with due diligence in these proceedings.
13. Further, the Monitor is supportive of the proposed stay extension.

Part 3: LEGAL BASIS

1. *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, and in particular sections 11 and 11.02 thereof.
2. *Supreme Court Civil Rules*, B.C. Reg. 241/2010, as amended, including Rules 8-1 and 13-1 thereof.
3. The inherent and equitable jurisdiction of this Honourable Court.
4. 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 #2 of William E. Aziz, made June 17, 2016;
2. Monitor's Third Report, to be filed;
3. pleadings and other materials filed herein; and

4. such further and other materials as counsel may advise and this Honourable Court may permit.

The applicants estimate that the application will take two hours.

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).

June 17, 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
- 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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Transportation Lease Systems Inc. 205, 10458 Mayfield Road Edmonton AB T5P 4P4	
XEROX Canada Ltd. 33 Bloor ST. E. 3rd Floor Toronto ON M4W3H1	
Brandt Tractor Ltd. 9500 190th ST. Surrey B.C. V4N 3S2	

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) WEDNESDAY, THE 24TH DAY OF
JUNE, 2016

THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia, on the 24th day of June, 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 herein, including the Second Affidavit of William E. Aziz sworn June 17, 2016 and the Third Report of the Monitor dated June ____, 2016;

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.

STAY EXTENSION

2. The Stay Period, as defined in paragraph 18 of the Initial Order, is hereby further extended up to and including October 12, 2016.

GENERAL

3. Each of the Walter Canada 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 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.

4. This Order and all of its provisions are effective as of 12:01 a.m. local Vancouver time on the Order date.
5. 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, 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 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 Joshua Hurwitz)

BY THE COURT

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"

COUNSEL LIST	
NAME	PARTY REPRESENTED

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

PETITIONERS

ORDER MADE AFTER APPLICATION

DLA PIPER (CANADA) LLP

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Client Matter No. 15375-00001

LZW/mlf

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

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

PETITIONERS

NOTICE OF APPLICATION

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

Tel. No. 604.687.9444
Fax No. 604.687.1612

File No. 15375-00001

TAG/mf