

# Steelworkers, Local 1-424

*Serving the Northern Interior of British Columbia*

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March 13, 2017

To the Members from Walter Energy (Wolverine Mine)

## **Sale of the Wolverine Mine**

As you know, Walter Energy Canada Holdings Inc., and its related companies and subsidiaries, including Wolverine Coal Partnership which operated the Wolverine Mine, sought protection from its creditors under the Companies Creditors' Arrangement Act (CCAA) on December 7, 2015, while it attempted to restructure the business and sell the mine.

After a Court supervised bidding process, the assets of the Company, including the Wolverine Mine, have been sold to Conuma Coal Resources Ltd., and the sale of the mine has completed. However, the proceeds of the sale cannot be distributed to creditors including employees, as the Court needs to make a ruling on the claim of a competing creditor. Lawyers for the United Steelworkers (USW) were in Court in January representing Wolverine employees.

Almost all Wolverine employees are owed money for Collective Agreement severance pay, Employment Standards termination pay for termination when recall rights expired around April 2016, and many are also owed money from the April 2014 shutdown.

## **Payment of Money Held in Trust for s. 54 Damages**

The Labour Relations Board ordered Walter Energy to pay damages to employees who were laid off in April 2014 when the mine was idled because the **Employer did not give the required advance notice of the layoff under s. 54** of the *Labour Relations Code*. Those damages consisted of 60 days' wages, less any money people earned in the two months immediately after the layoff.

In July of 2015, USW got Walter Energy to put part of the S. 54 damages, \$770,000, in trust while the Walter Energy challenged the LRB decision. Until now, USW has not been allowed to pay that money to you while the CCAA process is ongoing. However, the Court has now ordered that the money in trust can be paid.

The cheque you are receiving is money that the USW had put in trust in 2015 for the s. 54 damage claim prior to the CCAA proceedings, before the amounts owed were finalized. This **money is part of your s. 54 claim**. You will get more money after the competing claims are decided, but we will not know how much until the other claims are resolved.

Not all employees received s. 54 damages and very few will receive the exact same amount, depending on when they were laid off, what their wage rate was, and what other earnings they had. All employees are getting the **same percentage** of their total s. 54 damages.

### **Work at the Re-opened Wolverine Mine**

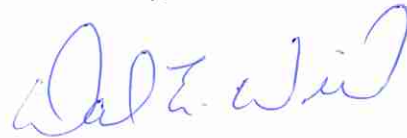
Presently, the Wolverine mine is operational again. There are presently about 75 members back working. I am advised that they are hiring and if you are interested in working there again you must make an application for employment. The application can be submitted through [careers@conumacoal.com](mailto:careers@conumacoal.com) or by contacting Human Resources at (250)242-6000 ext. 36020.

As explained in this letter, we now need to wait until the court rules on the remaining issues for payment of any more money. I know it has been a long struggle for you as the mine closed just about three years ago. But, we continue to be present and represent your best interest at all hearing that held.

Hopefully, we will hear soon from the court on the matter that was held in January. Once we have the court ruling we will put it on our website.

If you have any questions, please contact Dan Will at (250) 563-7771.

In Solidarity,



Dan Will  
3<sup>rd</sup> Vice President

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