

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N:

SKYMARK FINANCE CORPORATION

Applicant

and

**MAHAL VENTURE CAPITAL INC. and GOLDEN MILES FOOD
CORPORATION**

Respondents

SUPPLEMENTARY REPLY MOTION RECORD OF SANTOKH MAHAL

October 24, 2022

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TO: SERVICE LIST

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1.	Affidavit of Santokh Mahal sworn October 24, 2022	
A.	Exhibit "A" -	Schedule of Advances to the Promissory Note during the period from and after December 14, 2020
B.	Exhibit "B" -	Excel spreadsheet showing the interest calculation
C.	Exhibit "C" -	Affidavits of Jesse Mahal and Santokh Mahal sworn October 25, 2021
D.	Exhibit "D" -	Endorsement of the Honourable Mr. Justice McEwen dated October 26, 2021 and the Consent Order

Tab 1

Court File No. CV-21-00664778-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N:

SKYMARK FINANCE CORPORATION

Applicant

and

**MAHAL VENTURE CAPITAL INC. and GOLDEN MILES FOOD
CORPORATION**

Respondents

AFFIDAVIT OF SANTOKH MAHAL
(Sworn October 24, 2022)

I, **SANTOKH MAHAL**, of the City of Mississauga, in the Province of Ontario, MAKE OATH AND SAY:

1. I am the sole shareholder, director and officer of the Respondent, Golden Miles Food Corporation (“**Golden Miles**”). I have personal knowledge of the matters and facts to which I hereinafter depose. Where my knowledge is based upon information and belief, I have indicated the source of my information and belief and believe it to be true. To the extent that any information is based on my review of documents, I believe the information in those documents to be true.

2. I swear this affidavit in response to the Fourth Report of KSV Restructuring Inc. (“**KSV**”), as Receiver and Manager of Mahal Venture Capital Inc. and Golden Miles, and in response to the First Report of KSV as Trustee of Golden Miles, each dated October 17, 2022, (collectively, the “**KSV Report**”). The Capitalized terms used herein and not otherwise defined have the same meanings ascribed to them in the KSV Report.

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3. When the GSA was granted in December 2020, Golden Miles was in dire financial circumstances. It had been unable to commence operations at the Flour Mill, and did not have sufficient funding to complete the steps required to obtain an operating permit from the City of Brantford.
4. In December 2020, Golden Miles was also in default of its loan agreements with Skymark Finance Corporation, and Skymark was threatening to enforce its security over Golden Miles.
5. Golden Miles had no operating revenue to make payments to Skymark, and was in need of additional funding in order to avoid enforcement.
6. In those circumstances, I was not prepared to advance additional funds to Golden Miles without security for repayment.
7. The funds I advanced to Golden Miles after December 14, 2020 in the principal amount of \$2,182,195.08 were made with the intention that they would be loans to be repaid in accordance with the terms of the Promissory Note and secured by the GSA. I did not advance those funds as a contribution to equity and did not receive any shares in the capital of Golden Miles in exchange for those advances.
8. Pursuant to the Promissory Note, Golden Miles promised to pay the “principal amount advanced and outstanding from time to time, between the Borrower and Lender, as shown on the schedule annexed hereto or any continuation schedule which may **at any time** be attached hereto”. (emphasis added)
9. There is no requirement that the Lender endorse the advances on the schedule to the Promissory Note contemporaneously at the time the advances are made.
10. On or about December 14, 2020, when the Promissory Note was signed, I prepared and endorsed the schedule of advances attached to the Promissory Note. I made those advances to Golden Miles between March, 2016 and October 30, 2020, and during that period, it was not my practice to complete a contemporaneous schedule of advances, and I was not accustomed to

endorsing the advances I made to Golden Miles after December 14, 2020 on the schedule to the Promissory Note.

11. I have, however, produced detailed documentation of the advances I made to Golden Miles after December 14, 2020 in my previous Affidavit sworn December 17, 2021, and the exhibits thereto. On the basis of those records, I have prepared and endorsed a continuation of the schedule of advances to be attached to the Promissory Note, in light of KSV's comments regarding the importance of formality. Attached as **Exhibit "A"** is a continuation of the Schedule of Advances to the Promissory Note during the period from and after December 14, 2020.

12. Pursuant to the Promissory Note, Golden Miles agreed to pay "interest on the amount of the principal outstanding from time to time at the rate as is agreed between the Borrower and the Lender until payment in full". There was no agreement on a specific interest rate payable. I am informed by counsel that in such circumstances, the law provides for an interest rate of 5 percent per annum.

13. I have calculated the interest owing on the principal amounts I advanced to Golden Miles after December 14, 2020 at the rate of 5 percent per annum and the interest owing is \$183,759.22. Attached as **Exhibit "B"** is an excel spreadsheet showing the interest calculation.

14. The GSA is security for the payment of principal at any time owing by Golden Miles to me, "together with all interest, costs of realization, legal and other costs". I am therefore seeking a declaration that my security secures both the principal amount I advanced to Golden Miles after December 14, 2020, plus interest and costs.

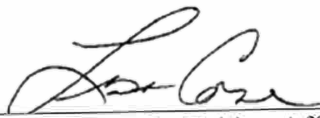
15. I disagree with the Receiver's allegation that I have failed to co-operate with the Receiver's request for documents and information. That allegation was in the Receiver's First Report dated October 20, 2021. In response, both my son, Jesse Mahal and I swore affidavits on October 25, 2021 (the "**October 25 Affidavits**") which describe the steps we followed in complying with the Receiver's requests for disclosure. Copies of the October 25 Affidavits are attached collectively as **Exhibit "C"**. As set out in the October 25 Affidavits, my son Jesse Mahal and I provided the Receiver with all available documents and information. In addition,

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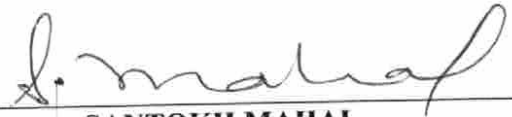
we consented to the Order dated October 26, 2021 sought by the Receiver and paid the Receiver's costs in the amount of \$7,500.00 as agreed. A copy of the Endorsement of the Honourable Mr. Justice McEwen dated October 26, 2021 and the Consent Order granted that day are attached collectively as **Exhibit "D"**.

16. Upon receipt of KSV's Report dated February 22, 2022 filed in connection with the Condominium motion, I promptly withdrew that motion. Although I subsequently offered to purchase the Condominium unit from KSV, KSV rejected my offer and the Condominium Unit remains unsold.

SWORN by videoconference, in the City of Mississauga, before me at the City of Toronto, in the Province of Ontario, on October 24, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits
(or as may be)



SANTOKH MAHAL

This is Exhibit "A" referred to in the **Affidavit of Santokh Mahal** SWORN Remotely at the City of Toronto, in the Province of Ontario on October 24, 2022, in accordance with O. Regs. 431/20 Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

LISA S. CORNE (27974M)

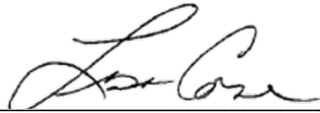
**Continuation of the Schedule of Advances to the Promissory Note during the period from
and after December 14, 2020**

Date	Amount of Principal Advanced	Amount of Reduction	Unpaid Principal Balance (\$24,101,776.47)	Endorsement Made By
December 18, 2020	\$ 30,000.00		\$24,131,776.47	SM
January 7, 2021	10,000.00		\$24,141,776.47	SM
January 13, 2021	100,000.00		\$24,241,776.47	SM
January 13, 2021	125,000.00		\$24,366,776.47	SM
January 20, 2021	190,000.00		\$24,556,776.47	SM
January 26, 2021	4,000.00		\$24,560,776.47	SM
February 1, 2021	500.00		\$24,561,276.47	SM
February 2, 2021	9,900.00		\$24,571,176.47	SM
February 9, 2021	10,000.00		\$24,581,176.47	SM
February 16, 2021	125,000.00		\$24,706,176.47	SM
February 16, 2021	32,000.00		\$24,738,176.47	SM
February 16, 2021	125,000.00		\$24,863,176.47	SM
February 23, 2021	8,000.00		\$24,871,176.47	SM
March 2, 2021	10,000.00		\$24,881,176.47	SM
March 2, 2021	29,900.00		\$24,911,076.47	SM
March 12, 2021	200,000.00		\$25,111,076.47	SM
March 16, 2021	200,000.00		\$25,311,076.47	SM
March 25, 2021	150,000.00		\$25,461,076.47	SM
March 26, 2021	150,000.00		\$25,611,076.47	SM
April 9, 2021	9,900.00		\$25,620,976.47	SM
April 14, 2021	9,900.00		\$25,630,876.47	SM
April 23, 2021	4,000.00		\$25,634,876.47	SM
May 11, 2021	13,004.56		\$25,647,881.03	SM
May 12, 2021	100,000.00		\$25,747,881.03	SM
June 2, 2021	100,000.00		\$25,847,881.03	SM
June 8, 2021	100,000.00		\$25,947,881.03	SM
June 28, 2021	3,000.00		\$25,950,881.03	SM

Date	Amount of Principal Advanced	Amount of Reduction	Unpaid Principal Balance (\$24,101,776.47)	Endorsement Made By
July 2, 2021	18,500.00		\$25,969,381.03	SM
July 2, 2021	18,310.52		\$25,987,691.55	SM
July 14, 2021	40,000.00		\$26,027,691.55	SM
July 20, 2021	30,000.00		\$26,057,691.55	SM
July 20, 2021	2,000.00		\$26,059,691.55	SM
July 26, 2021	14,000.00		\$26,073,691.55	SM
August 5, 2021	6,000.00		\$26,079,691.55	SM
August 6, 2021	100,000.00		\$26,179,691.55	SM
September 7, 2021	80,000.00		\$26,259,691.55	SM
September 15, 2021	25,000.00		\$26,284,691.55	SM

4885-2606-0603 v1 [99274-1]

This is Exhibit “B” referred to in the **Affidavit of Santokh Mahal** SWORN Remotely at the City of Toronto, in the Province of Ontario on October 24, 2022, in accordance with O. Regs. 431/20 Administering Oath or Declaration Remotely.

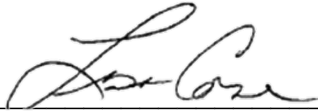


Commissioner for Taking Affidavits (or as may be)

LISA S. CORNE (27974M)

Date	Principal Advanced	Interest As of Nov 2022	Principal & Interest As of Nov 2022
18-Dec-20	\$30,000.00	\$3,010.70	\$33,010.70
7-Jan-21	\$10,000.00	\$957.91	\$10,957.91
13-Jan-21	\$100,000.00	\$9,579.07	\$109,579.07
13-Jan-21	\$125,000.00	\$11,973.84	\$136,973.84
20-Jan-21	\$190,000.00	\$18,200.24	\$208,200.24
26-Jan-21	\$4,000.00	\$383.16	\$4,383.16
1-Feb-21	\$500.00	\$45.62	\$545.62
2-Feb-21	\$9,900.00	\$903.31	\$10,803.31
9-Feb-21	\$10,000.00	\$912.44	\$10,912.44
16-Feb-21	\$125,000.00	\$11,405.48	\$136,405.48
16-Feb-21	\$32,000.00	\$2,919.80	\$34,919.80
16-Feb-21	\$125,000.00	\$11,405.48	\$136,405.48
23-Feb-21	\$8,000.00	\$729.95	\$8,729.95
2-Mar-21	\$10,000.00	\$867.16	\$10,867.16
2-Mar-21	\$29,900.00	\$2,592.81	\$32,492.81
12-Mar-21	\$200,000.00	\$17,343.18	\$217,343.18
16-Mar-21	\$200,000.00	\$17,343.18	\$217,343.18
25-Mar-21	\$150,000.00	\$13,007.38	\$163,007.38
26-Mar-21	\$150,000.00	\$13,007.38	\$163,007.38
9-Apr-21	\$9,900.00	\$813.85	\$10,713.85
14-Apr-21	\$9,900.00	\$813.85	\$10,713.85
23-Apr-21	\$4,000.00	\$328.83	\$4,328.83
11-May-21	\$13,004.56	\$1,010.67	\$14,015.23
12-May-21	\$100,000.00	\$7,771.62	\$107,771.62
2-Jun-21	\$100,000.00	\$7,324.44	\$107,324.44
8-Jun-21	\$100,000.00	\$7,324.44	\$107,324.44
28-Jun-21	\$3,000.00	\$219.73	\$3,219.73
2-Jul-21	\$18,500.00	\$1,272.63	\$19,772.63
2-Jul-21	\$18,310.52	\$1,259.60	\$19,570.12
14-Jul-21	\$40,000.00	\$2,751.64	\$42,751.64
20-Jul-21	\$30,000.00	\$2,063.73	\$32,063.73
20-Jul-21	\$2,000.00	\$137.58	\$2,137.58
26-Jul-21	\$14,000.00	\$963.07	\$14,963.07
5-Aug-21	\$6,000.00	\$386.14	\$6,386.14
6-Aug-21	\$100,000.00	\$6,435.62	\$106,435.62
7-Sep-21	\$80,000.00	\$4,795.19	\$84,795.19
15-Sep-21	\$25,000.00	\$1,498.50	\$26,498.50
Totals	\$2,182,915.08	\$183,759.22	\$2,366,674.30

This is Exhibit "C" referred to in the **Affidavit of Santokh Mahal** SWORN Remotely at the City of Toronto, in the Province of Ontario on October 24, 2022, in accordance with O. Regs. 431/20 Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

LISA S. CORNE (27974M)

Court File No. CV-21-00664778-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY
AND INSOLVENCY ACT, R.S.C. 1985, c.B-3, AS AMENDED, AND
SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990,
c.C.43, AS AMENDED**

B E T W E E N:

SKYMARK FINANCE CORPORATION

Applicant

and

**MAHAL VENTURE CAPITAL INC. and GOLDEN MILES FOOD
CORPORATION**

Respondents

AFFIDAVIT OF JESSE MAHAL
(Sworn October 25, 2021)

I, **JESSE MAHAL**, of the City of Mississauga, in the Province of Ontario, MAKE
OATH AND SAY:

1. I am a director of the Respondent Mahal Venture Capital Inc. ("**MVC**"). As such, I have personal knowledge of the matters and facts to which I hereinafter depose. Where my knowledge is based upon information and belief, I have indicated the source of my information and belief and believe it to be true. To the extent that any information is based on my review of documents, I believe the information in those documents to be true.

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A. Overview

2. I swear this affidavit in response to the first report dated October 20, 2021 (the “**First Report**”) filed by KSV Restructuring Inc. (“**KSV**” or “**Receiver**”), in its capacity as receiver of the assets, undertakings and properties of MVC and Golden Miles Food Corporation (“**Golden Miles**” and, together with MVC, the “**Companies**”) owned or used in connection with the flour mill (the “**Mill**”) situated on the property municipally known as 155 Adams Blvd., Brantford, Ontario (the “**Property**”). The Receiver filed the First Report in support of a motion for an order, among other things, requiring me and my father, Santokh Mahal (“**Mahal**”), to comply with the order of Justice McEwen dated October 1, 2021 (the “**Appointment Order**”) appointing KSV as Receiver of the Property.

3. I wish to provide context to, and correct certain allegations contained in the First Report regarding my and Santokh’s compliance with the Appointment Order, including our conduct in this proceeding.

B. The Receiver’s Attendance at the Mill on October 1, 2021

4. At section 3.1, paragraph 4 of the First Report, the Receiver indicates that it observed Santokh and me removing bags and boxes from the Mill into our respective vehicles. In response to this paragraph, the bags and boxes I removed consisted of my soccer bag and my soccer shoes, which shoes were in a shoe box. I will provide these contents to the Receiver upon written request. I did not remove any other items.

5. At section 3.1, paragraph 5 of the First Report, the Receiver enumerates a list of observations it made at the Mill on October 1, 2021. All of these issues were explained

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to the Receiver and, to the best of my knowledge, had been resolved to the Receiver's satisfaction prior to delivery of the First Report. Specifically, it was explained to the Receiver that:

- (a) The servers referenced in section 3.1, paragraph 5(a) of the First Report had been moved to the first floor and to the basement;
- (b) The equipment referenced in section 3.1, paragraph 5(b) of the First Report had been moved to the lab in the office of the Mill and the lab in the receiving building of the Mill;
- (c) No physical records were ever kept at the Mill as it is still a construction site;
- (d) The security equipment referenced in section 3.1, paragraph 5(d) was in the possession of Birdseye Security ("**Birdseye**"), the security company for the Mill; and
- (e) The tobacco had been dumped on premises by an unrelated third party and was not the property of MVC or Golden Miles as further detailed in the affidavit of Santokh Mahal sworn October 25, 2021.

6. At section 3.1, paragraph 7 of the First Report, the Receiver alleges that Santokh or I improperly accessed the Mill and reconnected the security gate. I vehemently deny this allegation and I stand by the explanation provided to the Receiver by my former counsel, Rod Godard ("**Godard**"). This explanation can be confirmed by speaking with Birdseye.

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C. Written Requests for Information

7. At section 3.2, paragraphs 1 to 15 of the First Report, the Receiver identifies issues with Santokh's and my responses to the Receiver's requests for information, including that:

- (a) I failed to respond to the Receiver's information request by uploading a "data dump" that included selective and outdated documents and did not include any financial books and records, bank or Canada Revenue Agency ("**CRA**") account numbers, permit related documents, and certain other documents requested on a priority basis;
- (b) I ignored the requirement to provide computers and other electronic devices for imaging; and
- (c) I have failed to provide a satisfactory explanation for where the Programmable Logic Controller (the "**PLC**") is located.

8. In response to the concerns raised in section 3.2 of the First Report, on October 7, 2021, I participated on a conference call with my counsel, the Receiver's counsel, Blake Cassels & Graydon LLP ("**Blakes**"), and Mitch Vininsky of KSV. On the call, I advised the Receiver that I would send the information requested by the Receiver as particularized in Schedule A (the "**Schedule A Request**") to Blakes' letter dated October 4, 2021, a copy of which is attached as Appendix C to the First Report.

9. Immediately after the call, I began to assemble documents in my possession to deliver to the Receiver. I made best efforts to begin uploading as many documents as

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possible, as expeditiously as possible. I did not ignore the Receiver's request. I had to request certain documents from third parties as they were not in my possession. I specified which documents had been requested from third parties in my response to the Receiver on October 12, 2021, as detailed below. I take issue with the allegation that I uploaded a "data dump". The reality is the Companies' records were not perfectly maintained in a centralized manner. I uploaded documents in "drips and drabs" as the Receiver specifically requested.

10. I uploaded approximately 347 documents on October 7, 2021 to the sharefolder provided to me by the Receiver. On October 12, 2021, I emailed the Receiver a copy of my responses to the Schedule A Request. Copies of my email to the Receiver and the attachment thereto are attached, collectively, as **Exhibit A**. For ease of reference, I reproduce my response to the Schedule A Request below:

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No.	Information Requested	Notes	Status
1.0 General			
1.01	Copies of all the existing insurance policies and contact information for the Debtors' insurance broker.	in ksv possession	
1.02	Detailed list of any ongoing legal actions commenced by or against the Debtors.	gathering info	
1.03	A complete list of any current employees of the Debtors for past six months.	0 employees	
1.04	A list of all existing material contracts entered into by the Debtors.	gathering info	
1.05	Security - name and contact information for the security company that monitors the Property.	birdseye	
1.06	Copies of all permits, certifications, licenses, patents, and approvals obtained in connection with the Property including applications for these documents.	uploaded	
2.0 Financial Records			
2.01	Account information for all bank accounts maintained or used by the Debtors.	Please describe the primary purpose of each account.	
2.02	All physical and digital financial records of the Debtors.	uploaded	
2.03	All financial accounting system of the Debtors.	uploaded	
2.04	All recent invoices in respect of maintenance, utilities, insurance, property taxes and other operating costs.	uploaded	
2.05	All tax returns filed by the Debtors since inception.	requested	
2.06	All CRA Notices and Statements received in 2020 and 2021.	requested	
2.07	All the flour mill construction budgets and projections.	requested	
2.08	Payables listing with addressees and contact information.	uploaded	
2.09	Contact information for external accountants.	requested	
2.10	CRA account numbers.	requested	
2.11	Property tax and municipal tax statements.	uploaded	
2.12	List of any contingent liabilities.	gathering info	
3.0 Flour Mill - Plant and Equipment			
3.01	All technical drawings, floor plans, blueprints, etc., relating to the flour mill.	uploaded	
3.02	Detailed list of all machinery and equipment installed in the flour mill.	uploaded	
3.03	Paperwork for all machinery and equipment installed in the flour mill, including warranty documents, instruction manuals and any other documents provided by the supplier.	no warranty. Instruction manuals to be provided when installer fly to canada to finish set up.	
3.04	Service agreement for all machinery and equipment.	n/a	
3.05	List of outstanding construction and/or machinery purchases required in order to make the plant operational.	ESA Approval, Occupancy Permit, Repair Sewage System, Seal all 3 buildings for Food Grade Approval, Repair 4 roof leaks in warehouse, repair water leaks in receiving building, fix make up air unit, repair hvac system on top of office, stop water from entering pit in receiving building, clean all buildings for CFIA, perform safety review, finish paving for entire site and repaint parking lines, install and commission packaging lines, repair bulk load out, repair feed silos and conveyors, clean out exterior silos, replace all silo fans and make operational, enclose bulk load out silos for weather protection when loading trucks, commission elevator and get esa sign off, workplace safety study to be completed and safety equipment installed. Pay expoxy company construction balance, pay fluid construction, pay vicano, pay richardson, pay rbt, install electrical panels, install bus bars, pay security company, pay insurance company, pay buhier, food grade wash all silo's, remove all garbage from property, update pest control devices, remove birds nest from buildings and silos, get CSA approval on all equipment. Get permit to use elevator, get inspection on all electrical work, complete tssa inspections and permits. Get FDA inspection. Complete HACCP AND BRC requirements and inspection. Have all equipment suppliers fly to canada to test all machines and install remaining parts	gathering more info to add to list.
3.06	List of any outstanding purchase orders.	buhier	
3.07	Appraisals for property and equipment.	uploaded	
3.08	Last environmental report for property.	uploaded	
3.09	Details of any goods in transit.	0	
3.10	List of any intellectual property owned by Debtors.	plant design, building design, machinery integration	
3.11	Server and email records for it@qmfoods.co and any other domains operated by the Debtors.		

I have identified the items which were not in my or the Companies' possession as of October 12, 2021 in yellow highlighting.

11. Following delivery of my response to the Schedule A Request, I received an email from Murtaza Tallat ("Tallat") of KSV dated October 12, 2021 (the "October 12 Email") summarizing the outstanding deficiencies to the Schedule A Request. The October 12 Email is attached as Appendix G to the First Report and reproduced below for ease of reference:

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We are in receipt of the documents you uploaded to the ShareFile link, which primarily include site-drawings, floor plans, invoices, budgets and statements of account from Vicano and Fluid and certain property assessment documents. Most of the documents listed in our information request dated October 4th remain outstanding.

We have summarized the outstanding information below.

Priority items:

- All financial accounting records of both Mahal Venture Capital Inc. and Golden Miles Food Corporation
- Accounts payable listing with addresses and contact information for each of Mahal Venture Capital Inc. and Golden Miles Food Corporation
- Copies of all permits, certifications, licenses, patents, and approvals obtained OR pending in connection with the Property including applications and correspondence related to these documents. These include all correspondence with the CSA, ESA, City of Brantford and any and all other regulatory bodies.
- Computers and cell phones for Satokh and Jesse Mahal (including personal computers and cell phones)

Other items:

- CRA Notices and Statements, account numbers and correspondence
- All material contracts entered into by Mahal Venture Capital Inc. and Golden Miles Food Corporation
- List of all ongoing legal actions commenced by or against Mahal Venture Capital Inc. and Golden Miles Food Corporation
- Information regarding bank accounts
- Detailed asset/machinery listings
- Documentation for all machinery and equipment (i.e., purchase orders, specifications, warranty, manuals, service history, etc.)
- Intellectual property listing (IP owed by or licensed to Mahal Venture Capital or Golden Miles Food)
- Outstanding purchase orders and/or goods in transit
- Documentation for any assets located at 155 Adams that Golden Miles Food Corporation claims is unrelated to the flour mill
- Access to all email accounts associated with Mahal Venture Capital Inc. and Golden Miles Food Corporation
- Any permits, stamps or registrations connected to tobacco
- Any other documentation related to the business and operations of Mahal Venture Capital or Golden Miles Food

We require the above information, in full, no later than 10:00 am on Thursday October 14th.

12. As is noted in my initial response to the Schedule A Request, many of the items identified in the October 12 Email had been requested from third parties. After receiving the October 12 Email, the Companies produced substantially all of the information and documents required to be delivered in response to the Schedule A Request, including:

No.	Item	Status
1.	All financial accounting records of both Mahal Venture Capital Inc. and Golden Miles Food Corporation	I delivered MVC's balance sheet on October 7, 2021 through the KSV sharefolder. I delivered the rest of MVC's financials,

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No.	Item	Status
		<p>including CRA documents, in two separate emails dated October 22, 2021 at 12:29 AM and 12:39 PM (the “Second October 22 Email”), respectively, copies of which, are attached, and the attachments thereto, as Exhibits B1 and B2, respectively.</p> <p>Gill & Co. delivered Golden Miles’ financial records by emails dated October 20, 2021 and October 21, 2021, copies of which, and the attachments thereto, are attached, collectively, as Exhibit C.</p>
2.	Accounts payable listing with addresses and contact information for each of Mahal Venture Capital Inc. and Golden Miles Food Corporation	<p>Delivered as part of Godard’s email to Blakes dated October 5, 2021, a copy of which is attached as Appendix D to the First Report, without the attachment. A copy of the attachment to Godard’s email is attached as Exhibit D.</p> <p>A comprehensive Accounts Payable listing was delivered to the Receiver as part of the Second October 22 Email (Exhibit B).</p>
3.	Copies of all permits, certifications, licenses, patents, and approvals obtained OR pending in connection with the Property including applications and correspondence related to these documents. These include all correspondence with the CSA, ESA, City of Brantford and any and all other regulatory bodies.	<p>I emailed copies of a list of outstanding permit applications and their status and outstanding plant items to the Receiver on October 15, 2021. A copy of my email and the attachments thereto are attached collectively as Exhibit E.</p> <p>The Second October 22 Email (Exhibit B) contains all correspondence in my possession relating to these documents as well as a copy of the building permit for the Property. I delivered copies of actual permits by email dated October 23, 2021. Copies of my email and the attachment thereto are attached, collectively, as Exhibit F.</p>
4.	Computers and cell phones for Satokh and Jesse Mahal (including personal computers	Arrangement has been made for imaging to be completed on October 25, 2021 as set out in email between me and the Receiver dated October 21, 2021, a copy of which is

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No.	Item	Status
	and cell phones)	attached as Exhibit G .
5.	CRA Notices and Statements, account numbers and correspondence	Sent as part of item no. 1 above.
6.	All material contracts entered into by Mahal Venture Capital Inc. and Golden Miles Food Corporation	All material contracts have been delivered to the Receiver.
7.	Information regarding bank accounts	I confirm that the bank accounts described in section 3.4, paragraph 2 of the First Report are all of the bank accounts for MVC and Golden Miles.
8.	Detailed asset/machinery listings	A list was sent as part of the Second October 22 Email (Exhibit B).
9.	Documentation for all machinery and equipment (i.e., purchase orders, specifications, warranty, manuals, service history, etc.)	Delivered as part of my upload of documents on October 7, 2021.
10.	Intellectual property listing (IP owned by or licensed to Mahal Venture Capital or Golden Miles Food)	The intellectual property consists of the Mill's design and the machine functions.
11.	Outstanding purchase orders and/or goods in transit	There are no goods in transit. The only outstanding work orders pertain to the Mill's manufacturer, İMAŞ MAKİNA SANAYİ A.Ş. (" IMAS "), to commission the machines as well as the remaining equipment to be installed by Buhler Canada Inc., copies of which are attached as Exhibit H .
12.	Documentation for any assets located at 155 Adams that Golden Miles Food Corporation claims is unrelated to the flour mill	I provided the documentation regarding the trailer and lawn mowers to KSV's representatives in person on October 20, 2021. I will provide further documentation regarding personal items at the Property once I receive the documents. I provided the Receiver with invoices for purchase

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No.	Item	Status
		orders for the cookies sold by Golden Miles by email dated October 15, 2021, copies of which, and the attachments thereto, are attached, collectively, as Exhibit I .
13.	Access to all email accounts associated with Mahal Venture Capital Inc. and Golden Miles Food Corporation	I will provide access to the Receiver to my Golden Miles email account Jesse@gm.co
14.	Any permits, stamps or registrations connected to tobacco	There are none. See below section on the tobacco issue.
15.	Any other documentation related to the business and operations of Mahal Venture Capital or Golden Miles Food	I sent the Phase 1 Environmental Inspection Report dated October 21, 2021 to the Receiver by email dated October 21, 2021. Copies of my email and the attachment thereto are attached, collectively, as Exhibit J .

13. Overall, prior to service of the First Report, over 600 documents had been delivered to the Receiver.

D. Computers and Other Electronic Devices

14. I disagree with the Receiver's allegation that Santokh and I ignored the requirement to provide our personal cell phones and laptops (collectively, the "**Devices**") for imaging by the Receiver. The Devices were not purchased with funds of the Companies. I have requested the source documents to show that the Devices were not purchased with funds of the Companies and will produce same to the Receiver upon receipt.

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15. During our telephone call on October 7, 2021, I agreed to provide the Devices to the Receiver to be imaged on October 8. The agreed upon arrangement was silent on whether I would be handing over possession of the Devices to the Receiver indefinitely or whether I would be permitted to be present when the Receiver did its imaging of the Devices.

16. I would have never agreed to hand over the Devices to the Receiver indefinitely because: (i) they are personal devices that are used for personal purposes; (b) they contain information that has nothing to do with Golden Miles, MVC, or the Mill; and (c) they contain information that is subject to solicitor-client privilege. A copy of an email from me to Noah Goldstein ("**Goldstein**"), managing director of KSV on October 7, 2021, setting out my concerns regarding the delivery and imaging of the Devices is attached as **Exhibit K**.

17. Accordingly, the Receiver has agreed to allow me to be present for the imaging of the Devices, which is scheduled to occur on October 25, 2021, as noted in the email thread between me and Goldstein dated October 21, 2021 attached as Exhibit G .

E. The PLC

18. With respect to the PLC, by letter dated October 22, 2021 from my counsel to the Receiver, I advised that the PLC is currently in the possession of by IMAS in Turkey. IMAS is programming the PLC and is holding it until the outstanding indebtedness to IMAS is paid.

A copy of my counsel's letter dated October 22, 2021, including the enclosures thereto, is attached as **Exhibit L**.

SWORN by videoconference, in the City of Mississauga, before me at the City of Toronto, in the Province of Ontario, on October 25, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Dan Poliwoda

Commissioner for Taking Affidavits
(or as may be)

JESSE MAHAL

Court File No. CV-21-00664778-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY
AND INSOLVENCY ACT, R.S.C. 1985, c.B-3, AS AMENDED, AND
SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990,
c.C.43, AS AMENDED**

BETWEEN:

SKYMARK FINANCE CORPORATION

Applicant

and

**MAHAL VENTURE CAPITAL INC. and GOLDEN MILES FOOD
CORPORATION**

Respondents

AFFIDAVIT OF SANTOKH MAHAL
(Sworn October 25, 2021)

I, **SANTOKH MAHAL**, of the City of Mississauga, in the Province of Ontario,
MAKE OATH AND SAY:

1. I am a director of the Respondent Golden Miles Food Corporation ("**Golden Miles**"). As such, I have personal knowledge of the matters and facts to which I hereinafter depose. Where my knowledge is based upon information and belief, I have indicated the source of my information and belief and believe it to be true. To the extent that any information is based on my review of documents, I believe the information in those documents to be true.

A. Overview

2. I swear this affidavit in response to the first report dated October 20, 2021 (the “**First Report**”) filed by KSV Restructuring Inc. (“**KSV**” or “**Receiver**”), in its capacity as receiver of the assets, undertakings and properties of Mahal Venture Capital Inc. (“**MVC**” and together with Golden Miles, the “**Companies**”) and Golden Miles owned or used in connection with the flour mill (the “**Mill**”) situated on the property municipally known as 155 Adams Blvd., Brantford, Ontario (the “**Property**”). The Receiver filed the First Report in support of a motion for an order, among other things, requiring me and my son, Jesse Mahal, to comply with the order of Justice McEwen dated October 1, 2021 (the “**Appointment Order**”) appointing KSV as Receiver of the Property.

3. I agree with, and rely on, the facts deposed in the Affidavit of Jesse Mahal sworn October 25, 2021 (the “**Jesse Affidavit**”). Overall, to the best of my ability I have provided all information and documents in response to the Receiver’s request to date.

B. Specific Responses

4. At section 2.0, paragraph 8 of the First Report, the Receiver refers to a promissory note in the principal amount of \$24.1 million and a related general security (“**GSA**”) agreement granted to me by Golden Miles. To support the security interest evidenced by the GSA, I am in the process of gathering additional documents to evidence the advances made to Golden Miles. I will provide those to the Receiver in due course.

5. The Receiver's allegation that I removed boxes and bags from the Mill into my vehicle on October 1, 2021 is not true. I did not remove anything from the Mill on October 1, 2021.

6. The Receiver's suggestion that Jesse or I accessed the Mill over the weekend of October 2 and 3, 2021 is simply incorrect. I deny the allegation and stand by the evidence detailed in the Jesse Affidavit.

C. Golden Miles' TD Bank Account

7. I withdrew \$21,500 from Golden Miles' bank account on October 4, 2021 on the understanding that those funds represented my personal property and were not the property of Golden Miles. On September 7, 2021 and September 15, 2021, I caused \$80,000 and \$25,000, respectively, to be transferred from J.T. International Inc. ("**JT International**"), a company I wholly own, on my behalf to the Golden Miles TD bank account for the specific purpose of paying essential operating expenses, including, without limitation, ongoing monthly expenses for hydro, telephone, and gas. As a result of the Receiver's appointment, Golden Miles was unable to use \$21,500 of the funds that I advanced funds for those purposes and I therefore caused \$21,500 to be returned as the specific purposes for which they had been advanced could not be fulfilled.

8. A copy of a corporate profile report for JT International is attached as **Exhibit A**. Copies of the bank draft and bank statement for JT International are attached, collectively, as **Exhibit B**. A copy of a bank statement for the Golden Miles TD account is attached as Appendix I to the First Report and reproduced as **Exhibit C**. The records show the withdrawal of funds from the JT International account to purchase a bank draft

payable to Golden Miles. The bank statement for Golden Miles shows the deposit made on account of the bank drafts from JT International.

4974-0438-6816 v2 [99274-1]

9. I will comply with any order of the court requiring me to repay the funds to Golden Miles.

D. Tobacco Issue

10. The Property lies adjacent to a recycling facility. Third parties often unlawfully trespass on the Property and dump recycling and other materials. The bags of tobacco referred to in the First Report were dumped at the Property by a third party. Neither of MVC or Golden Miles assert an interest in the tobacco and have advised the Receiver that it may be discarded. The inconsistent statements about the tobacco's source is due to the fact that there was also two separate boxes of tobacco, each weighing approximately 5 pounds, which were samples that a salesperson left in my office. The tobacco from the salesperson was imported from India. This is why it was explained to the Receiver that the tobacco had been imported from India.

SWORN by videoconference, in the City of Mississauga, before me at the City of Toronto, in the Province of Ontario, on October 25, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Dan Poliwoda

Commissioner for Taking Affidavits
(or as may be)

S. Mahal
SANTOKH MAHAL

This is Exhibit "D" referred to in the **Affidavit of Santokh Mahal** SWORN Remotely at the City of Toronto, in the Province of Ontario on October 24, 2022, in accordance with O. Regs. 431/20 Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

LISA S. CORNE (27974M)

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) TUESDAY, THE 26th
)
JUSTICE MCEWEN) DAY OF OCTOBER, 2021

B E T W E E N:

SKYMARK FINANCE CORPORATION Applicants
- and -

MAHAL VENTURE CAPITAL INC. and GOLDEN MILES FOOD CORPORATION Respondents
CORPORATION

**ORDER
(Payment of Funds and Costs)**

THIS MOTION, made by KSV Restructuring Inc. (“**KSV**”), in its capacity as the Court-appointed receiver and manager (in such capacity, the “**Receiver**”), without security, of the assets, undertakings and properties of Mahal Venture Capital Inc. and Golden Miles Food Corporation (collectively, the “**Companies**”) owned or used in connection with the flour mill located on the property municipally known as 155 Adams Blvd., Brantford, Ontario (the “**Property**”), was heard virtually this day via the Zoom videoconferencing platform by judicial videoconference at Toronto, Ontario due to the COVID-19 crisis.

ON READING the Notice of Motion and the First Report of the Receiver dated October 20, 2021, the Affidavit of Jesse Mahal, sworn October 25, 2021 and the Affidavit of Santokh Mahal (together with Jesse Mahal, the “**Mahals**”), sworn October 25, 2021, and on hearing the submissions of the lawyers for the Receiver, the Mahals and such other counsel as listed on the Participant Information Form, no one else appearing:

RETURN OF PROPERTY

1. **THIS COURT ORDERS AND DIRECTS** Santokh Mahal to pay \$21,500 by wire transfer or certified cheque to the Receiver, or as the Receiver may direct in writing, no later than 5:00 p.m. (Toronto Time) on October 29, 2021, which payment to the Receiver shall be without prejudice to Santokh Mahal claiming a priority entitlement to such funds, on any basis whatsoever, at a future date.

COSTS

2. **THIS COURT ORDERS AND DECLARES** that the Mahals are personally liable, on a joint and several basis, for the costs of the Receiver and its counsel of this motion, in the aggregate amount of \$7,500 (the “Costs”), which Costs shall be part of the Property. The Mahals shall pay the Costs to the Receiver forthwith, and in any event before November 12, 2021.



Court File No.: CV-21-00664778-00CL

SKYMARK FINANCE CORPORATION - and -
Applicants

MAHAL VENTURE CAPITAL INC., *et al.*
Respondents

26 Oct 21

Order to go, on consent, as per the draft filed and signed.
I remain seized.



ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at Toronto

ORDER
(Payment of Funds and Costs)

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Lawyers for the Receiver

SKYMARK FINANCE CORPORATION
Applicant

-and- MAHAL VENTURE CAPITAL INC. et al.
Respondents

Court File No. CV-21-00664778-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT
TORONTO

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SKYMARK FINANCE CORPORATION
Applicant

-and- MAHAL VENTURE CAPITAL INC. et al.
Respondents

Court File No. CV-21-00664778-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT
TORONTO

SUPPLEMENTARY REPLY MOTION RECORD

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