

April 29, 2022

Estate No. 32-2802344

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

**In the Matter of the Proposal of
Ayanda Cannabis Corporation
of the Town of Norwich
in the Province of Ontario**

To the Creditors of Ayanda Cannabis Corporation

Take notice that on February 4, 2022, Ayanda Cannabis Corporation (the “**Company**”) filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**” or the “**Act**”). Richter Inc. (formerly, Richter Advisory Group Inc.) was named as trustee under the Company’s NOI (the “**Proposal Trustee**”).

On April 19, 2022, the Company filed a proposal (the “**Proposal**”) pursuant to section 62 of the Act.

A copy of the Proposal, a condensed statement of the Company’s assets and liabilities, a list of the creditors affected by the Proposal and the Report of the Trustee on the Proposal are enclosed herewith. Capitalized terms not otherwise defined herein shall have the meanings given to them in the Proposal.

A general meeting of the creditors will be held at 1:00 p.m. (Toronto time) on May 9, 2022 via online and teleconference (the “**Meeting**”). As the Meeting is to be held remotely, creditors who wish to attend the Meeting are required to complete the attached registration form and return it by email to the Proposal Trustee at the following email address: claims@richter.ca, no later than 5:00 PM (Toronto time) on May 8, 2022.

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 will be 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 the Proposal Trustee prior to the commencement of the meeting.

**Richter Inc. (formerly, Richter Advisory Group Inc.)
in its capacity as Trustee *in re* the Proposal of
Ayanda Cannabis Corporation
and not in its personal capacity**

T. 416.488.2345
F. 514.934.8603
claims@richter.ca

Richter Advisory Group Inc.
181 Bay Street, Suite 3510
Bay Wellington Tower
Toronto, ON M5J 2T3
www.richter.ca

Montréal, Toronto

(français – recto)

District of:
 Division No. -
 Court No. 35-2802344
 Estate No. 35-2802344

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
 Ayanda Cannabis Corporation
 in the City of Norwich
 of the Province of Ontario

To the debtor:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of Ayanda Cannabis Corporation affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 19th day of April 2022. 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"	16,454.80	1. Inventory	0.00
Balance of secured claims as per list "B"	402,174.96	2. Trade fixtures, etc.	0.00
Total unsecured creditors	418,629.76	3. Accounts receivable and other receivables, as per list "E"	
2. Secured creditors as per list "B"	613,998.86	Good	0.00
3. Preferred creditors as per list "C"	2,000.00	Doubtful	0.00
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for	0.00	Bad	0.00
Total liabilities	1,034,628.62	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	37,320.35
		7. Livestock	0.00
		8. Machinery, equipment and plant	347,301.14
		9. Real property or immovable as per list "G"	0.00
		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	0.00
		15. Other property, as per list "H"	229,377.37
		If debtor is a corporation, add:	
		Amount of subscribed capital	0.00
		Amount paid on capital	0.00
		Balance subscribed and unpaid	0.00
		Estimated to produce	0.00
		Total assets	613,998.86
		Deficiency	420,629.76

I, Mike Sioen, of the City of Norwich in the Province of Ontario, 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 the affairs of the Corporation on the 19th day of April 2021 and fully disclose all property of every description that is in Ayanda Cannabis Corporation's possession or that may devolve on Ayanda Cannabis Corporation in accordance with the Act.

~~SWORN before me via videoconference by MIKE SIOEN located in the City of Norwich, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, this 19th day of April, 2022, in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.~~

~~☐~~



Commissioner for Taking Affidavits ☐

Mitchell W. Grossell ☐

LSO # 69993I ☐



Mike Sioen

District of:
Division No. -
Court No. 35-2802344
Estate No. 35-2802344

FORM 78 – Continued

In the Matter of the Proposal of
Ayanda Cannabis Corporation
in the City of Norwich
of the Province of Ontario
List "A"
Unsecured Creditors

Ayanda Cannabis Corporation

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	MICHAEL SIOEN FARMS LTD	324 BURFORD DELHI TOWNLIN ROAD Norwich ON N0J 1P0	0.00	402,174.96	402,174.96
2	NATHALIE CAIN	2150 WINDHAM ROAD 19 LASALLE ON N0E 2H0	16,454.80	0.00	16,454.80
Total:			16,454.80	402,174.96	418,629.76

19-Apr-2022

Date



Mike Sioen

District of:
 Division No. -
 Court No. 35-2802344
 Estate No. 35-2802344

FORM 78 – Continued

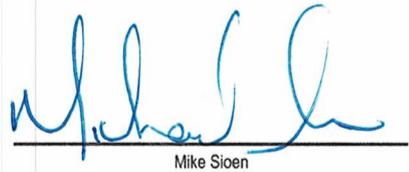
In the Matter of the Proposal of
 Ayanda Cannabis Corporation
 in the City of Norwich
 of the Province of Ontario
 List "B"
 Secured Creditors

Ayanda Cannabis Corporation

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	MICHAEL SIOEN FARMS LTD	324 BURFORD DELHI TOWNLINE ROAD Norwich ON N0J 1P0	1,016,173.82	Business Assets - Machinery - Property, Plant and Equipment Other - HST receivable and other receivable Other - Prepaid and deposits Cash on Hand - 1 Business Assets - Stock In Trade - Inventory		347,301.14 140,377.37 89,000.00 37,320.35 0.00		402,174.96
Total:			1,016,173.82			613,998.86	0.00	402,174.96

19-Apr-2022

Date



Mike Sioen

District of:
Division No. -
Court No. 35-2802344
Estate No. 35-2802344

FORM 78 – Continued

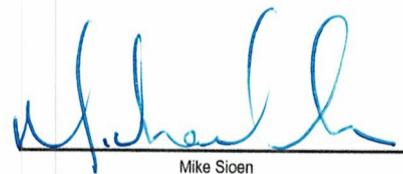
In the Matter of the Proposal of
Ayanda Cannabis Corporation
in the City of Norwich
of the Province of Ontario
List "C"
Preferred Creditors for Wages, Rent, etc.

Ayanda Cannabis Corporation

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	NATHALIE CAIN	2150 WINDHAM ROAD 19 LASALLE ON N0E 2H0		-	2,000.00	0.00	2,000.00
Total:					2,000.00	0.00	2,000.00

19-Apr-2022

Date



Mike Sioen

District of:
Division No. -
Court No. 35-2802344
Estate No. 35-2802344

FORM 78 – Continued

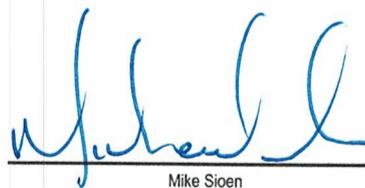
In the Matter of the Proposal of
Ayanda Cannabis Corporation
in the City of Norwich
of the Province of Ontario
List "D"
Contingent or Other Liabilities

Ayanda Cannabis Corporation

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
Total:			0.00	0.00		

19-Apr-2022

Date



Mike Sioen

District of:
 Division No. -
 Court No. 35-2802344
 Estate No. 35-2802344

FORM 78 – Continued

In the Matter of the Proposal of
 Ayanda Cannabis Corporation
 in the City of Norwich
 of the Province of Ontario

List "E"

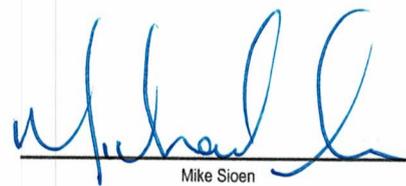
Debts Due to the Debtor

Ayanda Cannabis Corporation

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
				0.00				
			Total:	0.00			0.00	
				0.00				

19-Apr-2022

Date



Mike Sioen

District of:
Division No. -
Court No. 35-2802344
Estate No. 35-2802344

FORM 78 – Continued

In the Matter of the Proposal of
Ayanda Cannabis Corporation
in the City of Norwich
of the Province of Ontario
List "F"

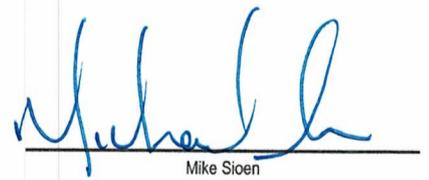
Bills of Exchange, Promissory Notes, Lien Notes, Chattel
Mortgages, etc., Available as Assets

Ayanda Cannabis Corporation

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
				Total:	0.00	0.00	

19-Apr-2022

Date


Mike Sioen

District of:
Division No. -
Court No. 35-2802344
Estate No. 35-2802344

FORM 78 – Continued

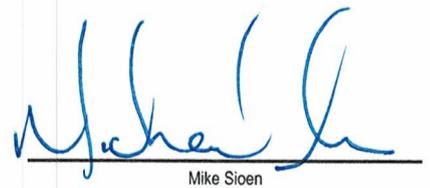
In the Matter of the Proposal of
Ayanda Cannabis Corporation
in the City of Norwich
of the Province of Ontario
List "G"
Real Property or Immovables Owned by Debtor

Ayanda Cannabis Corporation

Description of property	Nature of debtor interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
Total:			0.00		0.00

19-Apr-2022

Date



Mike Sioen

District of:
 Division No. -
 Court No. 35-2802344
 Estate No. 35-2802344

FORM 78 – Concluded

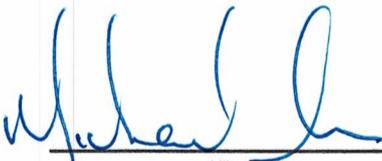
In the Matter of the Proposal of
 Ayanda Cannabis Corporation
 in the City of Norwich
 of the Province of Ontario
 List "H"
 Property

Ayanda Cannabis Corporation
 FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade		Inventory	70,598.00	0.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand		Cash on hand	37,320.35	37,320.35
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant		Property, Plant and Equipment	3,473,011.00	347,301.14
(g) Furniture			0.00	0.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles			0.00	0.00
(l) Taxes			0.00	0.00
(m) Other		Prepaid and deposits	133,278.00	89,000.00
		HST receivable and other receivable	140,377.37	140,377.37
			Total:	613,998.86

19-Apr-2022

Date



Mike Sioen

Court No. 35-2802344

File No. 35-2802344

In the Matter of the Proposal of
Ayanda Cannabis Corporation
in the City of Norwich
of the Province of Ontario

Form 78 (Bill C-12)
Statement of affairs (Business bankruptcy)

Trustee: Adam Sherman, MBA, CIRP, LIT
License: 3361
Email: asherman@richter.ca

Richter Inc. - Licensed Insolvency Trustee
Per:

Adam Sherman, MBA, CIRP, LIT - Licensed
Insolvency Trustee
181 Bay Street, Suite 3510
Toronto ON M5J 2T3
Phone: (416) 488-2345 Fax: (416) 488-3765

RICHTER

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.

T. 416.488.2345 / 1.866.585.9751
F. 514.934.8603
claims@richter.ca

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181 Bay Street, Suite 3510
Bay Wellington Tower
Toronto, ON M5J 2T3
www.richter.ca

Montréal, Toronto

(français – recto)

RICHTER

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 **Ayanda Cannabis Corporation** of the City of Norwich, Province of Ontario, 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 April 19, 2022, 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).

T. 416.488.2345 / 1.866.585.9751
F. 514.934.8603
claims@richter.ca

Richter Inc.
181 Bay Street, Suite 3510
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Toronto, ON M5J 2T3
www.richter.ca

Montréal, Toronto

- 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

 Signature of witness

Telephone number: _____ Fax number: _____

E-mail address: _____

NOTE: 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 **Ayanda Cannabis Corporation**

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

RICHTER

CANADA
Province of Ontario
District of: Ontario
Division No. 05 - London
Court No. 35-2802344
Estate No. 35-2802344

SUPERIOR COURT OF JUSTICE
Commercial List
In Bankruptcy and Insolvency

**VOTING LETTER
(Division 1 Proposal)
(Paragraph 51(1)f) of the Act)**

**In the Matter of the Proposal of
Ayanda Cannabis Corporation**

I, _____, creditor
(or I, _____, representative of _____, creditor)
of _____ (name of city), a creditor in the above matter for the sum of
\$ _____, hereby request the trustee acting with respect to the proposal of **Ayanda
Cannabis Corporation** to record my vote _____ (for or against) the
acceptance of the proposal as made on April 19, 2022.

Dated at _____, this _____ day of _____ 202 ____.

Name of Individual Creditor (Please print)

Signature of Individual Creditor

Signature of Witness

- OR -

Name of Corporate Creditor (Please print)

Signature of Corporate Creditor

Signature of Witness

Name and Title of Signing Officer (Please print)

T. 416.488.2345 / 1.866.585.9751
F. 514.934.8603
claims@richter.ca

Richter Inc.
181 Bay St., Suite 3320, Bay Wellington Tower
Toronto, ON M5J 2T3

www.richter.ca

Montréal, Toronto

**In the Matter of the Proposal of
Ayanda Cannabis Corporation
of the Town of Norwich
in the Province of Ontario**

**REGISTRATION FORM FOR THE MEETING OF CREDITORS TO CONSIDER AND
VOTE ON THE PROPOSAL**

Name of creditor: _____

Name of creditor's representative: _____

Email address: _____

Phone number: _____

Signature: _____

Please note that to attend the meeting of creditors, you are required to complete and send this form to the Proposal Trustee by email at the following address: claims@richter.ca no later than 5:00 p.m. (Toronto time) on **May 8, 2022** following which you will be sent details on how to attend the meeting.