

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No.

- FORM 30 -

Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the matter of the proposal of
Walter Energy Canada Holdings, Inc.
of the City of Vancouver, in the Province of British Columbia

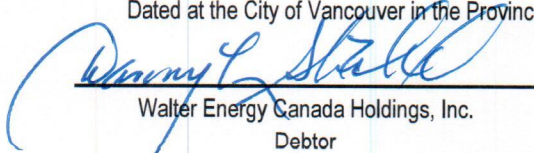
The Management of Walter Energy Canada Holdings, Inc., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 19th day of December 2016, consisting of the projected cash flow for the period of December 19, 2016 to March 17, 2017.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Vancouver in the Province of British Columbia, this 19th day of December 2016.



Walter Energy Canada Holdings, Inc.
Debtor

DANNY L. STICKEL, DIRECTOR
Name and title of signing officer

Name and title of signing officer

District of: British Columbia
Division No. 03 - Vancouver
Court No.
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FORM 30 - Attachment
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the matter of the proposal of
Walter Energy Canada Holdings, Inc.
of the City of Vancouver, in the Province of British Columbia

Purpose:

1. The Cash-Flow Statement is to be read in conjunction with the attached Form 30 – Report on Cash-Flow Statement by the person making the Proposal and Form 29-Trustee's Report on Cash-Flow Statement.

The projection has been prepared solely for the purpose of evaluating the currently expected ability of the Debtors to fund the business activities as set out herein and noted in assumptions set forth below.

Readers are cautioned that it may not be appropriate for other purposes.

Unless otherwise noted, the Cash Flow Statement is presented in Canadian dollars.

Projection Notes:

2. The Cash-Flow Statement is presented on a weekly basis from December 19, 2016 to March 17, 2017 (the "Period") and represents management's best estimate of the expected results of operations during the Period. It is also based on the assumption that, in approximately the end of December 2016, subject to the Debtors obtaining the required creditor approval pursuant to the Bankruptcy and Insolvency Act, certain assets of the Debtors will be sold to a purchaser (the "Purchaser") including the shares of Walter Energy Canada Holdings Inc. It is expected that the Proposal proceedings will be finalized prior to the end of the Period.

Assumptions:

Receipts

3. Remaining Asset Sale Proceeds – balance of purchase price

A deposit of \$2,625,000 was collected on November 28, 2016 and is included in the opening cash balance. \$14,925,000 represents the balance of the purchase price to be collected from the Purchaser.

4. Other Receipts

The Debtor's Goods and Services Tax accounts are in a credit position totaling approximately \$900,000. Canada Revenue Agency is in the process of reviewing these accounts, and, accordingly, no receipts have been projected during the Period as the outcome of this review is unknown.

Operating Disbursements

5. Director's Salary

The sole Director is paid on a monthly basis under a consulting agreement.

6. Consulting

The Debtors have engaged an external consultant with respect to reviewing operations at the UK Interest (the anthracite mine located in Wales, UK) and these services are expected to continue while this asset continues to be held. The UK Interest will be transferred to the New Walter Group.

7. Information Technology

Information Technology payments are forecast in respect of data room costs associated with the ongoing Claims Process and the Remaining Asset Sales Process.

Non-Operating Disbursements

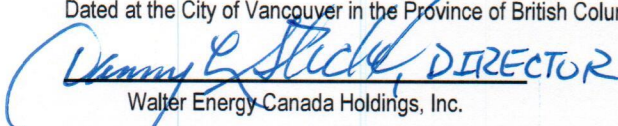
8. Trustee and Legal Fees

Disbursements for trustee and legal fees are anticipated to be made in the ongoing Companies' Creditor Arrangement Act proceedings of the Debtors. Accordingly, such costs have not been forecast for purposes of this cash flow.

9. Remittance to the New Walter Group

Pursuant to the terms of the Proposal the Transferred Assets of the Debtors will be transferred to the New Walter Group. This transfer is anticipated to be completed during the week ending December 30, 2016.

Dated at the City of Vancouver in the Province of British Columbia, this 19th day of December 2016.


Walter Energy Canada Holdings, Inc.

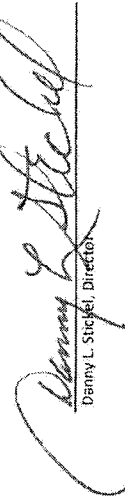
In the matter of the Proposal of Walter Energy Canada Holdings, Inc., Walter Canadian Coal ULC, Wolverine Coal ULC, Brule Coal ULC, Willow Creek Coal ULC, Pine Valley Coal Ltd., 0541237 B.C. Ltd.,
 Walter Canadian Coal Partnership, Wolverine Coal Partnership, Brule Coal Partnership and Willow Creek Coal Partnership
 Statement of Projected Cash Flow for the period of December 19, 2016 to March 17, 2017 ^{1,2}

		(Currency in CAD \$000's)													
		Foreign Exchange Rate Assumption (USD/CAD) 1.35													
Week No.	Notes	1	2	3	4	5	6	7	8	9	10	11	12	13	13-Week Total
Week (period) Ending		12/23/16	12/30/16	1/6/17	1/13/17	1/20/17	1/27/17	2/3/17	2/10/17	2/17/17	2/24/17	3/3/17	3/10/17	3/17/17	
OPERATING CASH FLOW															
Operating Receipts		14,925	-	-	-	-	-	-	-	-	-	-	-	-	14,925
Remaining Asset Sale Proceeds	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Receipts	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Receipts		14,925	-	-	-	-	-	-	-	-	-	-	-	-	14,925
Operating Disbursements		-	-	(11)	-	-	-	-	-	-	-	-	-	-	(11)
Director's Salary	5	-	-	(11)	-	-	-	-	-	-	-	-	-	-	(11)
Consulting	6	(20)	-	-	-	-	-	-	-	-	-	-	-	-	(20)
Information Technology	7	-	(10)	-	-	-	-	-	-	-	-	-	-	-	(10)
Total Operating Disbursements		(20)	(10)	(11)	-	-	-	-	-	-	-	-	-	-	(41)
Non-Operating Disbursements		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trustee and legal fees	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Remittance to the New Walter Group	9	-	(72,456)	-	-	-	-	-	-	-	-	-	-	-	(72,456)
Total Non-Operating Disbursements		-	(72,456)	-	-	-	-	-	-	-	-	-	-	-	(72,456)
TOTAL NET CASH FLOW		14,905	(72,466)	(11)	-	-	-	-	-	-	-	-	-	-	(57,572)
BEGINNING CASH (FX Effected)		57,772	72,677	211	200	200	200	200	200	200	200	200	200	200	57,772
Net Cash Flow		14,905	(72,466)	(11)	-	-	-	-	-	-	-	-	-	-	(57,572)
ENDING CASH (FX Effected)		72,677	211	200	200	200	200	200	200	200	200	200	200	200	200

This Statement of Projected Cash Flow was prepared in accordance with Section 50.4(2) of the Bankruptcy and Insolvency Act for the purposes described in Note 1, using the probable and hypothetical assumptions set out in Notes 2-10 and should be read in conjunction with the attached Notes as well as the accompanying Report on Cash-Flow Statement by Walter Canada and the Trustee's Report on Cash-Flow Statement.

Dated as at December 19, 2016

Walter Energy Canada Holdings, Inc. et al.


 Danny L. Strobel, Director

KPMG Inc., in its capacity as Trustee of the
 Proposal of Walter Canada


 Anthony Tillman, Senior Vice-President