

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

FORM 40
Report of Trustee on Proposal
(Section 59(1) and paragraph 58(d) of the Act)

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

We, RSM Richter Inc., the trustee acting in the proposal of Jirah Milling Inc, hereby report to the Court as follows:

1. That a proposal was filed with us on the 12th day of October 2011 a copy of which is attached and marked as Exhibit "A", and that we filed a copy of the proposal with the official receiver on the 12th day of October 2011.
2. That on the 14th day of October 2011, we gave notice to the debtor, to the division office and to every known creditor affected by the proposal, whose names and addresses are shown in Exhibit "B" to this report, of the calling of a meeting of creditors to be held on the 26th day of October 2011 to consider the proposal.
3. That with the notice was included a condensed statement of the assets and liabilities of the debtor, a list of the creditors affected by the proposal who have claims of \$250 or more and showing the amounts of their claims, a copy of the proposal, a form of proof of claim and proxy in blank and a voting letter. Copies of the notice, the condensed statement and the list of creditors are attached and marked as Exhibits "C1", "C2" and "C3", respectively.
4. That prior to the meeting of creditors we made a detailed and careful inquiry into the liabilities of the debtor, the debtor's assets and their value, the debtor's conduct and the causes of the debtor's insolvency.
5. That the meeting of creditors was held on the 26th day of October 2011, and was presided over by Paul Lafrenière, CA, CIRP, Trustee
6. That the proposal was accepted by the required majority of creditors.
7. That a copy of the minutes of the meeting is attached and marked as Exhibit "D".
8. That we are of the opinion that:
 - (a) the assets of the debtor and their fair realizable value are as follows:

Property Name	Estimated \$	Realizable \$
Business Assets - Machinery - Machinery, equipment	4,247.00	0.00

FORM 40 --- Continued

Property Name	Estimated \$	Realizable \$
Business Assets - Stock In Trade - Inventory	350,000.00	0.00
Debts Due - Business - Accounts Receivable	0.00	0.00
Debts Due - Business - Advance from 6860818 Canada Inc.	0.00	0.00
Debts Due - Business - Advance from 9171-4792 Quebec Inc.	0.00	0.00
Debts Due - Business - Advance from Groupe Jirah Inc.	0.00	0.00
Debts Due - Business - Advance from Jirah Chile SPA	0.00	0.00
Debts Due - Business - Advance from Jirah Farms S.E.N.C.	0.00	0.00
Debts Due - Business - Advance from Jirah Production	0.00	0.00
Debts Due - Business - Advance from Jirah Sales	0.00	0.00
Motor Vehicles - Other	980.00	0.00
Other - GST/QST	0.00	0.00
Other - Office equipment and computers	2,732.00	0.00
Real Property or Immovable - Building and Land - 690 Saint Malachie, Ormstown	325,000.00	106,346.00
Total Property Value:	682,959.00	106,346.00

(b) the liabilities of the debtor are as follows:

Creditor Name	Secured \$		Preferred \$		Unsecured \$	
	SOA	Discrepancies	SOA	Discrepancies	SOA	Discrepancies
AGROCENTRE BELCAN INC.	0.00	0.00	0.00	0.00	217.75	217.75
ARCOITE, SYLVIE	0.00	0.00	0.00	0.00	0.00	0.00
ARGUS TRANSPORT CANADA INC.	0.00	0.00	0.00	0.00	159,527.80	496.00
BANQUE NATIONALE DU CANADA	218,654.00	218,654.00	0.00	0.00	0.00	0.00
BANQUE NATIONALE DU CANADA	538,635.33	538,635.33	0.00	0.00	0.00	0.00
BEDARD, SOPHIE	0.00	0.00	0.00	0.00	0.00	0.00
BELL CANADA	0.00	0.00	0.00	0.00	84.31	-275.38
BELL CANADA *	0.00	0.00	0.00	0.00	86.41	86.41
BERGEVIN, ANDRE	0.00	0.00	0.00	0.00	0.00	0.00

FORM 40 --- Continued

Creditor Name	Secured \$		Preferred \$		Unsecured \$	
	SOA	Discrepancies	SOA	Discrepancies	SOA	Discrepancies
BMR MADCO	0.00	0.00	0.00	0.00	0.00	0.00
BORELLY, CHRISTINE	0.00	0.00	0.00	0.00	0.00	0.00
C.H. ROBINSON WORLDWIDE INC. *	0.00	0.00	0.00	0.00	1,745.00	1,745.00
CARTV	0.00	0.00	0.00	0.00	0.00	0.00
CFIA	0.00	0.00	0.00	0.00	0.00	0.00
COOP DES FRONTIERES COOPERATIVE AGRICOLE	0.00	0.00	0.00	0.00	3,055.08	3,013.40
CRISCO TRANSIT INC.	0.00	0.00	0.00	0.00	82,956.84	0.00
CTRE FOR SYST. INTEGRATION (CSI)	0.00	0.00	0.00	0.00	2,318.70	2,318.70
CULLEN, MARTIN	0.00	0.00	0.00	0.00	0.00	0.00
CULTURA TECHNOLOGIES (AGRI-JOHN DEERE) *	0.00	0.00	0.00	0.00	21,840.50	21,840.50
CYRENNE, MANON	0.00	0.00	0.00	0.00	0.00	0.00
DAULTON, CRYSTAL	0.00	0.00	0.00	0.00	0.00	0.00
EAGLE COMMODITIES LTD.	0.00	0.00	0.00	0.00	287,620.65	287,620.65
EASTWOOD, ANDREW	0.00	0.00	0.00	0.00	0.00	0.00
EASTWOOD, SUMMER	0.00	0.00	0.00	0.00	0.00	0.00
EASTWOOD, ZACHARY	0.00	0.00	0.00	0.00	0.00	0.00
EMPLOYEES (VACATION)	0.00	0.00	13,030.46	13,030.46	0.00	0.00
ESPORTATION & DEV. CANADA	0.00	0.00	0.00	0.00	79,662.02	79,662.02
FERME DES PATRIOTES NC.	0.00	0.00	0.00	0.00	26,509.50	0.00
FERME SEIGNEURIE DE SOULANGES	0.00	0.00	0.00	0.00	55,895.15	-419.12
FINLAYSON, CRAIG	0.00	0.00	0.00	0.00	0.00	0.00
FPCCQ	0.00	0.00	0.00	0.00	600.45	600.45
GLADU, JOHN	0.00	0.00	0.00	0.00	0.00	0.00
GRAINS ELITE S.E.C.	0.00	0.00	0.00	0.00	46,267.52	-391.28
INFO LOGI MÉDIA INC.	0.00	0.00	0.00	0.00	1,481.09	1,481.09
JONES FEED MILLS LTD.	0.00	0.00	0.00	0.00	25,138.80	25,138.80
KOF-K *	0.00	0.00	0.00	0.00	3,150.00	3,150.00
LAURIE, MICHAEL	0.00	0.00	0.00	0.00	0.00	0.00

FORM 40 --- Continued

Creditor Name	Secured \$		Preferred \$		Unsecured \$	
	SOA	Discrepancies	SOA	Discrepancies	SOA	Discrepancies
LAURIN, PATRICIA	0.00	0.00	0.00	0.00	0.00	0.00
LAVAGE EDITH SUPER PLUS INC.	0.00	0.00	0.00	0.00	33,271.14	-0.02
LETIS S.A.	0.00	0.00	0.00	0.00	5,674.00	5,674.00
MANTORIA INC. - CAD	0.00	0.00	0.00	0.00	12,254.30	-254,228.12
MANTORIA INC. - USD	0.00	0.00	0.00	0.00	250,126.05	250,126.05
MEDITERRANEAN SHIPPING COMPANY CANADA INC.	0.00	0.00	0.00	0.00	2,730.00	2,730.00
MOULINS DE SOULANGES INC. (LES)	0.00	0.00	0.00	0.00	44,711.89	0.00
ORGANIC PROCESSING MAG. *	0.00	0.00	0.00	0.00	1,470.50	1,470.50
ORGANIC VALLEY (CROPP COOPERATIVE)	0.00	0.00	0.00	0.00	0.00	-14,107.56
ORGANIC VALLEY FEED PROG. *	0.00	0.00	0.00	0.00	13,879.93	13,879.93
ORGANIC VISION N.A.*	0.00	0.00	0.00	0.00	4,366.69	4,366.69
PUROLATOR INC.	0.00	0.00	0.00	0.00	37.88	37.88
S.G. CERESCO INC.	0.00	0.00	0.00	0.00	5,260.49	5,260.49
SAMSON BÉLAIR/DELOITTE & TOUCHE S.E.N.C.R.L.	0.00	0.00	0.00	0.00	1,139.25	0.00
STROETINGA, WILFRED	0.00	0.00	0.00	0.00	0.00	0.00
SUNRISE FOODS INT'L INC.	0.00	0.00	0.00	0.00	663,086.23	-130,108.80
SUNRISE FOODS INT'L INC.	0.00	0.00	0.00	0.00	144,435.01	144,435.01
THE ORGANIC & NON GMO REPORT*	0.00	0.00	0.00	0.00	890.00	890.00
TRANSPORT REAL POIRIER INC.	0.00	0.00	0.00	0.00	224,855.45	0.00
TRANSPORT YVES THIBAUT & FILS INC.	0.00	0.00	0.00	0.00	680.27	680.27
VILLE DE HUNTINGDON	0.00	0.00	0.00	0.00	0.00	0.00
VILLE DE MONTREAL	0.00	0.00	0.00	0.00	52.00	52.00
ZZZ USD EXCHANGE RATE OCT. 12, 2011 = 1.0164	0.00	0.00	0.00	0.00	0.00	0.00
Total :	757,289.33	757,289.33	13,030.46	13,030.46	2,207,078.65	457,443.31

9. That we are also of the opinion that:

(a) the causes of the insolvency of the debtor are as follows:

Other

Non profitable sales contracts

Loss of certification to sell organic products which represent 95% of total sales.

(b) the conduct of the debtor is subject to censure in the following respects: None

(c) the following facts, mentioned in section 173 of the Act, may be proved against the debtor: None

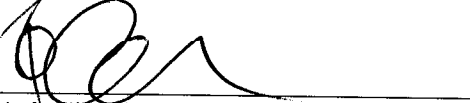
10. That we are further of the opinion that the debtor's proposal should be approved.

11. That we forwarded a copy of this report to the official receiver on this day.

Dated at the City of Montréal in the Province of Quebec, this 17th day of November 2011.

RSM Richter Inc. - Trustee

Per:



Paul Lafrenière, CA, CIRP
2 Place Alexis Nihon, Suite 1820
Montréal QC H3Z 3C2

Phone: (514) 934-3497 Fax: (514) 934-3504

FORM 40 --- Concluded

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
ARGUS TRANSPORT CANADA INC.	1115, ST-AMOUR VILLE ST-LAURENT QC H4S 1T4		159,031.80
BELL CANADA	1 CARREFOUR ALEXANDRE-GRAHAM BELL, AILE E 3 VERDUN QC H3E 3B3		359.69
BERGEVIN, ANDRE	2337 RUE GERVAIS LASALLE QC H8N 1K3		466,460.04
CRISCO TRANSIT INC.	3321, BOUL LAURIER STE-MADELEINE QC J0H 1S0		82,956.84
FERME DES PATRIOTES NC.	8, BOURGEOIS ST-OURS QC J0G 1P0		26,509.50
FERME SEIGNEURIE DE SOULANGES	481, CHEMIN ST-PHILIPPE ST-POLYCARPE QC J0P 1X0		56,314.27
GRAINS ELITE S.E.C.	9001, BOUL DE L'ACADIE, BUR 200 MONTREAL QC H4N 3H7		46,658.80
LAVAGE EDITH SUPER PLUS INC.	193-12E RUE OUEST East BROUGHTON QC G0N 1H0		33,271.16
MANTORIA INC. - CAD	5252 DE MAISONNEUVE WEST, #313 MONTREAL QC H4A 3S5		266,482.42
MOULINS DE SOULANGES INC. (LES)	485, CHEMIN ST-PHILIPPE ST-POLYCARPE QC J0P 1X0		44,711.89
ORGANIC VALLEY (CROPP COOPERATIVE)	ONE ORGANIC WAY La FARGE WI 54639 USA		14,107.56
SAMSON BÉLAIR/DELOITTE & TOUCHE S.E.N.C.R.L.	2200, AVENUE LÉON-PRATTE SAINT-HYACINTHE QC J2S 4B6		1,139.25
SUNRISE FOODS INT'L INC. C/O GILBERT SIMARD TREMBLAY -ATT:J. LAVERTU	1200 MCGILL COLLEGE AVE , SUITE 1800 MONTREAL QC H3B 4G7		793,195.03
TRANSPORT REAL POIRIER INC.	849, CHEMIN BENOIT MONT ST-HILAIRE QC J3G 4S6		224,855.45
Total			2,216,053.70

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.

(français – recto)

- 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 – rectu)

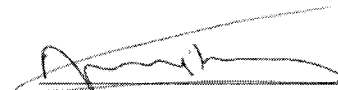
The inspectors shall exercise their powers as long as the Trustee has not issued the certificate stating that the debtor has fully complied with the terms of the Proposal, in accordance with subsection 65.3. of the Bankruptcy and Insolvency Act.

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

Dated at ^{PRINCE GEORGE} ~~Montreal~~, Province of Quebec, this 12th day of October, 2011

JIRAH MILLING INC./MOULAGE JIRAH INC.


 Andrew Eastwood
 President


 Witness



Office of the Superintendent
of Bankruptcy Canada

An Agency of
Industry Canada

Bureau du surintendant
des faillites Canada

Un organisme
d'Industrie Canada

District of Québec
Division No. 01 - Beauharnois
Court No. 760-11-005122-110
Estate No. 41-1549119

In the Matter of the Proposal of:

Jirah Milling Inc
Debtor

RSM RICHTER INC.
Trustee

Date of Proposal:	October 12, 2011	Security:	\$
Meeting of Creditors:	October 26, 2011, 14:00 5, Place Ville Marie, 8e étage Montréal, Québec Canada,		
Chair:	Syndic		

CERTIFICATE OF FILING OF A PROPOSAL - Section 62

-- AMENDED --

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that:

- a proposal in respect of the aforementioned debtor was filed under section 62 of the *Bankruptcy and Insolvency Act*.

The aforementioned trustee is required:

- to provide to me, without delay, security in the aforementioned amount; and
- to send to all creditors, at least ten days prior to the meeting, a notice of a meeting of creditors, which will be held at the aforementioned time and place.

Date: October 13, 2011, 11:01

E-File/Dépôt Electronique

Official Receiver

, 5, Place Ville Marie, 8e étage, Montréal, Québec, Canada, H3B2G2, (877)376-9902

Canada

CANADA
Province de Québec
District de : Québec
No Division : 01-Beauharnois
No Cour : 760-11-005122-110
No Dossier : 41-1549119

COUR SUPÉRIEURE
En matière de faillite et d'insolvabilité

**Affidavit d'envoi
Avis de la proposition aux créanciers**

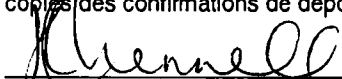
Dans l'affaire de la proposition de
Moulage Jirah Inc.

Je, soussignée, du cabinet de RSM Richter Inc., 2 Place Alexis Nihon, bureau 1820, Montréal, Québec, déclare et dis ce qui suit :

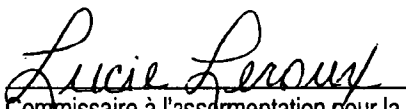
Que j'ai fait expédier, par courrier ordinaire dûment affranchi, du bureau de poste de la ville de Westmount, province de Québec, le 14 octobre 2011, à tous les créanciers connus apparaissant à la Liste de poste ci-jointe, au dirigeant de la personne morale insolvable, ainsi qu'à la cour, l'*Avis de la proposition aux créanciers*, incluant une copie de la proposition, d'un état succinct de son actif et de son passif; une liste des créanciers visés par la proposition et dont les réclamations se chiffrent à 250 \$ ou plus; un formulaire de preuve de réclamation et de procuration et un formulaire de votation, et le *Rapport du syndic sur la situation financière de la débitrice et sur la proposition*, dont copies conformes desdits documents sont annexées au présent affidavit.

Qu'à cette même date, j'ai fait expédier, par courriel, à toutes les personnes apparaissant à la Liste des envois supplémentaires par courriel, une copie du formulaire 01.1, l'*Avis de la proposition aux créanciers*, et le *Rapport du syndic sur la situation financière de la débitrice et sur la proposition*, dont copie conforme desdits documents sont annexées au présent affidavit; et

Que j'ai également déposé électroniquement, le 14 octobre 2011, auprès du Bureau de division l'*Avis de la proposition aux créanciers* et le *Rapport du syndic sur la situation financière de la débitrice et sur la proposition*, dont copies des confirmations de dépôt sont jointes au présent affidavit.


Heather Chennell

Assermentée dans la ville de Montréal, en la
province de Québec, le 18 octobre, 2011.


Commissaire à l'assermentation pour la
province de Québec



Creditor Mailing List

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

Creditor Type	Name	Attention	Address
Director	Andrew Eastwood		2780 chemin North River Ormstown QC J0S 1K0
Preferred	EMPLOYEES (VACATION)		SUITE 1820 2 PLACE ALEXIS NIHON MONTREAL QC H3Z 3C2
Secured	BANQUE NATIONALE DU CANADA		539 BOUL. ARTHUR SAUVE ST EUSTACHE QC J7P 4X5
	BANQUE NATIONALE DU CANADA		539 BOUL. ARTHUR SAUVE ST EUSTACHE QC J7P 4X5
Unsecured	AGROCENTRE BELCAN INC.		180, MONTÉE STE-MARIE STE-MARTHE QC J0P 1W0
	ARCOITE, SYLVIE		22 ROBERT HOWICK QC J0S 1G0
	ARGUS TRANSPORT CANADA INC.		1115, ST-AMOUR VILLE ST-LAURENT QC H4S 1T4
	BEDARD, SOPHIE		3380 ROUTE 201 FRANKLIN QC J0S 1E0
	BELL CANADA *		PO BOX 11465 STN CTRE-VILLE MONTRÉAL QC H3C 5M4
	BELL CANADA 2		PO BOX 8712 STN CTRE-VILLE MONTRÉAL QC H3C 3P6
	BERGEVIN, ANDRE		2337 RUE GERVAIS LASALLE QC H8N 1K3
	BORELLY, CHRISTINE		33 RUE LIGGETT ORMSTOWN QC J0S 1K0
	C.H. ROBINSON WORLDWIDE INC. *		WORLDWIDE, INC P.O. BOX 9121 MINNEAPOLIS MN 55480-9121
	CARTV		5.26 - 35 RUE DE PORT-ROYAL EST MONTREAL QC H3L 3T1
	CFIA		1400 MERIVALE ROAD OTTAWA ON K1A 0Y9
	COOP DES FRONTIÈRES COOPÉRATIVE AGRICOLE		195, RUE STE-MARIE STE-MARTINE QC J0S 1V0
	CRISCO TRANSIT INC.		3321, BOUL. LAURIER STE-MADELEINE QC J0H 1S0
	CTRE FOR SYST. INTEGRATION (CSI)		240, CATHERINE ST., S. 200 OTTAWA ON K2P 2G8
	CULLEN, MARTIN		31 STEWART ST HOWICK QC J0S 1G0
	CULTURA TECHNOLOGIES (AGRI-JOHN DEERE) *		P.O BOX 203131 DALLAS TX 75320-3131 USA
	CYRENNE, MANON		10 CAIRN ST ORMSTOWN QC J0S 1K0
	DAULTON, CRYSTAL		2780 NORTH RIVER ROAD ORMSTOWN QC G0S 1K0
	EAGLE COMMODITIES LTD.		229B, 12TH STREET C NORTH LETHBRIDGE AB T1H 2M6

Creditor Mailing List

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

Creditor Type	Name	Attention	Address
Unsecured	EASTWOOD, ANDREW		2780 NORTH RIVER ROAD ORMSTOWN QC G0S 1K0
	EASTWOOD, SUMMER		1 EDWARD STREET ORMSTOWN QC J0S 1K0
	EASTWOOD, ZACHARY		2780 NORTH RIVER ROAD ORMSTOWN QC G0S 1K0
	ESPORTATION & DEV. CANADA		TOUR DE LA BOURSE 800, PLACE VICTORIA # 4520 MONTREAL QC H4Z 1C3
	FERME DES PATRIOTES NC.		8, BOURGEOIS ST-OURS QC J0G 1P0
	FERME SEIGNEURIE DE SOULANGES		481, CHEMIN ST-PIILIPPE ST-POLYCARPE QC J0P 1X0
	FINLAYSON, CRAIG		2591 CHEMIN RENNIE HINCHINBROOKE QC J0S 1A0
	FPCCQ		BUREAU 505 555, BOUL ROLAND THERRIEN LONGUEUIL QC J4H 4G4
	GLADU, JOHN		10 RUE CAIRNS ORMSTOWN QC G0S 1K0
	GRAINS ELITE S.E.C.		BUREAU 200 9001, BOUL. DE L'ACADIE MONTRÉAL QC H4N 3H7
	INFO LOGI MÉDIA INC.		242, LOUIS-VOGHEL ST-HILAIRE QC J3H 6H8
	JONES FEED MILLS LTD.		1024, ALFRED ST. LINWOOD ON N0B 2A0
	KOF-K *		KOSHER SUPERVISION 201 THE PLAZA TEANECK NJ 07666 USA
	LAURIE, MICHAEL		39 RUE LAMBTON HOWICK QC J0S 1G0
	LAURIN, PATRICIA		558 CHAMPLAIN HEMMINGFORD QC J0L 1H0
	LAVAGE EDITH SUPER PLUS INC.		193-12E RUE OUEST EAST BROUGHTON QC G0N 1H0
	LES MOULINS DE SOULANGES INC.		485, CHEMIN ST-PIILIPPE ST-POLYCARPE QC J0P 1X0
	LETIS S.A.		ENTRE RIOS 549, 1ST FLOOR ROSARIO S2000ANR ARGENTINA -
	MANTORIA INC. - USD		5252 DE MAISONNEUVE WEST, #313 MONTREAL QC H4A 3S5
	MANTORIA INC. - CAD		DAVID HANSON 5252 DE MAISONNEUVE WEST, #313 MONTREAL QC H4A 3S5
	MEDITERRANEAN SHIPPING COMPANY CANADA INC.		360, ST JACQUES ST. SUITE 900 MONTREAL QC H2Y 1P5
	ORGANIC PROCESSING MAG. *		1945 WET MOUNTAIN ST. GLENDALE CA 91201 USA
	ORGANIC VALLEY FEED PROG. *		DEPARTMENT 7095 CAROL STREAM IL 60122-7095 USA

Creditor Mailing List

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

Creditor Type	Name	Attention	Address
Unsecured	ORGANIC VISION N.A. *		MIKE PRATT 432 CARRINGTON DR. BOILING SPRINGS SC 29316 USA
	PUROLATOR INC.		PMT PROCESSING DEPT PO BOX 1100, STATION POSTAL A ETOBICOKE ON M9C 5K2
	S.G. CERESCO INC.		166,CHEMIN GRANDE-LIGNE ST-URBAIN-PREMIER QC J0S 1Y0
	SAMSON BÉLAIR/DELOITTE & TOUCHE S.E.N.C.R.L.		2200, AVENUE LÉON-PRATTE SAINT-HYACINTHE QC J2S 4B6
	STROETINGA, WILFRED		21 HENDRIW BOX 165 WOOREFIELD ON N0G 2K0
	SUNRISE FOODS INT'L INC.		2162 AIRPORT DRIVE SASKATOON SK S7L 6M6
	SUNRISE FOODS INT'L INC.		2162 AIRPORT DRIVE SASKATOON SK S7L 6M6
	THE ORGANIC & NON GMO REPORT*		PO BOX 436 FAIRFIELD IA 52556 USA
	TRANSPORT REAL POIRIER INC.		849, CHEMIN BENOIT MONT ST-HILAIRE QC J3G 4S6
	TRANSPORT YVES THIBAUT & FILS INC.		8, RUE DESROSIERS STE-MARTINE QC J0S 1V0
	VILLE DE HUNTINGDON		23, RUE KING HUNTINGDON QC J0S 1H0
	VILLE DE MONTREAL		MUN.COURT P.O. BOX 11045 DOWNTOWN STN MONTREAL QC H3C 4Y1

LISTE DES ENVOIS SUPPLÉMENTAIRES

Dans l'affaire de la proposition de
Moulage Jirah Inc.
de la ville d'Ormstown
en la province de Québec

SUPPLEMENTARY MAILINGS LIST

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

AGENCE DU REVENU DU CANADA
CENTRE D'ARRIVAGE REGIONAL EN
INSOLVABILITE
25, RUE DES FORGES, BUREAU 111
TROIS-RIVIERES QC G9A 2G4

COMMISSION DES NORMES DU TRAVAIL
A/S JEAN-GUY LABERGE, SERV.
SURVEILLANCE
500, RENÉ-LÉVESQUE O., 26 ÉTAGE
MONTRÉAL (QUÉBEC) H2Z 2A5

REVENU QUÉBEC
SERVICE DES FAILLITES ET INSOLVABILITÉ
1600, BOUL. RENÉ-LÉVESQUE OUEST
MONTRÉAL QC H3H 2V2

CSST
1, COMPLEXE DESJARDINS
TOUR SUD, SUCC. DESJARDINS
MONTRÉAL QC H5B 1H1

DUN & BRADSTREET DU CANADA LTÉE
À L'ATTENTION DE DONNA COPELLI
6750 CENTURY AVENUE, SUITE 305
MISSISSAUGA ON L5N 0B7

EQUIFAX CANADA INC.
C.P. 190, SUCC. JEAN-TALON
MONTRÉAL QC H1S 2Z2

EQUIFAX CANADA INC.
VICE-PRESIDENT COMMERCIAL SOLUTIONS
5650 YONGE STREET, 13TH FLOOR
TORONTO ON M2M 4G3

GAZ MÉTROPOLITAIN
1717, RUE DU HAVRE
MONTRÉAL QC H2K 2X3

GREFFE DE LA FAILLITE ET DE
L'INSOLVABILITÉ
74 ACADEMIE
VALLEYFIELD QC J6T 0B8

HYDRO-QUÉBEC
BUREAU DU RECOUVREMENT
140, CRÉMAZIE O., 1^{ER} ÉTAGE
MONTRÉAL QC H2P 1C3

EDC-EXPORT DEVELOPMENT CANADA
151 O'CONNOR
OTTAWA ON K1A 1K3

EULER HERMES
1155 RENÉ-LÉVESQUE O.
BUREAU 1702
MONTRÉAL QC H3B 3Z7

TRANSUNION
3115 HARVESTER ROAD
SUITE 201
BURLINGTON ON L7N 3N8

BANQUE NATIONALE DU CANADA
M.SERGE LAMY-LAMPRON
206 BLVD CURE LABALLE
ST THERESE QC J7E 2X7

LAVERY
ME ANDRE LAURIN
1 PLACE VILLE MARIE
MONTREAL QC H3B 4M4

RSM Richter Inc.

RSM Richter Inc.
2, Place Alexis Nihon
Montréal (Québec) H3Z 3C2
Téléphone / Telephone : (514) 334-3497
Télécopieur / Facsimile : (514) 334-3504
www.rsmrichter.com

CANADA
PROVINCE OF QUEBEC
DISTRICT OF QUÉBEC
DIVISION NO.: 01 - Beauharnois
COURT NO.: 760-11-005122-110
ESTATE NO.: 41-1549119

SUPERIOR COURT
(Commercial Division)

IN THE MATTER OF THE PROPOSAL OF:

Jirah Milling Inc. / Moulage Jirah Inc.

a body politic and corporate, duly incorporated
according to law and having its head office at:

2780 North River Road, Ormstown, Québec
Debtor

- and -

RSM Richter Inc.

Trustee

**REPORT OF THE TRUSTEE ON THE FINANCIAL SITUATION
OF THE DEBTOR AND ON THE PROPOSAL ("Trustee's Report")
(Sections 50(10) (b) and 50(5) of the *Bankruptcy and Insolvency Act*)**

The purpose of the First Meeting of Creditors is to consider the proposal filed on October 12, 2011 (hereinafter referred to as the "Proposal") by Jirah Milling Inc. / Moulage Jirah Inc. (hereinafter referred to as the "Debtor", "Jirah Milling" or the "Company").

Pursuant to Sections 50(10)(b) and 50(5) of the *Bankruptcy and Insolvency Act* (hereinafter referred to as the "Act" or "BIA") and to assist the creditors in considering the Proposal, the Trustee is submitting its report on the financial situation of the Debtor and on the Proposal.

We caution the reader that the information discussed herein emanates from the books and records of the Debtor. However, we have not conducted an audit of these books and records. Consequently, we cannot render an opinion as to the accuracy or completeness of the information contained herein.



I) **INTRODUCTION**

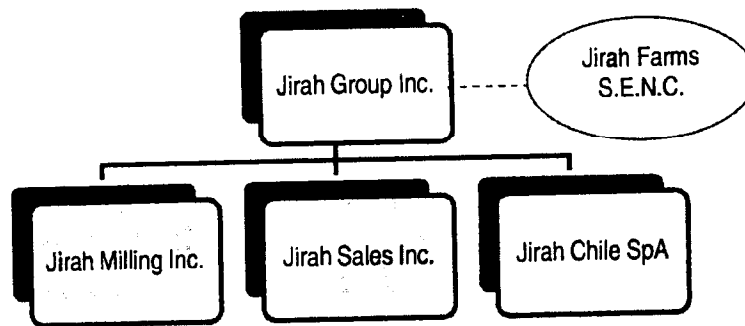
On October 12, 2011, the Debtor filed with the Trustee, RSM Richter Inc. ("Richter") a Proposal to its creditors. On October 14, 2011, Richter proceeded to mail to all known creditors (those declared by the Debtor) the Proposal, a proof of claim form, a voting form, a proxy and a notice indicating the place and time of the First Meeting of the Creditors to consider the Proposal as well as the Trustee's Report.

Trustee's Report discusses the relevant information and key elements that may assist the creditors in analyzing the Debtor's affairs and the terms of the Proposal.

II) **AFFAIRS OF THE DEBTOR**

A. **Corporate Structure**

Jirah Milling is part of a group of companies ("Group") described as follows:



The principal activities of each company are :

- Jirah Group Inc.: Holding company of the Group, no activity.
- Jirah Sales Inc.: Sale and distribution arm of the Group, owner of customer contracts.
- Jirah Milling Inc.: Purchase and import of organic products, essentially soya beans.
- Jirah Chile SpA: Start-up of a farming operation in Chile.
- Jirah Farms S.E.N.C.: Farming operations and transformation of cereals and other grains/beans.

Handwritten signature/initials

B. Status of Operations

Jirah Milling's operations have not been profitable in 2011, it has suffered substantial financial losses in the past months. These losses can be mainly attributed to:

- Non profitable sale contracts: due to market conditions, the selling price fixed in the contracts was almost the same as the costs of purchases; therefore, no margin was generated to cover overhead expenses and financing costs; and
- Loss of certification: the cancellation, in July 2011, by the Canadian Regulatory Agency (i.e. CFIA) of Jirah Milling's licence to sell organic products which represented approximately 95% of Jirah Milling's activities.

The cancellation of the licence in July 2011 from the Canadian Regulatory Agency had a disastrous effect on the Company. As a direct consequence, in August 2011, the American Regulatory Agency withdrew from Jirah Milling the right to sell organic products in the USA. Since a significant proportion of Jirah Milling's sales were to customers located in the USA, its operations were virtually shut down. Furthermore, in view of the Group's inability to satisfy its commitments under the sales contracts with its customers, it incurred significant additional claims/liabilities.

As a consequence, Jirah Milling was forced to significantly reduce its operations in September 2011, and proceeded to liquidate its inventory. With no other alternative available, Jirah Milling decided to cease the majority of its activities at the end of September 2011.

III) FINANCIAL INFORMATION

The following financial information was gathered from the books and records of the Debtor and from discussions with Management. It is submitted solely to assist the reader in assessing the current financial situation of the Debtor.

A) Operating Results

- The Group's more recent combined operating results are summarized below:

Combined Operating Results (in \$ millions - Unaudited)			
For the year	Dec. 31, 2010 F/S	Dec. 31, 2009 F/S	Dec. 31, 2008 F/S
Sales	\$ 41.9	\$ 24.0	\$ 32.6
Net/ Income	\$ 1.3	\$ 0.5	\$ 0.3
EBITDA	\$ 2.0	\$ 1.2	\$ 1.1

PJ

- Jirah Milling's current operating results, as at September 30, 2011, are summarized as follows:

(in \$000's - Unaudited)	
	September 30, 2011 (9 months)
Sales	\$ 33,714
Gross profit	\$ 1,342
Expenses	\$ 2,597
Net loss	\$ (1,255)
EBITDA	\$ (768)

B) Balance Sheet

Jirah Milling's balance sheet as at September 30, 2011 is summarized as follows:

Balance Sheet as at September 30, 2011 (In \$000's - Unaudited)			
Assets		Liabilities	
Inventory	\$ 888	Bank indebtedness	\$ 564
Advances to Jirah Farms	3,724	Accounts payable	2,342
AR from Jirah Sales	1,384		
Advances to Jirah Chile S.P.A.	323		
G.S.T. & Q.S.T. refund	195		
	<u>6,514</u>		<u>2,906</u>
Fixed assets	436	Term debt	2,770
Other advances and intangibles	698	Retained earnings	1,972
	<u>\$ 7,648</u>		<u>\$ 7,648</u>

The Banque Nationale du Canada's (the "Secured Creditor" or "Bank") has advised the Trustee that, as at October 11, 2011, the combined outstanding indebtedness, including financial instruments, owed by the Group, totals \$4.2M.

It is important to note that Jirah Farms SENC, Jirah Sales and Jirah Group have guaranteed to the Bank the financial obligations of Jirah Milling. As such, they have pledged all of their assets to secure their undertaking to the Bank.

- Inventory (\$888K)**

Inventory is comprised of Flax (\$700,000), corn (\$100,000) and other products (wheat, barley, lupines). These inventories have been on Jirah Milling's premises for over 6 months. One customer has shown interest in the Flax product, but no sale of the remaining inventory has materialized. The inventory is subject to the secured charge in favour of the Bank. The estimated realizable value of the inventory is approximately \$350,000 before costs of realization.

PA

- **GST / QST (\$195K)**

The refund due from the tax authorities should have been collected by the Company in August 2011. Jirah Milling, however, owes the tax authorities amounts relating to income taxes and other liabilities. It is therefore assumed that the tax authorities will offset the amounts owed against this receivable. The refund, if any, is subject to the security of the Bank.

- **Fixed Assets (\$436K)**

The breakdown of fixed assets is as follows:

Fixed Assets As at September 30, 2011 Net book value (in 000's - Unaudited)	
Office equipment	\$ 20
Machinery and Equipment	30
Land, Building (Ranch)	386
Total Fixed Assets	\$ 436

All fixed assets are located in Ormstown, Québec and are pledged to the Bank. An independent evaluation performed by a professional appraisal firm indicates that there is likely no equity in the fixed assets which could be generated for the benefit of the unsecured creditors.

Notwithstanding the foregoing, a related party (Eastwood) has made a \$325,000 offer to purchase the Ranch provided that Jirah Milling's Proposal is accepted by the creditors and ratified by the Court. The Bank is prepared to give a release of its security on the Ranch in consideration for receiving \$225,000. The residual of the purchase price, approximately \$100,000, will be remitted to the Trustee to fund the Proposal of Jirah Milling.

In the event of a bankruptcy and ensuing forced liquidation, the Ranch and all other assets would be liquidated and the sale proceeds will be used to reduce the Bank's loans.

- **Accounts receivable from Jirah Sales (\$1,384K)**

The amount owed relates to inventory sold to Jirah Sales, the selling arm of the Group. The only assets of Jirah Sales are its accounts receivables, totalling \$989,000, which are pledged to the Bank. Our analysis of the remaining accounts receivable of Jirah Sales indicates that they are slow-paying, litigious and doubtful accounts. Collection of these accounts receivable is uncertain. The Company is of the opinion that it may be able to collect approximately \$350,000 to \$500,000, which will be used to reduce the Bank indebtedness of Jirah Milling. It is therefore highly improbable that Jirah Sales will be in a position to settle its accounts with Jirah Milling.

- **Advances to Jirah Farms (\$3,724K)**

Advances, including bank financing, were made by Jirah Milling to Jirah Farms to purchase the following assets (net):

As at September 30, 2011 (in 000's - Unaudited)		
Land	\$	767
House		208
Farm building, silos and bins		1,475
Machinery equipments		788
Total Fixed Assets	\$	3,238

Jirah Farms has guaranteed and given security in favor of the Bank for all loans made to Jirah Milling. Therefore, any indebtedness shortfall of Jirah Milling will require a payment from Jirah Farms. The independent evaluation performed by a professional appraiser reflects no equity/surplus value available to the unsecured creditors of either corporate entity. We are advised that Jirah Farms' assets have an orderly liquidation value of \$3.0M before the realization costs, and a forced liquidation value of \$2.7M before the realization costs. Thus, should Jirah Milling not be in a position to continue in business, the Group's assets would be liquidated, and the realization value will solely be used to reimburse the Bank.

- **Advances to Jirah Chile (\$323K)**

All activities in Chile have ceased and the operations have been shut down. The realization of the Chilean assets should barely be enough to cover its liabilities. It is therefore highly improbable that Jirah Chile will be in a position to reimburse its loan to Jirah Milling.

- **Other Advances and Intangibles (\$698K)**

Other advances and intangibles relate to advances/transactions made over the years by Jirah Milling to subsidiaries that have ceased their activities. No realization values can be generated from same. These advances and assets should therefore be written-off.

PL

C) Liabilities

- **Secured Creditors (\$4,176K)**

The combined Bank indebtedness as at October 11 is \$4.2M. The estimated forced liquidation realisation value of the Group's assets securing the Bank's position is estimated to be between \$3,600,000 and \$4,375,000 before realization costs. Consequently, in a bankruptcy/forced liquidation scenario, there would most probably be a realization shortfall to the Bank:

Realization Value		
	<u>Low</u>	<u>High</u>
Jirah Milling		
Inventory	\$ 250	\$ 400
Fixed assets	200	325
Jirah Sales - accounts receivables	350	500
Jirah Farms - Fixed assets	2,700	3,000
Others (general)	100	150
	<u>\$ 3,600</u>	<u>\$ 4,375</u>

- **Preferred Creditors (Nil)**

Based upon the terms and conditions of the Proposal, all employees' claims that qualify under section 60(1.3)(a) of the BIA and all preferred claims will be paid in full in priority of all unsecured claims.

Based on the Company's records no amounts are owed.

- **Unsecured Creditors (\$2,342K)**

The records of the Company showed that the amount owed to the unsecured creditors totals approximately \$2,342,000 mainly due to various trade suppliers.

The Debtor has not yet completed the updating of its records. Thus, at the present time, we cannot comment as to the accuracy of the quantum of the unsecured creditors' claims. Actual liabilities will be validated upon the filing by creditors of their proof of claim.

PL

IV) PROPOSAL TO CREDITORS

As previously mentioned, on October 12, 2011, the Company filed a Proposal to its creditors. Creditors are advised to read the Proposal and its terms and conditions.

In summary, the salient elements of the Proposal are:

- The remittance of the \$100,000 (the "Basket Amount") required to fund the Proposal will be provided from the proceeds of the sale of the Ranch;
- The Trustee shall distribute the Basket Amount and the dividend distribution will be made to the creditors in accordance with the terms and conditions of the Proposal;

The settlement of the creditors' claims will be as follows:

- The amounts that the employees would be entitled to receive, under section 60(1.3)(a) of the BIA, shall be paid in priority of all unsecured claims;
- The Crown's Claims, if any, shall be paid in full, without interest, within 30 days of the granting of Court Approval of the Proposal;
- The Priority Claims (i.e. Preferred), if any, shall be paid, without interest in full, within 30 days of the granting of the Court Approval of the Proposal;
- In complete satisfaction and discharge of all Unsecured Claims, the unsecured creditors shall receive their pro-rata share of the Basket Amount, after payment of the Employees Claims, the Priority Claims and the Crown Claims, if any;
- It is anticipated that the dividend distribution will be made no later than 90 days from the granting of the Court Approval of the Proposal.

V) ELEMENTS TO BE CONSIDERED BY UNSECURED CREDITORS

A) Resuming of Jirah Milling's Activities

Acceptance of the Proposal would avoid a bankruptcy and benefit the following constituents:

- Merchandise suppliers and service providers will have a going concern entity with which they may wish to continue to do business with;

- A number of employees should be re-hired.

B) Distribution to the Creditors

In a Proposal scenario, an amount of approximately \$100,000 or approximately 4% of claim value should be available to unsecured creditors. This amount will not be available in a Bankruptcy scenario.

If the unsecured creditors reject the Proposal, the Company will automatically be deemed to have filed an assignment in Bankruptcy. Thereafter, the assets of the Company will be liquidated and the net proceeds will be distributed by the Trustee to the creditors based on the provisions of the BIA. It is not expected that the unsecured creditors will receive any dividend.

VI) CONCLUSION

As mentioned in this Report, an accepted Proposal should result in a more favourable distribution for the unsecured creditors than would a Bankruptcy scenario. Moreover, certain employees of Jirah Milling will have an opportunity to maintain their employment. Also, keeping the Company active should offer a favourable business opportunity to the suppliers and the economy of the region. For these reasons, we are in the opinion that the Proposal represents the most advantageous option for its creditors.

Dated at Montréal, Province of Quebec, this 14th day of October 2011.

RSM Richter Inc.
Trustee



Paul Lafrenière, CA, CIRP
Administrator

District de: Québec
No division: 01 - Beauharnois
No cour: 760-11-005122-110
No dossier: 41-1549119

FORMULAIRE 01.1

Identification générale de l'expéditeur pour copies de tous formulaires prescrits
envoyés au(x) créancier(s) par voie électronique

Dans l'affaire de la proposition de
Moulage Jirah Inc.
de la ville d'Ormstown
en la province de Québec

Daté le 14 octobre 2011, à Montréal en la province de Québec.

Personne responsable (expéditeur) : Paul Lafrenière, CA, CIRP
(Syndic)

Dénomination sociale: RSM Richter Inc.

Adresse : 2 Place Alexis Nihon, Suite 1820
Montréal QC H3Z 3C2

Téléphone : (514) 934-3497

Télécopieur : (514) 934-3504

Courriel :

AVIS

Veuillez prendre note que la personne susmentionnée est tenue de conserver la copie originale signée du
présent document dans les dossiers officiels de la présente procédure.

Envois supplémentaires par courrielSupplementary mailings by e-mailDans l'affaire de la proposition de la ville de Jirah Inc. Jirah Milling Inc. de la ville d'Ormstown en la province de Québec In the Province of Quebec

Créancier / Creditor	À l'attention de / c/o	Adresse courriel / E-mail address
Hydro Québec	Line Ducharme	Ducharme.Line@hydro.qc.ca;
Commission des normes du travail	Juan Manuel Diz Grana	Juan-Manuel.Diz-Grana@cnt.gouv.qc.ca;
Commission des normes du travail	Monique Bélanger	Monique.belanger@cnt.gouv.qc.ca;
Bell Canada	Groupe Insolvabilité – Affaire	Insolv@bell.ca;
Euler Hermes Canada	Tony Sullo, VP, Accounts Management	Tony.sullo@eulerhermes.com;
RSM Richter Inc.	Paul Lafrenière	plafreniere@rsmrichter.com
Lavery	André Laurin	alaurin@lavery.ca

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dossier](#)[Mise à jour](#)[Préférences](#)[Manuel](#)[Sortir](#)

Dépôt électronique | mise à jour:

Le numéro de référence de cette transaction est : 6613842.

Déposé par Lucie Leroux.
(2011-10-14 16:27 HAE)

Les dossiers suivants ont été mis à jour :

- **Numéro de dossier :** 41-1549119
- Nom du dossier :** Jirah Milling Inc

Les documents suivants ont été déposés avec succès :

- Report of Trustee on financial situation of Debtor and on the Proposal

Veuillez [cliquer ici](#) si vous souhaitez déposer un autre document pour ce dossier.

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Mise à jour : 2011-09-23[Avis importants](#)

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Dépôt électronique | mise à jour:

Le numéro de référence de cette transaction est : 6613816.
Déposé par Lucie Leroux.
(2011-10-14 16:25 HAE)

Les dossiers suivants ont été mis à jour :

- **Numéro de dossier :** 41-1549119
- Nom du dossier :** Jirah Milling Inc

Les documents suivants ont été déposés avec succès :

- Formulaire 92: Avis de la proposition aux créanciers

Veillez [cliquer ici](#) si vous souhaitez déposer un autre document pour ce dossier.

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Mise à jour : 2011-09-23[Avis importants](#)

COUR SUPÉRIEURE
En matière de faillite et d'insolvabilité

Province de Québec
District de Québec
No Division : 01-Beauhamois
No Cour : 760-11-005122-110

Dans l'affaire de la proposition de

Moulage Jirah Inc.

Personne morale insolvable

- et -

RSM Richter Inc.

Syndic

AFFIDAVIT D'ENVOI

Avis de la proposition aux créanciers

RSM Richter Inc.
2 Place Alexis Nihon, bureau 1820
Montréal (Québec) H3Z 3C2
Téléphone : 514.934.3497
Télécopieur : 514.934.3504

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)		ASSETS (as stated and estimated by the officer)	
1 Unsecured creditors as per list "A"	2,207,078 65	1 Inventory	350,000 00
Balance of secured claims as per list "B"	180,676 33	2 Trade fixtures, etc	0 00
Total unsecured creditors	2,387,754 98	3 Accounts receivable and other receivables, as per list "E"	
2 Secured creditors as per list "B"	576,613 00	Good	0 00
3 Preferred creditors as per list "C"	13,030 46	Doubtful	0 00
4 Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for	0 00	Bad	4,895,458 31
Total liabilities	2,977,398 44	Estimated to produce	0 00
Surplus	NIL	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, RRIFFs, 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

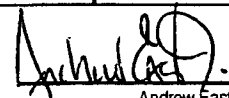
List "A"
Unsecured Creditors

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 MONTREAL QC H3C 5M4	86.41	0.00	86.41
5	BELL CANADA 2	PO BOX 8712 STN CTRE-VILLE MONTREAL 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	526 - 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 MONTREAL 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 MONTREAL 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	193-12E 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

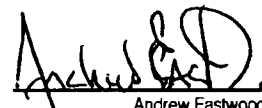
List "A"
Unsecured Creditors

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-PRÉMIER 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 "B"
Secured Creditors

Jirah Milling Inc

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim unsecured
1	BANQUE NATIONALE DU CANADA	539 BOUL ARTHUR SAUVE ST EUSTACHE QC J7P 4X5	538,635.33	Debts Due - Business - Advance from Jirah Farms S E N C Debts Due - Business - Accounts Receivable Debts Due - Business - Advance from Jirah Sales Debts Due - Business - Advance from 9171-4792 Quebec Inc Debts Due - Business - Advance from Jirah Chile SPA Debts Due - Business - Advance from Groupe Jirah Inc Debts Due - Business - Advance from Jirah Production Debts Due - Business - Advance from 6860818 Canada Inc Business Assets - Stock In Trade - Inventory Business Assets - Machinery - Machinery, equipment Motor Vehicles - Other Other - Office equipment and computers Other - GST/QST		0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 350,000.00 4,247.00 980.00 2,732.00 0.00		180,676.33
2	BANQUE NATIONALE DU CANADA	539 BOUL ARTHUR SAUVE ST EUSTACHE QC J7P 4X5	218,654.00	Real Property or Immovable - Building and Land - 690 Saint Malachie, Ormstown		218,654.00	106,346.00	
Total:			757,289.33			576,613.00	106,346.00	180,676.33

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

CANADA
Province de Québec
District de Québec
No division : 01-Beauharnois
No cour : 760-11-005122-110
No dossier : 41-1549119

COUR SUPÉRIEURE
Loi sur la faillite et l'insolvabilité

Procès-verbal de la première assemblée des créanciers

Dans l'affaire de la proposition de Moulage Jirah Inc.		
Endroit de l'assemblée ☐ 2, Place Alexis Nihon, Montréal QC H3Z 3C2	Président de l'assemblée Paul Lafrenière, CA, CIRP, RSM Richter Inc.	
☒ 5, Place Ville-Marie, 8e étage Montréal QC H3B 2G2	Date de l'assemblée 26 octobre 2011	Heure de l'assemblée 2 H 00

I. PRÉSENCES

Selon la liste en annexe.

II. QUORUM

Le président examine les preuves de réclamations et la preuve de convocation.

- ☒ Constate le quorum et déclare l'assemblée légalement constituée
- ☐ Constate qu'après 30 minutes, le quorum n'est pas atteint pour une ___ fois et communique aux personnes présentes ses instructions (voir VIII).

III. RAPPORT DU SYNDIC ET RECOMMANDATION

Le président confirme que le syndic a effectué l'envoi de l'*Avis de la proposition aux créanciers* aux créanciers connus de la débitrice. Ledit envoi incluait la Proposition, le Rapport du syndic sur l'état des affaires et des finances de la Débitrice et sur la proposition, un formulaire de preuve de réclamation et de procuration et un formulaire de vote.

L'assemblée a pris connaissance du Rapport du syndic sur l'état des affaires et des finances de la Débitrice et sur la proposition

Le but de cette assemblée est de voter sur la proposition.

Le syndic présente un résumé de son analyse de la proposition.

Une longue période de question est tenue, essentiellement sur la valeur des actifs donnés en garantie à la Banque.

Pour ces raisons, le syndic recommande l'acceptation de la proposition.

IV. PÉRIODE DE QUESTIONS

Une période de questions s'ensuit au cours de laquelle le syndic et la débitrice ont adressé les points soulevés.

License perdue par Jirah – possiblement renouveler

Agence américaine – 90-95% des ventes dans l'états unis - renouvellement

Clients américaine – sont soutien de la société

V. VOTE SUR LA PROPOSITION

<i>Résultat du vote des créanciers ordinaires</i>				
	<i>En valeur</i>		<i>En nombre</i>	
	<i>\$</i>	<i>%</i>	<i>#</i>	<i>%</i>
En faveur	1,632,153.34	96.66	9	90.0
Contre	56,314.27	3.34	1	10.0

Le président indique que la proposition a été acceptée par la majorité requise.

VI. CONFIRMATION DU SYNDIC

L'assemblée confirme la nomination de RSM Richter Inc. dans ses fonctions de syndic à la présente proposition.

VII. NOMINATION DES INSPECTEURS

L'assemblée confirme la nomination de 1 personne aux postes d'inspecteur.

Inspecteur	<u>Jacob Garfield</u>	Représentant	<u>Sunrise Foods Int's Inc.</u>
Inspecteur	<u></u>	Représentant	<u></u>
Inspecteur	<u></u>	Représentant	<u></u>
Inspecteur	<u></u>	Représentant	<u></u>
Inspecteur	<u></u>	Représentant	<u></u>

VIII. INSTRUCTIONS DES CRÉANCIERS

L'assemblée communique les instructions suivantes au syndic :

- ☐
- ☒ Aucune.

IX. CAUTIONNEMENT

Le président informe l'assemblée qu'aucun cautionnement n'a été fixé par le séquestre officiel.

X. LEVÉE D'ASSEMBLÉE

- ☐ Le syndic est réputé confirmé en vertu de l'article 106(2) de la *Loi sur la faillite et l'insolvabilité*.
- ☐ Le syndic continuera d'agir en vertu de l'article 14.06(1) de la *Loi sur la faillite et l'insolvabilité*.
- ☐ L'assemblée est remise au bureau du _____ le ____ jour de _____ 200__ à ____ heures.
- ☐ Le débiteur ou le représentant de la compagnie débitrice est _____ d'assister à la remise de la première assemblée des créanciers.
- ☒ L'agenda étant épuisé, l'assemblée est levée à ____ 4 H 15_____.

Annexes :

- ☒ Preuve de convocation
- ☒ Registre des présences
- ☒ Rapport du syndic sur les affaires financières des Débitrices et sur la proposition



Paul Lafrenière, CA, CIRP
Administrateur, agissant à titre de président

Dans l'affaire de la proposition de / In the Matter of the Proposal of
Mouillage Jirah Inc. / Jirah Milling Inc.

[illegible]

Dans l'affaire de la proposition de / In the Matter of the Proposal of
Mouillage Jirah Inc. / Jirah Milling Inc.

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