

CANADA
Province of Quebec
District of Quebec
Division No.: 01 – Beauharnois
Court No.: 760-11-005122-110
Estate No.: 41-1549119

SUPERIOR COURT
In Bankruptcy and Insolvency

Notice of Proposal to Creditors
(Section 51 of the Act)

In the Matter of the Proposal of
Jirah Milling Inc.
Of the City of Ormstown
In the Province of Quebec

Take notice that Jirah Milling Inc. of the City of Ormstown in the Province of Quebec has lodged with us a proposal under the Bankruptcy and Insolvency Act.

A copy of the proposal, a condensed statement of the debtor's assets, and liabilities, and a list of the creditors affected by the proposal and whose claims amount to \$250 or more are enclosed herewith.

A general meeting of the creditors will be held at the Office of the Superintendent of Bankruptcy at 5 Place Ville Marie, 8th Floor, Montréal, Quebec on October 26, 2011 at 2:00 P.M.

The creditors or any class of creditors qualified to vote at the meeting may by resolution accept the proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the court, the proposal is binding on all the creditors or the class of creditors affected.

Proofs of claim, proxies and voting letters intended to be used at the meeting must be lodged with us prior to the commencement of the meeting.

Dated at the City of Montréal in the Province of Quebec, October 14, 2011.

RSM Richter Inc. - Trustee
Per:



Paul Lafrenière, CA, CIRP
2 Place Alexis Nihon, Suite 1820
Montréal QC H3Z 3C2
Phone: 514.934.3400 Fax: 514.934.3504

District of: Quebec
 Division No. 01 - Montréal
 Court No.
 Estate No.

Original Amended

-- Form 78 --
 Statement of Affairs (Business Proposal) made by an entity
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the Matter of the Proposal of
 Jirah Milling Inc.
 Of the City of Ormstown
 In the Province of Quebec


To the debtor:
 You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 12th day of October 2011. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

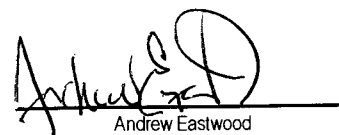
LIABILITIES (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A"	2,207,078.65
Balance of secured claims as per list "B"	180,676.33
Total unsecured creditors	2,387,754.98
2. Secured creditors as per list "B"	576,613.00
3. Preferred creditors as per list "C"	13,030.46
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for	0.00
Total liabilities	2,977,398.44
Surplus	NIL

ASSETS (as stated and estimated by the officer)	
1. Inventory	350,000.00
2. Trade fixtures, etc.	0.00
3. Accounts receivable and other receivables, as per list "E" Good	0.00
Doubtful	0.00
Bad	4,895,458.31
Estimated to produce	0.00
4. Bills of exchange, promissory note, etc., as per list "F"	0.00
5. Deposits in financial institutions	0.00
6. Cash	0.00
7. Livestock	0.00
8. Machinery, equipment and plant	4,247.00
9. Real property or immovable as per list "G"	325,000.00
10. Furniture	0.00
11. RRSPs, RRIFs, life insurance, etc.	0.00
12. Securities (shares, bonds, debentures, etc.)	0.00
13. Interests under wills	0.00
14. Vehicles	980.00
15. Other property, as per list "H"	2,732.00
If debtor is a corporation, add	
Amount of subscribed capital	423,146.89
Amount paid on capital	423,146.89
Balance subscribed and unpaid	0.00
Estimated to produce	0.00
Total assets	682,959.00
Deficiency	2,294,439.44

I, Andrew Eastwood, of the City of Ormstown in the Province of Quebec, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of my affairs on the 12th day of October 2011 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)
 before me at the City of ~~Montréal~~ **ORMSTOWN** in the Province of Quebec, on this 12th day of October 2011.




 Andrew Eastwood

District of: Quebec
 Division No. 01 - Montréal
 Court No.
 Estate No.

FORM 78 – Continued

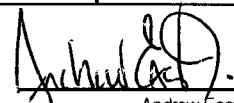
List 'A'
 Unsecured Creditors

Jirah Milling Inc

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	AGROCENTRE BELCAN INC.	180, MONTÉE STE-MARIE STE-MARTHE QC J0P 1W0	217.75	0.00	217.75
2	ARGUS TRANSPORT CANADA INC.	1115, ST-AMOUR VILLE ST-LAURENT QC H4S 1T4	159,527.80	0.00	159,527.80
3	BANQUE NATIONALE DU CANADA	539 BOUL. ARTHUR SAUVE ST EUSTACHE QC J7P 4X5	0.00	180,676.33	180,676.33
4	BELL CANADA *	PO BOX 11465 STN CTRE-VILLE MONTRÉAL QC H3C 5M4	86.41	0.00	86.41
5	BELL CANADA 2	PO BOX 8712 STN CTRE-VILLE MONTRÉAL QC H3C 3P6	84.31	0.00	84.31
6	C.H. ROBINSON WORLDWIDE INC. *	WORLDWIDE, INC P.O. BOX 9121 MINNEAPOLIS MN 55480-9121	1,745.00	0.00	1,745.00
7	CARTV	5 26 – 35 RUE DE PORT-ROYAL EST MONTREAL QC H3L 3T1	0.00	0.00	0.00
8	CENTRE FOR SYSTEMS INTEGRATION (CSI)	BUREAU 200 240, CATHERINE STREET OTTAWA ON K2P 2G8	2,318.70	0.00	2,318.70
9	CFIA	1400 MERIVALE ROAD OTTAWA ON K1A 0Y9	0.00	0.00	0.00
10	COOP DES FRONTIÈRES COOPÉRATIVE AGRICOLE	195, RUE STE-MARIE STE-MARTINE QC J0S 1V0	3,055.08	0.00	3,055.08
11	CRISCO TRANSIT INC.	3321, BOUL. LAURIER STE-MADELEINE QC J0H 1S0	82,956.84	0.00	82,956.84
12	CULTURA TECHNOLOGIES (AGRI-JOHN DEERE) *	P.O BOX 203131 DALLAS TX 75320-3131 USA	21,840.50	0.00	21,840.50
13	EAGLE COMMODITIES LTD.	229B, 12TH STREET C NORTH LETHBRIDGE AB T1H 2M6	287,620.65	0.00	287,620.65
14	ESPORTATION & DÉVELOPPEMENT CANADA	TOUR DE LA BOURSE 800, PLACE VICTORIA # 4520 MONTRÉAL QC H4Z 1C3	79,662.02	0.00	79,662.02
15	FEDERATION DES PRODUCTEURS DE CULTURES COMMERCIALES DU QUEBEC (FPCCQ)	BUREAU 505 555, BOUL. ROLAND THERRIEN LONGUEUIL QC J4H 4G4	600.45	0.00	600.45
16	FERME DES PATRIOTES NC.	8, BOURGEOIS ST-OURS QC J0G 1P0	26,509.50	0.00	26,509.50
17	FERME SEIGNEURIE DE SOULANGES	481, CHEMIN ST-PHILIPPE ST-POLYCARPE QC J0P 1X0	55,895.15	0.00	55,895.15
18	GRAINS ELITE S.E.C.	BUREAU 200 9001, BOUL. DE L'ACADIE MONTRÉAL QC H4N 3H7	46,267.52	0.00	46,267.52
19	INFO LOGI MÉDIA INC.	242, LOUIS-VOGHEL ST-HILAIRE QC J3H 6H8	1,481.09	0.00	1,481.09
20	JONES FEED MILLS LTD.	1024, ALFRED ST. LINWOOD ON N0B 2A0	25,138.80	0.00	25,138.80
21	KOF-K *	KOSHER SUPERVISION 201 THE PLAZA TEANECK NJ 07666 USA	3,150.00	0.00	3,150.00
22	LAVAGE EDITH SUPER PLUS INC.	193-12È RUE OUEST EAST BROUGHTON QC G0N 1H0	33,271.14	0.00	33,271.14

12-Oct-2011

Date



Andrew Eastwood

District of: Quebec
 Division No. 01 - Montréal
 Court No.
 Estate No.

FORM 78 – Continued

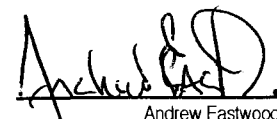
List "A"
 Unsecured Creditors

Jirah Milling Inc

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
23	LES MOULINS DE SOULANGES INC.	485, CHEMIN ST-PHILIPPE ST-POLYCARPE QC J0P 1X0	44,711.89	0.00	44,711.89
24	LETIS S.A.	ENTRE RIOS 549, 1ST FLOOR ROSARIO S2000ANR ARGENTINA -	5,674.00	0.00	5,674.00
25	MANTORIA INC. - CAD	DAVID HANSON 5252 DE MAISONNEUVE WEST, #313 MONTREAL QC H4A 3S5	12,254.30	0.00	12,254.30
26	MANTORIA INC. - USD	5252 DE MAISONNEUVE WEST, #313 MONTREAL QC H4A 3S5	250,126.05	0.00	250,126.05
27	MEDITERRANEAN SHIPPING COMPANY CANADA INC.	COMPANY CANADA INC. 360, ST JACQUES ST. SUITE 900 MONTREAL QC H2Y 1P5	2,730.00	0.00	2,730.00
28	ORGANIC PROCESSING MAGAZINE *	1945 WET MOUNTAIN ST. GLENDALE CA 91201 USA	1,470.50	0.00	1,470.50
29	ORGANIC VALLEY FEED PROGRAM *	DEPARTMENT 7095 CAROL STREAM IL 60122-7095 USA	13,879.93	0.00	13,879.93
30	ORGANIC VISION N.A. *	MIKE PRATT 432 CARRINGTON DR. BOILING SPRINGS SC 29316 USA	4,366.69	0.00	4,366.69
31	PUROLATOR INC.	PMT PROCESSING DEPT PO BOX 1100, STATION POSTAL A ETOBICOKE ON M9C 5K2	37.88	0.00	37.88
32	S.G. CERESCO INC.	166, CHEMIN GRANDE-LIGNE ST-URBAIN-PREMIER QC J0S 1Y0	5,260.49	0.00	5,260.49
33	SAMSON BELAIR/DELOITTE & TOUCHE S.E.N.C.R.L.	DELOITTE & TOUCHE S.E.N.C.R.L. 2200, AVENUE LÉON-PRATTE SAINT-HYACINTHE QC J2S 4B6	1,139.25	0.00	1,139.25
34	SUNRISE FOODS INTERNATIONAL INC.	2162 AIRPORT DRIVE SASKATOON SK S7L 6M6	663,086.23	0.00	663,086.23
35	SUNRISE FOODS INTERNATIONAL INC.	2162 AIRPORT DRIVE SASKATOON SK S7L 6M6	144,435.01	0.00	144,435.01
36	THE ORGANIC & NON GMO REPORT*	PO BOX 436 FAIRFIELD IA 52556 USA	890.00	0.00	890.00
37	TRANSPORT REAL POIRIER INC.	849, CHEMIN BENOIT MONT ST-HILAIRE QC J3G 4S6	224,855.45	0.00	224,855.45
38	TRANSPORT YVES THIBAUT & FILS INC.	8, RUE DES ROSIERS STE-MARTINE QC J0S 1V0	680.27	0.00	680.27
39	VILLE DE HUNTINGDON	23, RUE KING HUNTINGDON QC J0S 1H0	0.00	0.00	0.00
40	VILLE DE MONTRÉAL	MUNICIPAL COURT P.O. BOX 11045 DOWNTOWN STATION MONTREAL QC H3C 4Y1	52.00	0.00	52.00
Total:			2,207,078.65	180,676.33	2,387,754.98

12-Oct-2011

Date


 Andrew Eastwood

District of: Quebec
Division No. 01 - Montréal
Court No.
Estate No.

FORM 78 - Continued

List "C"
Preferred Creditors for Wages, Rent, etc.

Jirah Milling Inc

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
1	EMPLOYEES (VACATION)	2 PLACE ALEXIS NIHON, SUITE 1820 MONTREAL QC H3Z 3C2		-	13,030.46	0.00	13,030.46
Total:					13,030.46	0.00	13,030.46

12-Oct-2011

Date


Andrew Eastwood

THIS INFORMATION SHEET IS SUPPLIED IN ORDER TO ASSIST YOU IN COMPLETING THE PROOF OF CLAIM FORM

- The proof of claim must be signed by the individual completing the form.
- The signature of the claimant must be witnessed.
- Give the complete address (including postal code) where all notices and correspondence are to be forwarded.
- The amount on the statement of account must agree with the amount claimed on the proof of claim.

PARAGRAPH 1 OF THE PROOF OF CLAIM

- If the individual completing the proof of claim is not the creditor himself, he must state his position or title.
- The creditor must state the full and complete legal name of the Company or the claimant.

PARAGRAPH 3 OF THE PROOF OF CLAIM

- A detailed statement of account must be attached to the proof of claim and must show the date, the invoice number and the dollar amount of all the invoices or charges, together with the date, the number and the amount of all credits or payments. A statement of account is not complete if it begins with an amount brought forward. In addition, a creditor must indicate his/her address, phone number, fax number and E-mail address.

PARAGRAPH 4 OF THE PROOF OF CLAIM

- An unsecured creditor (subparagraph (A)) must check and state whether or not a priority rank is claimed under Section 136 of the Bankruptcy and Insolvency Act.
- A claim of landlord (subparagraph (B)) for disclaim of lease must be completed with full particulars and calculations.
- A secured creditor must complete subparagraph (C) and attach a copy of the security documents.
- A farmer, fisherman or aquaculturist must complete subparagraph (D).
- A wage earner must complete subparagraph (E), if applicable.
- Section F must be completed with regard to a pension plan.
- A claim against director(s) (subparagraph (G)), in a proposal which compromises a creditor's claim, must contain full particulars and calculations.
- A customer of a bankrupt securities firm must complete subparagraph (H).

PARAGRAPH 5 OF THE PROOF OF CLAIM

- The claimant must indicate whether he/she is or is **not related** to the debtor, as defined in the Bankruptcy and Insolvency Act, by striking out that which is not applicable.

PARAGRAPH 6 OF THE PROOF OF CLAIM

- The claimant must attach a detailed list of all payments received and/or credits granted, as follows:
 - a) within the **three months** preceding the initial bankruptcy event, in the case where the claimant and the debtor are **not related**;
 - b) within the **twelve months** preceding the initial bankruptcy event, in the case where the claimant and the debtor are **related**.
- PROXY**
 - a) A creditor may vote either in person or by proxy;
 - b) A debtor may not be appointed as proxy to vote at any meeting of the creditors;
 - c) The Trustee may be appointed as a proxy for any creditor;
 - d) In order for a duly authorized person to have a right to vote he must himself be a creditor or be the holder of a properly executed proxy. The name of the creditor must appear in the proxy.

RSM Richter Inc.

RSM Richter Inc.
2, Place Alexis Nihon, Suite 1820
Montréal (Québec) H3Z 3C2
Téléphone / Telephone : 514.934.3497
Télécopieur / Facsimile : 514.934.8603
Courriel / E-mail : claims@rsmrichter.com

PROOF OF CLAIM

(Section 50.1, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 81.5, 81.6, 102(2), 124(2), 128(1),
and Paragraphs 51(1)(e) and 66.14(b) of the Act)

All notices or correspondence regarding this claim must be forwarded to the following address:

In the Matter of the Proposal of **Jirah Milling Inc.** of the City of Ormstown, Province of Quebec, and the claim of

_____, creditor.

I, _____ (name of creditor or representative of
the creditor), of _____ (city and province), do hereby certify:

1. That I am a creditor of the above-named debtor (or that I am _____ (state position or
title) of _____ (name of creditor or representative of the creditor)).

2. That I have knowledge of all of the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of the Proposal, namely October 12, 2011, and still is, indebted to the creditor in the sum of
\$ _____, as specified in the statement of account (or affidavit) attached and marked Schedule "A," after
deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or
other evidence in support of the claim.)

4. Check and complete appropriate category

A. UNSECURED CLAIM OF \$ _____

(Other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and

(Check appropriate description)

Regarding the amount of \$ _____, I do not claim a right to a priority.
(Ordinary Creditor)

Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Act.
(Preferred Creditor)

(Set out on an attached sheet details to support priority claim)

B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ _____

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based)

C. SECURED CLAIM OF \$ _____

That in respect of this debt, I hold assets of the debtor valued at \$ _____ as security, particulars of which
are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security,
and attach a copy of the security documents.)

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ _____

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ _____

(Attach a copy of sales agreement and delivery receipts).

FORM 31 (Continued)

- E. CLAIM BY WAGE EARNER OF \$ _____
 - That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ _____
 - That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ _____
- F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ _____
 - That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ _____
 - That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ _____
- G. CLAIM AGAINST DIRECTOR \$ _____
 (To be completed when a proposal provides for the compromise of claims against directors.)

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

- H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ _____
 That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:
 (Give full particulars of the claim, including the calculations upon which the claim is based.)

5. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of section 4 of the Act, and have (or has) (or have not or has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of subsection 2(1) of the Act: (provide details of payments, credits and transfers at undervalue)

Dated at _____, this _____ day of _____

 Signature of creditor
 Telephone number: _____ Fax number: _____
 E-mail address: _____

 Signature of witness

NOTES: If an affidavit is attached, it must have been made before a person qualified to take affidavits.
 WARNINGS: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.
 Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

PROXY

(Subsection 102(2) and paragraphs 51(1)e) and 66.15(3)b) of the Act)

In the Matter of the Proposal of **Jirah Milling Inc.**

I, _____, of _____
 (name of creditor) (name of town or city)

a creditor in the above matter, hereby appoint _____ of _____, to be my proxyholder in the above matter, except as to the receipt of dividends, with (or without) power to appoint another proxyholder in his or her place.

Dated at _____, this _____ day of _____

 Signature of creditor

Per: _____
 Name and Title of Signing Officer

 Signature of witness

RSM Richter Inc.

RSM Richter Inc.

2, Place Alexis Nihon, Suite 1820
Montreal, Quebec H3Z 3C2
Telephone: 514.934.3400
Facsimile: 514.934.3504
E-mail: claims@rsmrichter.com

CANADA
Province of Quebec
District of: Quebec
Division No.: 01-Beauharnois
Court No.: 760-11-005122-110
Estate No.: 41-1549119

SUPERIOR COURT
In Bankruptcy and Insolvency

Voting Letter
(Paragraphs 51(1)f) and 66.15(3)c) of the Act)

In the Matter of the Proposal of
Jirah Milling Inc.

I, _____, creditor
(or I, _____, representative of _____, creditor)
of _____ (*name of town or city*), a creditor in the above matter for the sum of
\$ _____, hereby request the trustee acting with respect to the proposal of **Jirah Milling Inc.** to
record my vote _____ (**for or against**) the acceptance of the proposal as
made on .

Dated at _____, this _____ day of _____ 201_____.

Individual Creditor

Witness

- OR -

Name of Corporate Creditor

Name and Title of Signing Officer

Per: _____
Witness

(français – recto)

CANADA
Province of Quebec
District of Valleyfield
Division No.:
Court No.:
File No.:

SUPERIOR COURT
In Bankruptcy and Insolvency

IN THE MATTER OF THE PROPOSAL OF:

JIRAH MILLING INC./MOULAGE JIRAH INC., a duly incorporated company having its principal place of business at 2780 North River Road, Ormstown, Province of Quebec, J0S 1K0

Debtor

- and -

RSM RICHTER INC.
2 Place Alexis Nihon, Suite 1820
Montréal, Quebec H3Z 3C2

Trustee

PROPOSAL

(Section 50(2) of the *Bankruptcy and Insolvency Act*)

The undersigned, **Jirah Milling Inc./Moulage Jirah inc.**, the Insolvent Person named above, hereby submits the following Proposal to its creditors under the *Bankruptcy and Insolvency Act*:

1. DEFINITIONS

Definitions: The following definitions apply to this proposal, subject to any incompatibility with the Act:

- 1.1. **"Act"**: means the Bankruptcy and Insolvency Act.
- 1.2. **"Approval"**: means Court Approval of the Proposal pursuant to subsection 60(5) of the Act, by a judgement that has become *res judicata*.
- 1.3. **"Court"**: means the Superior Court of Quebec, sitting in bankruptcy division for the district of Valleyfield.
- 1.4. **"Crown Claims"**: means only, to the explicit exclusion of any other claim of Her Majesty in Right of Canada or a province or her agents, Claims of Her Majesty in Right of Canada or a province which were owed by the insolvent person on the Proposal Date for amounts which could be claimed under subsection 224(1.2) of the Income Tax Act or any provincial legislative provision substantially identical to the provisions of this paragraph.
- 1.5. **"Employees Claims"**: means only, to the explicit exclusion of any other claims of the employees of the Insolvent Person, the claims of the employees according to subsection 60(1.3) of the Act.

(français - recto)

- 1.6. **“Insolvent Person”**: means **Jirah Milling Inc./Moulage Jirah inc.**
- 1.7. **“Pension Plan Claims”**: means only, to the explicit exclusion of any other claims for amounts payable by the Insolvent Person to any plan, the claims for amounts pursuant to subsection 60(1.5) of the Act that are payable by the Insolvent Person who participates in a prescribed pension plan for its employees.
- 1.8. **“Priority Claims”**: means the claims described in paragraphs 136(1)(a) to 136(1)(j) of the Act which the Act requires to be paid in priority to all other claims, with the exception of the Proposal Fees and Costs.
- 1.9. **“Proposal”**: means this proposal, or any amended proposal following modifications thereto.
- 1.10. **“Proposal Date”**: means the date of the present Proposal filed on October 12, 2011.
- 1.11. **“Proposal Fees and Costs”**: means the fees for the work of the Trustee with respect to the Proposal and any amended proposal, including, without limitation, the expenses, losses and obligations of the Trustee with respect to the Proposal and any amended proposal, legal fees, as well as out of pocket disbursements.
- 1.12. **“Secured Claims”**: means the claims of the secured creditors, as that term is defined in section 2 of the Act.
- 1.13. **“Trustee”**: means **RSM Richter Inc.**, in its capacity as trustee acting *in* the proposal of **Jirah Milling Inc./Moulage Jirah inc.**
- 1.14. **“Unsecured Claims”**: means provable claims of any nature whatsoever within the meaning of the Act, including all present and future claims and undertakings, whether or not due on the Proposal Date, including potential and unliquidated claims (once they are liquidated in accordance with the Act) stemming from (1) any obligation or liability incurred by the Insolvent Person prior to the Proposal Date, including, without limiting the generality of the foregoing, offers to purchase, promises to purchase, movable or immovable leases, contracts to purchase, options and financial undertakings with which the Insolvent Person has not expressly agreed to comply after the Proposal Date and (2) any obligation or liability to which the Insolvent Person may become subject after the Proposal Date as a result of any effect or consequence following the Proposal including any penalties, its Approval by the Court or its implementation, to the exclusion of the Secured Claims, Crown Claims, the outstanding obligations referred to in paragraph 3.1. of the Proposal, Prior Claims and Professional Fees and Costs.

2. SETTLEMENT OF SECURED CLAIMS

- 2.1. Settlement in full according to the existing agreements or agreements to be negotiated.

3. SETTLEMENT OF UNSECURED CLAIMS

- 3.1. **Current obligations**: The obligations of the Insolvent Person with respect to goods supplied, services rendered or other consideration given to the Insolvent Person after the Proposal Date shall be paid in full by the Insolvent Person during the normal course of business in compliance with its undertakings, on market conditions, without exceeding the fair market value thereof.

- 3.2. **Crown Claims:** Crown Claims shall be paid in full with interest and related penalties pursuant to applicable laws, regulations and orders-in-council within thirty (30) days of the Approval, as the case may be.
- 3.3. **Employees Claims:** Employees Claims shall be paid in full within thirty (30) days of the Approval, as the case may be.
- 3.4. **Pension Plan Claims:** the Pension Plan Claims shall be paid in full within thirty (30) days of the Approval, as the case may be.
- 3.5. **Priority Claims:** Priority Claims shall be paid in priority to all unsecured claims within thirty (30) days of the Approval, as the case may be.
- 3.6. **Proposal Fees and Costs:** The Proposal fees and costs will be paid directly by the Insolvent Person.
- 3.7. **Unsecured Claims:** the payment of claims payable, which are not referred to above in paragraph 3.1, in full and final settlement without interest or penalty will be as follows:
 - 3.7.1. Total amount of **one hundred thousand dollars (\$100,000.00)**, less the payment of the claims referred to in subsections 3.2., 3.3., 3.4. and 3.5 payable to the Trustee no later than 60 days after the Approval.
 - 3.7.2. The amount referred to in paragraph 3.7.1. shall be distributed by the Trustee on a pro rata of the Unsecured Claims.

4. OTHER PROVISIONS

- 4.1. **Trustee:** All amounts payable under the Proposal shall be paid to the Trustee, who shall pay the dividends, the whole in accordance with the terms of the Proposal and the Act, subject to any instructions it may receive from the Court.
- 4.2. **Claims against the directors:** The acceptance of the proposal by the creditors shall serve as a release of all claims against past and present directors, including Mr. Andrew Eastwood and Ms. Crystal Daulton, for which they may be liable under subsection 50(13) of the *Bankruptcy and Insolvency Act*.
- 4.3. **Appointment of inspectors:** The Insolvent Person accepts the setting up of an office of not more than five (5) inspectors to be named by the Creditors at the general meeting of creditors called to consider the Proposal.

The powers of the inspectors hereunder shall be limited to the following:

- a) Advise the Trustee with respect to the steps to be taken under the Proposal, as the Trustee may request from time to time, including with respect to legal proceedings involving the recovery of preferential payments or the settlement thereof with the creditors who received them.
- b) Authorize the deferral of any payment under paragraph 3.7. of the Proposal, in whole or in part, at their complete discretion; to the extent such extension is authorized by the office of the inspectors, it shall be deemed to be in the interests of both the Creditors and the Insolvent Person.

(français – recto)

The inspectors shall exercise their powers as long as the Trustee has not issued the certificate stating that the debtor has fully complied with the terms of the Proposal, in accordance with subsection 65.3. of the Bankruptcy and Insolvency Act.

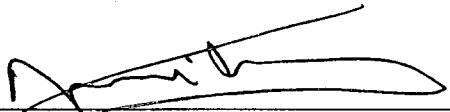
In case of difference, the English version of the Proposal will prevail over French version.

^{ORANGE 10 AS.}
Dated at ~~Montreal~~, Province of Quebec, this 12th day of October, 2011

JIRAH MILLING INC./MOULAGE JIRAH INC.



Andrew Eastwood
President



Witness