

COURT FILE NUMBER 2401-09688

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT, RSC 1985, c
C-36, AS AMENDED

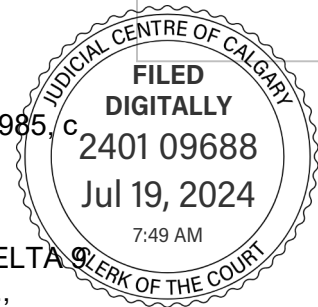
AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF DELTA 9
CANNABIS INC., DELTA 9 LOGISTICS INC.,
DELTA 9 BIO-TECH INC., DELTA 9 LIFESTYLE
CANNABIS CLINIC INC. and DELTA 9 CANNABIS
STORE INC.

APPLICANTS DELTA 9 CANNABIS INC., DELTA 9 LOGISTICS
INC., DELTA 9 BIO-TECH INC., DELTA 9
LIFESTYLE CANNABIS CLINIC INC. and DELTA 9
CANNABIS STORE INC.

DOCUMENT **APPLICATION – Amended and Restated Initial
Order, SISP Order, Claims Procedure Order and
Sealing Order**

ADDRESS FOR SERVICE **MLT AIKINS LLP**
AND CONTACT Barristers and Solicitors
INFORMATION OF #2100 – 222 3rd Ave SW
PARTY FILING THIS Calgary, AB T2P 0B4
DOCUMENT Attention: Ryan Zahara / Kaitlin Ward
Telephone: (403) 693-5420 / 4311
Email: rzahara@mltaikins.com / kward@mltaikins.com
File No. 0136555.00034

Clerk's stamp



NOTICE TO RESPONDENTS:

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the judge.

To do so, you must be in Court when the application is heard as shown below:

Date: July 24, 2024
Time: 2:00 p.m.
Where: Edmonton Law Courts via WebEx Virtual Courtroom 86:
<https://albertacourts.webex.com/meet/virtual.courtroom86>
Before: The Honourable Associate Chief Justice Nielsen

Go to the end of this document to see what you can do and when you must do it.

REMEDY CLAIMED OR SOUGHT:

1. The Applicants, Delta 9 Cannabis Inc. (“**D9 Parent**”), Delta 9 Logistics Inc. (“**Logistics**”), Delta 9 Bio-Tech Inc. (“**Bio-Tech**”), Delta 9 Lifestyle Cannabis Clinic Inc. (“**Lifestyle**”), and Delta 9 Cannabis Store Inc. (“**Store**”, and collectively with Logistics, Bio-Tech, and Lifestyle, the “**Applicants**” or “**Delta 9**”) bring this application (the “**Comeback Application**”) for the following relief:
 - (a) an Amended and Restated Initial Order (the “**ARIO**”) pursuant to the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “**CCAA**”), substantially in the form attached at **Schedule “A”** hereto, providing for the following relief:
 - (i) declaring service of the Comeback Application and supporting materials good and sufficient, and if necessary, abridging time for notice of the Comeback Application to the time actually given;
 - (ii) extending the Stay Period under the Initial Order from July 25, 2024 to September 15, 2024 (the “**Stay Extension**”);
 - (iii) approving the break-fee of \$1,500,000 (the “**Break Fee**”) set out in the Restructuring Term Sheet dated July 12, 2024 between the plan sponsor, 2759054 Ontario Inc., o/a Fika Herbal Goods (“**Fika**” or the “**Plan Sponsor**”) and the Applicants (the “**Restructuring Term Sheet**”) and granting a charge (the “**Plan Sponsor Protection Charge**”) to secure the Break Fee;
 - (iv) approving an interim financing loan agreement between the Applicants and the Plan Sponsor dated July 18, 2024 (the “**Interim Financing Agreement**”) and a charge securing the Interim Financing Agreement not exceeding the principal sum of \$16,000,000, plus interest, costs and expenses in favour of the Plan Sponsor (the “**Interim Financing Charge**”), as security for any advances made by the Plan Sponsor pursuant to the Interim Financing Agreement;
 - (v) authorizing the Plan Sponsor to advance the funds in Tranche 2 (as defined below) directly to the Applicants’ senior secured lender, SNDL Inc.

(“**SNDL**”) on behalf of the Applicants in an amount sufficient to pay the full value of the SNDL Mezzanine Debt (as defined below);

- (vi) approving a key employee retention plan (the “**KERP**”) and corresponding charge to secure obligations under the KERP up to the amount of \$655,000 (the “**KERP Charge**”) for individuals identified as critical management personnel of the Applicants in order to retain and incentivize those parties to ensure the success of the CCAA proceedings;
 - (vii) increasing the Administration Charge from \$350,000 to \$750,000 and the Directors’ Charge from \$300,000 to \$900,000;
 - (viii) preserving the status quo in respect of the LP Licences (as defined in the First Arbuthnot Affidavit) and extending the expiry of those LP Licenses until the end of the Stay Extension; and
 - (ix) appointing Mark Townsend as the chief restructuring officer (in such capacity, the “**CRO**”) of the Applicants;
- (b) an Order substantially in the form attached as **Schedule “B”** hereto (the “**SISP Order**”) approving the sales and investment solicitation process (“**SISP**”) in respect of a going-concern sale of the assets and/or shares of Bio-Tech;
- (c) an Order substantially in the form attached at **Schedule “C”** hereto (the “**Claims Procedure Order**”), approving a claims procedure with respect to the Applicants (the “**Claims Procedure**”);
- (d) an Order substantially in the form attached at **Schedule “D”** hereto (the “**Sealing Order**”) sealing the confidential appendices (the “**Confidential Appendices**”) of the First Report of the Monitor, Alvarez & Marsal Canada Inc. (the “**Monitor**”) dated July 18, 2024 (the “**First Report**”), which contains an unredacted copy of the KERP and the CRO Engagement; and
- (e) such further and other relief as this Honourable Court may deem just.

2. All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the First Affidavit of John Arbuthnot IV, sworn on July 12, 2024 (the “**First Arbuthnot**”

Affidavit") and the Second Affidavit of John Arbuthnot IV, sworn on July 18, 2024 (the **"Second Arbuthnot Affidavit"**).

GROUND FOR MAKING THIS APPLICATION:

Introduction and Background

3. Delta 9 is a vertically integrated group of companies in the business of cannabis cultivation, processing, extraction, wholesale distribution and retail sales. Bio-Tech holds cannabis licences from Health Canada and the CRA pursuant to the *Excise Act, 2001*.
4. On July 15, 2024, the Honourable Justice D.R. Mah granted an Initial Order pursuant to the CCAA (the **"Initial Order"**) which, among other things, appointed Alvarez & Marsal Canada Inc. as the Monitor of the Applicants.

Extension of Stay Period

5. The Initial Order provides for a 10-day Stay Period expiring on July 25, 2024.
6. The Applicants require the Stay Extension until September 15, 2024 to provide stability and to provide the Applicants with sufficient time to carry out the terms of the SISF, the Claims Procedure Order and prepare a plan or plans of arrangement to be voted on by their creditors.
7. Subject to this Court's approval of the Interim Financing Agreement, the Applicants will have sufficient liquidity during the Stay Extension to fund their required obligations to continue as a going-concern and cover the costs of these CCAA proceedings.
8. The Applicants have acted, and continue to act, in good faith and with due diligence to, among other things, operate their Business in the ordinary course and advance these CCAA proceedings.
9. Approving the Stay Extension is in the best interest of all stakeholders as it provides the Applicants with the time and space required to affect a successful compromise and emerge as a sustainable operation.

Restructuring Term Sheet

10. The Applicants have worked closely with their advisors, key stakeholders and the Plan Sponsor to negotiate and enter into the Restructuring Term Sheet, dated effective as of July 12, 2024. Pursuant to the Restructuring Term Sheet, the Plan Sponsor would acquire the Applicants' retail cannabis operations through a plan of arrangement with the additional goal of monetizing the Bio-Tech Business as a going-concern through the SISP.
11. On plan implementation, D9 Parent would issue new common shares to the Plan Sponsor and cancel all issued and outstanding common shares of D9 Parent so that the Plan Sponsor would be the sole shareholder of D9 Parent on completion of the proposed plan(s) of arrangement (the "**Acquisition Transaction**").
12. The Restructuring Term Sheet provides for, among other things, the Interim Financing Agreement, the SISP, the Claims Procedure and the eventual plan or plans of arrangement implementing the Acquisition Transaction.
13. As set out in further detail in the Second Arbuthnot Affidavit, the Restructuring Term Sheet provides for the following consideration from the Plan Sponsor:
 - (a) interim financing in the total principal amount of \$16,000,000, payable in two tranches (as set out in further detail below) and if necessary, any increase to the Interim Financing Facility to cover the costs of the within CCAA proceedings;
 - (b) voting common shares in the capital of Fika issued to the shareholders of D9 Parent in the aggregate value of \$2,000,000;
 - (c) voting common shares in the capital of Fika issued to unsecured creditors of Lifestyle and Store who elect their convert their unsecured debt into equity, with an aggregate value of \$4,000,000;
 - (d) payment in full to the Applicants' senior secured lender, SNDL, on plan implementation; and
 - (e) funding of the successful plan(s) of compromise, including any distributions to the Applicants' unsecured creditors in the minimum aggregate amount of \$750,000.

14. The Restructuring Term Sheet further provides that if the Plan Sponsor and Applicants determine that implementing a successful plan of arrangement is not achievable, then at the Plan Sponsor's sole discretion, the Applicants will initiate a sales and investment solicitation process for the sale of Delta 9 and execute a stalking horse agreement with the Plan Sponsor, whereby the Plan Sponsor will act as a stalking horse purchaser and provide substantially similar consideration to the value to be provided to Delta 9's stakeholders under the Restructuring Term Sheet.
15. The Restructuring Term Sheet is the result of many months of negotiation between the Applicants and the Plan Sponsor. The restructuring process and proposed plan of arrangement under the Restructuring Term Sheet contemplates full payment of the Applicants' senior secured creditor's facilities in full and provides additional value for Delta 9's other stakeholders. After the Applicants spent several months diligently canvassing the market for strategic alternatives, the Restructuring Term Sheet provides the best outcome for Delta 9's stakeholders presently available in the circumstances.

Break Fee and Plan Sponsor Protection Charge

16. If the Court approves any plan of compromise, arrangement or transaction that would prevent the Plan Sponsor from completing the Acquisition Transaction, then the Restructuring Term Sheet requires the Applicants to pay the Break Fee to the Plan Sponsor. The Applicants seek this Court's approval of the Break Fee and the corresponding priority charge for the Plan Sponsor Protection Charge.
17. The Break Fee is reasonable and appropriate in the circumstances and was calculated to compensate the Plan Sponsor for its investment in the process to date. This investment includes the Plan Sponsor's engagement with Delta 9 for several months, efforts to negotiate with Delta 9's former primary secured lender, CFCU, and other of Delta 9's shareholders and stakeholders.
18. The Plan Sponsor has entered into the Restructuring Term Sheet and agreed to provide the Interim Financing Facility to not only fund the Applicants' ongoing business operations during these CCAA proceedings, but also to pay in full the second-ranking indebtedness owing to SNDL under the SNDL Convertible Debenture.

19. The Restructuring Term Sheet provides stability to the within CCAA proceedings by guaranteeing, at minimum, that the Applicants' senior secured lender, SNDL, will be paid in full and Delta 9's unsecured creditors and shareholders will also receive value on plan implementation.
20. By exposing the details of the Restructuring Term Sheet in these CCAA proceedings, there is a risk to the Plan Sponsor that another party can submit a more competitive plan of arrangement that will be accepted by Delta 9's creditors, preventing the Plan Sponsor from completing the Acquisition Transaction. In light of these circumstances, the Break Fee has been calculated to protect the Plan Sponsor from the risk that the Plan Sponsor will lose the value of its investment in this process to date.
21. Given the value and stability the Restructuring Term Sheet brings to these CCAA proceedings, the resources expended by the Plan Sponsor in negotiating the various restructuring agreements and the risk to the Plan Sponsor that its plan(s) of arrangement will be bested by a more competitive plan, the Applicants believe the Break Fee is reasonable and appropriate in the circumstances and are requesting this Court's approval of the same.
22. The Break Fee represents approximately 3% of the estimated \$50,000,000 in gross consideration proposed to be advanced by the Plan Sponsor pursuant to the Restructuring Term Sheet and is within a reasonable range of break fees historically approved by courts.
23. For all of the reasons set out above, the Applicants are also seeking this Court's approval of the Plan Sponsor Protection Charge to secure payment of the Break Fee, if required. As set out below, the Plan Sponsor Protection Charge is proposed to rank after all of the other court-ordered Charges and behind the secured obligations owing to SNDL.

Interim Financing Agreement and Interim Financing Charge

24. The Applicants are seeking this Court's approval of the Interim Financing Agreement and the corresponding Interim Financing Charge.
25. The Cash Flow Forecast demonstrates that the Applicants require additional funding to continue their Business operations as a going-concern and to fund the within CCAA proceedings through the proposed Stay Extension.

26. The Interim Financing Agreement contemplates the advancement of the total principal amount of \$16,000,000 (the “**Interim Financing Facility**”) from the Plan Sponsor to the Applicants, payable in two tranches:
- (a) Tranche 1: up to \$3,000,000 advanced to the Applicants in multiple draws to fund the Applicants’ working capital requirements in connection with the CCAA proceedings: (A) in accordance with the Cash Flow Forecast and (B) for amounts outside the Cash Flow Forecast, on request by the Applicants and as approved by the Monitor and the Plan Sponsor from time to time; and
 - (b) Tranche 2: up to \$13,000,000 advanced directly to SNDL on the Applicants’ behalf to repay the full value of the secured obligations owing to SNDL under the SNDL Convertible Debenture (the “**SNDL Mezzanine Debt**”) within 10 business days of the issuance of the ARIO and upon confirmation by the Monitor of the validity, enforceability and the quantum of the SNDL Mezzanine Debt (“**Tranche 2**”).
27. The Applicants are seeking a court-ordered Interim Financing Charge to secure the Interim Financing Facility, which shall be a priority charge on the Applicants’ Property subject only to: (i) the Administration Charge, not to exceed \$750,000; (ii) the Directors’ Charge, not to exceed \$900,000; (iii) the KERP Charge, not to exceed \$655,000; and (iv) the secured obligations of SNDL.
28. The amount of interim financing was calculated with Monitor’s assistance in consideration of the Cash Flow Forecast and is expected to be sufficient to allow the Applicants to pay out the SNDL Mezzanine Debt in full, complete the SISP, close a transaction, complete the Claims Procedure, negotiate and complete a plan or plans or arrangement and complete a restructuring.
29. The Interim Financing Facility will bear interest at a rate of Prime + 3% with a default interest rate of the greater of either (a) Prime + 8%; or (b) 15% per annum.
30. The Plan Sponsor’s advancement of funds is conditional on, among other things, the Applicants obtaining approval of the ARIO, SISP and Claims Procedure Order; the Court’s approval of the Interim Financing Charge (as defined below); and the Plan Sponsor’s approval of the Cash Flow Forecast.

31. The Interim Financing Facility is fair and reasonable in the circumstances and is limited to the amount of funding actually required by the Applicants to maintain their Business operations while restructuring under the CCAA. The Interim Financing Facility is in the best interest of all stakeholders and is necessary to the restructuring process.
32. The Monitor has indicated its support of the Interim Financing Facility.

Approval for Plan Sponsor to Pay SNDL Outstanding Indebtedness

33. The Applicants are seeking authorization from this Court for the Plan Sponsor to advance funds directly to SNDL on behalf of the Applicants to pay the full amount of the SNDL Mezzanine Debt.
34. As set out in further detail in the First Arbuthnot Affidavit, SNDL is currently owed approximately \$38,701,617.27 (the “**Estimated Outstanding Indebtedness**”) after assuming all of the CFCU Outstanding Indebtedness on July 5, 2024 (as defined in the First Arbuthnot Affidavit, the “**SNDL Assignment**”).
35. Prior to the SNDL Assignment, SNDL was owed the amount of \$10,833,333.33 pursuant to the SNDL Convertible Debenture Agreement, which was subordinate to the CFCU Outstanding Indebtedness. On May 21, 2024, SNDL issued a demand to Delta 9 demanding payment of the amount of \$12,512,876.71 on the SNDL Convertible Debenture.
36. The Applicants require the Monitor’s assistance to confirm the quantum of the SNDL Mezzanine Debt and the validity and enforceability of SNDL’s security. Once confirmed, and within 10 business days of the issuance of the ARIO, the Plan Sponsor will pay the full value of the SNDL Mezzanine Debt from Tranche 2 advanced under the Interim Financing Facility in a good faith effort to ensure SNDL receives payment in full on all of the Estimated Outstanding Indebtedness on plan implementation.

KERP and KERP Charge

37. With the assistance of the Monitor, the Applicants have developed a KERP to facilitate and encourage the continued participation of management personnel identified as key employees (the “**Key Employees**”), the continued retention of whom is critical to maintaining the Applicants’ Business operations as a going-concern and maximizing the

value of the Applicants in the proposed restructuring. The Applicants seek this Court's approval of the proposed KERP and the corresponding KERP Charge as a priority charge on the Applicants' property securing payment of the KERP.

38. The KERP is capped at a total payment of \$655,000 (the "**KERP Payment**"). Key Employees that are designated as "Eligible Participants" under the KERP are eligible to receive a designated portion of the KERP Payment.
39. Payments vest in the Eligible Participants in two tranches:
 - (a) the first tranche is payable within five days following the applicable vesting event for each Eligible Participant; and
 - (b) the second tranche is payable on the sooner of plan implementation, the sale of the applicable company or the completion of restructuring.
40. These Key Employees, designated as Eligible Participants under the KERP, have been identified as individuals with significant experience, specialized expertise and personal relationships with employees, customers and suppliers that cannot be replicated or easily replaced. The KERP is necessary to retain and incentivize the Key Employees, many of whom will be offered more certain employment by competitor companies and will be required to take on additional work to contribute to a successful restructuring.
41. The KERP is also necessary to ensure the continued engagement and support of the directors and officers who are integral to completing the SISF and any plan of arrangement that might be achieved. The KERP also requires that the Applicants seek releases on behalf of the directors and officers as part of any plan or plans of arrangement and in respect of any transaction conducted through the SISF.
42. The Plan Sponsor and the Monitor have each approved the KERP and the proposed KERP Payment amounts.

Increase in Administration Charge and Directors' Charge

43. The following charges were granted pursuant to the Initial Order: (a) the Administration Charge in the amount of \$350,000; and (b) the Directors' Charge in the amount of \$300,000. The Administration Charge and Directors' Charge were limited to those

amounts reasonably necessary for the Applicants' ordinary course operations during the initial 10-day Stay Period.

44. Pursuant to the ARIO, the Applicants seek to increase the Administration Charge from \$350,000 to \$750,000, which is a necessary increase to continue funding the necessary administration fees and going-concern Business operations of the Applicants during the Stay Extension.
45. The Applicants further seek to increase the Directors' Charge from \$300,000 to \$900,000 to ensure the ongoing participation of the Applicants' directors and officers. While the Applicants' directors and officers are the beneficiaries of an insurance policy that provides coverage for certain claims and liabilities, the policy contains exclusions and exceptions to that coverage. The increase in the Directors' Charge will also include the costs of legal counsel for the directors and officers.
46. The ordinary course operations of the Applicants during the CCAA proceedings give rise to potential director or officer liabilities, including payroll and sales tax remittances. To address legitimate concerns with respect to their potential exposure, the directors and officers have requested reasonable protection against personal liability that might arise against them during the post-filing period.
47. The Monitor and the Plan Sponsor have both indicated their support for the increases to the Administration Charge and Directors' Charge.

Ranking of Court-Ordered Charges

48. If approved, the Administration Charge, Interim Financing Charge, Directors' Charge and KERP Charge (collectively, the "**Charges**") would rank ahead of all other encumbrancers other than certain priority payables and secured obligations owing to SNDL, as follows:
 - (a) First – Administration Charge: \$750,000;
 - (b) Second – Directors' Charge: \$900,000;
 - (c) Third – KERP Charge: \$655,000.

- (d) Fourth – Interim Financing Charge, in the principal amount of \$16,000,000, plus interest, charges, fees and expenses to be paid under the terms of the Interim Financing Term Sheet; and
 - (e) Fifth – Plan Sponsor Protection Charge: \$1,500,000.
49. For clarity, the only charges that would rank in priority to the secured obligations of SNDL (including both the SNDL Senior Debt and the SNDL Mezzanine Debt), would be the Administration Charge, the Directors' Charge and the KERP Charge. The remaining charges, namely the Interim Financing Charge and the Plan Sponsor Protection Charge, would rank subordinate to SNDL's secured debt.
50. All of the Charges are necessary to maximizing the value of Delta 9, ensuring a successful restructuring, the continued involvement of the restructuring professionals, key employees, directors and officers and are in the best interest of all of Delta 9's stakeholders. The Charges have been approved by the Monitor and the Plan Sponsor.
51. All secured parties who may be affected by the Charges will be given notice of the within Application.

Appointing Mark Townsend as CRO

52. The Applicants are seeking the appointment of Mark Townsend as CRO to assist the Applicants and the Plan Sponsor with their efforts to obtain a successful restructuring during these CCAA proceedings. Mr. Townsend and the Applicants have entered into a form of engagement agreement governing this engagement (the "**CRO Engagement**").
53. Mr. Townsend is the Managing Partner at Broderick Capital Corp. and has over fourteen years of experience in investment banking, private equity, capital markets, corporate development and strategy. He has been directly involved in over \$2,000,000,000 of M&A and financing transactions and has experience working with both public and private companies in Canada and the US across a wide variety of industries. He has been engaged with the Applicants since January, 2024 and has completed a significant review of the Applicants' financial performance and valuation of the business.

54. Mr. Townsend further has substantive experience in the cannabis industry, having evaluated over eight cannabis acquisition opportunities in the past year. He has worked extensively with the Applicants in the time leading up to the Initial Order Application.
55. The CRO's fees are included the Cash Flow Forecast calculations and are to be paid by the Interim Financing Facility and secured by the Interim Financing Charge.

Approval of SISP

56. The SISP was designed as a 45-day, single phase sales process with an auction, if required, and is intended to solicit interest in the sale of Bio-Tech's assets and/or shares as a going-concern.
57. The key deadlines of the SISP include the following, among others:
 - (a) Bio-Tech to create list of Known Potential Bidders: July 26, 2024;
 - (b) Monitor to prepare and have available the Data Room: July 26, 2024;
 - (c) Monitor to distribute Teaser Letters and NDAs to Known Potential Bidders: July 31, 2024;
 - (d) Bid Deadline: August 26, 2024;
 - (e) Auction (if required): August 28, 2024;
 - (f) Transaction approval application hearing: September 2-6, 2024; and
 - (g) Closing Date Deadline: September 9, 2024.
58. In consultation with the Applicants, the Plan Sponsor and a Sales Advisor, if necessary, the Monitor will select the Successful Bid on the basis of factors set out in the SISP, including, among others, the highest or otherwise best bid generated at an auction, if necessary.

Claims Procedure Order

59. In consultation with the Monitor, the Applicants have prepared the Claims Procedure, which is enclosed to the Claims Procedure Order as a schedule. The Claims Procedure

Order is a condition of the Restructuring Term Sheet and provides for a process to identify, quantify and resolve all unsecured claims against the Applicants in order to assist with the negotiation and implementation of any plan.

60. The notification process described in the Claims Procedure Order will provide Claimants with sufficient notice of the Claims Procedure and sufficient opportunity to prove their Claims prior to the Pre-Filing Claims Bar Date or the Restructuring Claims Bar Date, as applicable.
61. In addition, the adjudication procedure described in the Claims Procedure Order will facilitate the fair and expeditious resolution of any disputes regarding the status and/or amount of each Claim.

Sealing Relief

62. The Applicants are seeking to seal the Confidential Appendices to the First Report, which contains commercially sensitive information with respect to the personal information about the Applicants' employees in the KERP and the CRO Engagement.
63. The Applicants further rely on:
 - (a) the grounds set out in the First Arbuthnot Affidavit;
 - (b) the grounds set out in the Second Arbuthnot Affidavit;
 - (c) the provisions of the CCAA and the equitable jurisdiction of this Court; and
 - (d) such further and other grounds as counsel for the Applicants may advise and this Honourable Court may permit.

Material or evidence to be relied on:

64. The First Arbuthnot Affidavit, filed on July 15, 2024;
65. The Second Arbuthnot Affidavit sworn on July 18, 2024, to be filed;
66. The Supplemental Brief of Law and Book of Authorities of the Applicants, to be filed;
67. The Pre-Filing Report of the Monitor, filed on July 16, 2024;

- 68. The First Report of the Monitor, to be filed and the Confidential Appendices thereto; and
- 69. Such further and other materials as counsel for the Monitor or the Applicants may advise and this Honourable Court may permit.

Applicable rules:

- 70. Part 6, Division 1 of the Alberta *Rules of Court*, Alta Reg 124/2010.

Applicable Acts and regulations:

- 71. The *Companies' Creditors Arrangement Act*, RSC 1985, c C-36; and
- 72. Such further and other Acts or regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

- 73. None.

How the application is proposed to be heard or considered:

- 74. By WebEx videoconference before the Honourable Associate Chief K.G. Nielsen pursuant to the WebEx details enclosed hereto at **Appendix "A"**.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant a reasonable time before the application is to be heard or considered.

Appendix “A” – WebEx Details

File #(s) : JUL242024

Style of Cause: ITMO v. ITMO v. Delta 9 Cannabis Inc., Delta 9 Logistics Inc., Delta 9 Bio-Tech Inc., Delta 9 Lifestyle Cannabis Clinic Inc., and Delta 9 Cannabis Store Inc.

Date/Duration:

Jul 24, 2024 02:00 PM

Total: 150 Minute(s)

Virtual Courtroom 86 has been assigned for the above noted matter:

Virtual Courtroom Link:

<https://albertacourts.webex.com/meet/virtual.courtroom86>

Instructions for Connecting to the Meeting

1. Click on the link above or open up Chrome or Firefox and cut and paste it into your browser address bar.
2. If you do not have the Cisco Webex application already installed on your device, the site will have a button to install it. Follow installation instructions. Enter your full name and email address when prompted
3. Click on the **Open Cisco Webex Meeting**.
4. You will see a preview screen. Click on **Join Meeting**.

Key considerations for those attending:

1. Please connect to the courtroom **15 minutes prior** to the start of the hearing.
2. Please ensure that your microphone is muted and remains muted for the duration of the proceeding, unless you are speaking. Ensure that you state your name each time you speak.
3. If bandwidth becomes an issue, some participants may be asked to turn off their video and participate by audio only.
4. **Note: Recording or rebroadcasting of the video is prohibited.**
5. **Note: It is highly recommended you use headphones with a microphone or a headset when using Webex. This prevents feedback.**

For more information relating to Webex protocols and procedures, please visit:

<https://www.albertacourts.ca/qb/court-operations-schedules/webex-remote-hearings-protocol>

You can also join the meeting via the “Cisco Webex Meetings” App on your smartphone/tablet or other smart device. You can download this via the App marketplace and join via the link provided above.

SCHEDULE "A"

Form of Amended and Restated Initial Order

COURT FILE NUMBER 2401-09688
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

Clerk's stamp

IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, RSC 1985,
c C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF
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APPLICANTS DELTA 9 CANNABIS INC., DELTA 9 LOGISTICS
INC., DELTA 9 BIO-TECH INC., DELTA 9
LIFESTYLE CANNABIS CLINIC INC. and DELTA
9 CANNABIS STORE INC.

DOCUMENT **AMENDED AND RESTATED INITIAL ORDER**

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

MLT AIKINS LLP
Barristers and Solicitors
#2100 – 222 3rd Ave SW
Calgary, AB T2P 0B4
Attention: Ryan Zahara / Kaitlin Ward
Telephone: (403) 693-5420 / 4311
Email: rzahara@mltaikins.com /
kward@mltaikins.com
File No. 0136555.00034

DATE ON WHICH ORDER WAS PRONOUNCED: JULY 24, 2024
LOCATION WHERE ORDER WAS PRONOUNCED: EDMONTON, ALBERTA
**NAME OF JUSTICE WHO MADE THIS ORDER: THE HONOURABLE ASSOCIATE
CHIEF JUSTICE K.G. NIELSEN**

UPON the application (the “**Comeback Application**”) of Delta 9 Cannabis Inc. (“**D9 Parent**”), Delta 9 Logistics Inc. (“**Logistics**”), Delta 9 Bio-Tech Inc. (“**Bio-Tech**”), Delta 9 Lifestyle Cannabis Clinic Inc. (“**Lifestyle**”), and Delta 9 Cannabis Store Inc. (“**Store**”, and collectively with D9 Parent, Logistics, Bio-Tech, and Lifestyle, the “**Applicants**” or “**Delta 9**”) for, among other things, an Amended and Restated Order pursuant to the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “**CCAA**”); **AND UPON** having read the Comeback

Application, the First Affidavit of John Arbuthnot IV, sworn on July 12, 2024 (the “**First Arbuthnot Affidavit**”), the Second Affidavit of John Arbuthnot IV, sworn on July 18, 2024 (the “**Second Arbuthnot Affidavit**”), the Affidavit of Mark Townsend, sworn on July 19, 2024 and the Affidavit of Service of Regie Agcaoili, sworn July __, 2024; **AND UPON** having read the First Report of the monitor, Alvarez & Marsal Canada Inc. (the “**Monitor**”), dated July 18, 2024 (the “**First Report**”) and the Confidential Appendices appended thereto; **AND UPON** being advised that the initial order (the “**Initial Order**”) was granted on July 15, 2024 (the “**Initial Order Date**”) by the Honourable Justice D.R. Mah; **AND UPON** being advised that the secured creditors who are likely to be affected by the charges created herein have been provided notice of this Comeback Application and either do not oppose or take no position; **AND UPON** hearing counsel for the Applicants, counsel for Monitor and counsel for 2759054 Ontario Inc., o/a Fika Herbal Goods (the “**Plan Sponsor**” or “**Interim Lender**”) and counsel for any other parties present; **IT IS HEREBY ORDERED AND DECLARED THAT:**

DEFINED TERMS

1. Any capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the First Arbuthnot Affidavit or the Second Arbuthnot Affidavit.

SERVICE

2. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today.

APPLICATION

3. The Applicants are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

4. The Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (the “**Plan**”).

POSSESSION OF PROPERTY AND OPERATIONS

5. The Applicants shall:

- (a) remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”);
 - (b) subject to further order of this Court, continue to carry on business in a manner consistent with the preservation of their business (the “**Business**”) and Property;
 - (c) be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order; and
 - (d) be entitled to continue to utilize the central cash management system currently in place as described in the First Arbuthnot Affidavit or replace it with another substantially similar central cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.
6. To the extent permitted by law, the Applicants shall be entitled but not required to make the following advances or payments of the following expenses, incurred prior to or after the Initial Order Date:
- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the Initial Order Date, in each case

incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;

- (b) the reasonable fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges, including for periods prior to the Initial Order Date;
 - (c) with the consent of the Monitor and in accordance with the Cash Flow Forecast, for goods and services, supplied to the Applicants, including for periods prior to the Initial Order Date if, in the opinion of the Applicants following consultation with the Monitor, the supplier or vendor of such goods or services is necessary for the operation or preservation of the Business or Property; and
 - (d) pursuant to the Interim Financing Term Sheet (defined below), the amount required to pay SNDL Inc. ("**SNDL**") in full for the SNDL Mezzanine Debt (as defined in the Second Arbutnot Affidavit) within 10 business days of the issuance of this Order and upon the Monitor confirming: (i) the quantum of the SNDL Mezzanine Debt; and (ii) the security granted in favour of SNDL in respect of the SNDL Mezzanine Debt is valid and enforceable. The Interim Lender is hereby authorized to pay out the confirmed amount of the SNDL Mezzanine Debt directly to SNDL on behalf of the Applicants.
7. Except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after the Initial Order Date, and in carrying out the provisions of this Order, which expenses shall include, without limitation:
- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
 - (b) payment for goods or services actually supplied to the Applicants following the Initial Order Date.
8. The Applicants shall remit, in accordance with legal requirements, or pay:
- (a) any statutory deemed trust amounts in favour of the Crown in Right of Canada or of any Province thereof or any other taxation authority that are required to be

deducted from employees' wages, including, without limitation, amounts in respect of:

- (i) employment insurance,
- (ii) Canada Pension Plan,
- (iii) Quebec Pension Plan, and
- (iv) income taxes,

but only where such statutory deemed trust amounts arise after the Initial Order Date, or are not required to be remitted until after the Initial Order Date, unless otherwise ordered by the Court;

- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the Initial Order Date, or where such Sales Taxes were accrued or collected prior to the Initial Order Date but not required to be remitted until on or after the Initial Order Date; and
 - (c) any amount payable to the Crown in Right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and that are attributable to or in respect of the carrying on of the Business by the Applicants.
9. Until such time as a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicants may pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated by the Applicants from time to time for the period commencing from and including the Initial Order Date ("**Rent**"), but shall not pay any rent in arrears.
10. Except as specifically permitted in this Order, the Applicants are hereby directed, until further order of this Court:

- (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of the Initial Order Date, except for the payment to SNDL directed pursuant to paragraph 5(c) of this Order;
- (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and
- (c) not to grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. The Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined in paragraph 34), have the right to:

- (a) permanently or temporarily cease, downsize or shut down any portion of their business or operations and to dispose of redundant or non-material assets not exceeding \$50,000 in any one transaction or \$500,000 in the aggregate, provided that any sale that is either (i) in excess of the above thresholds, or (ii) in favour of a person related to the Applicants (within the meaning of section 36(5) of the CCAA), shall require authorization by this Court in accordance with section 36 of the CCAA;
- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate on such terms as may be agreed upon between the Applicants and such employee, or failing such agreement, to deal with the consequences thereof in the Plan;
- (c) disclaim or resiliate, in whole or in part, with the prior consent of the Monitor (as defined below) or further Order of the Court, their arrangements or agreements of any nature whatsoever with whomsoever, whether oral or written, as the Applicants deems appropriate, in accordance with section 32 of the CCAA; and
- (d) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

12. The Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal. If the landlord disputes the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicantss, or by further order of this Court upon application by the Applicants on at least two (2) days' notice to such landlord and any such secured creditors. If the Applicants disclaim or resiliate the lease governing such leased premises in accordance with section 32 of the CCAA, they shall not be required to pay Rent under such lease pending resolution of any such dispute other than Rent payable for the notice period provided for in section 32(5) of the CCAA, and the disclaimer or resiliation of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.
13. If a notice of disclaimer or resiliation is delivered pursuant to section 32 of the CCAA, then:
 - (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice; and
 - (b) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicants of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

14. Until and including September 15, 2024, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court (each, a "**Proceeding**")

shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”), whether judicial or extra-judicial, statutory or non-statutory against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:
- (a) empower the Applicants to carry on any business that the Applicants are not lawfully entitled to carry on;
 - (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA;
 - (c) prevent the filing of any registration to preserve or perfect a security interest;
 - (d) prevent the registration of a claim for lien; or
 - (e) exempt the Applicants from compliance with statutory or regulatory provisions relating to health, safety or the environment.
16. Nothing in this Order shall prevent any party from taking an action against the Applicants where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

NO INTERFERENCE WITH RIGHTS

17. During the Stay Period, no person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right,

contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

18. During the Stay Period, all persons having:

- (a) statutory or regulatory mandates for the supply of goods and/or services; or
- (b) oral or written agreements or arrangements with the Applicants, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or the Applicants

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Applicants or exercising any other remedy provided under such agreements or arrangements. The Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the Initial Order Date are paid by the Applicants in accordance with the payment practices of the Applicants, or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

19. Nothing in this Order has the effect of prohibiting a person from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the Initial Order Date, nor shall any person, other than the Plan Sponsor where applicable, be under any obligation on or after the Initial Order Date to advance or re-advance any monies or otherwise extend any credit to the Applicants.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

20. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA and paragraph 16 of this Order, no Proceeding may be commenced or continued against any

of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the Initial Order Date and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court. Further, no Proceeding may be commenced or continued against John Arbuthnot IV in respect of his personal obligations in respect of amounts owed by the Applicants during the pendency of the Stay Period.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

21. The Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors and or officers of the Applicants after the commencement of the within proceedings except to the extent that, with respect to any officer or director, the obligation was incurred as a result of the director's or officer's gross negligence or wilful misconduct.
22. The directors and officers (collectively, the "**Directors**") of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$900,000, as security for the indemnity provided in paragraph 21 of this Order and the professional fees and disbursements incurred both before and after the granting of this Order for the Directors' legal counsel incurred in respect of the within CCAA proceedings. The Directors' Charge shall have the priority set out in paragraphs 51 and 53 herein.
23. Notwithstanding any language in any applicable insurance policy to the contrary:
 - (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and
 - (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 21 of this Order.

APPOINTMENT OF MONITOR

24. Alvarez & Marsal Canada Inc. (the “**Monitor**”) is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property, Business, and financial affairs and the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor’s functions.
25. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:
- (a) monitor the Applicants’ receipts and disbursements, Business and dealings with the Property;
 - (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein and immediately report to the Court if in the opinion of the Monitor there is a material adverse change in the financial circumstances of the Applicants;
 - (c) assist the Applicants, to the extent required by the Applicants, in its dissemination to the Interim Lender and its counsel on a bi-weekly basis of financial and other information as agreed to between the Applicants and the Interim Lender which may be used in these proceedings, including reporting on a basis as reasonably required by the Interim Lender;
 - (d) advise the Applicants in their preparation of the Applicants’ cash flow statements and reporting required by the Interim Lender, which information shall be reviewed with the Monitor and delivered to the Interim Lender and its counsel on a periodic basis, but not less than bi-weekly, or as otherwise agreed to by the Interim Lender;
 - (e) advise the Applicants in their development of the Plan and any amendments to the Plan;
 - (f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors’ or shareholders’ meetings for voting on the Plan;

- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form and other financial documents of the Applicants to the extent that is necessary to adequately assess the Property, Business, and financial affairs of the Applicants or to perform its duties arising under this Order;
 - (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
 - (i) hold funds in trust or in escrow, to the extent required, to facilitate settlements between the Applicants and any other Person; and
 - (j) perform such other duties as are required by this Order or by this Court from time to time.
26. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintain possession or control of the Business or Property, or any part thereof. Nothing in this Order shall require the Monitor to occupy or to take control, care, charge, possession or management of any of the Property that might be environmentally contaminated, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal or waste or other contamination, provided however that this Order does not exempt the Monitor from any duty to report or make disclosure imposed by applicable environmental legislation or regulation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order be deemed to be in possession of any of the Property within the meaning of any federal or provincial environmental legislation.
27. The Monitor shall provide any creditor of the Applicants and the Plan Sponsor with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants

is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

28. In addition to the rights and protections afforded the Monitor under the CCAA or as an Officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.
29. The Monitor, counsel to the Monitor, counsel to the Applicants and counsel to the Plan Sponsor shall be paid their reasonable fees and disbursements (including any pre-filing fees and disbursements related to these CCAA proceedings), in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, counsel for the Applicants and counsel for the Plan Sponsor on a bi-weekly basis and, in addition, the Applicants are hereby authorized to pay to the Monitor, counsel to the Monitor, counsel to the Applicants, and counsel to the Directors', retainers in the respective amounts of \$50,000, to be held by each of them as security for payment of their respective fees and disbursements outstanding from time to time.
30. The Monitor and its legal counsel shall pass their accounts from time to time.
31. The Monitor, counsel to the Monitor, and the Applicants' counsel, as security for the professional fees and disbursements incurred both before and after the granting of this Order, shall be entitled to the benefits of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of **\$750,000.00**, as security for their professional fees and disbursements incurred at the normal rates and charges of the Monitor and such counsel, both before and after the Initial Order Date in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 51 and 53 hereof.

INTERIM FINANCING

32. The Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from the Interim Lender in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided

that borrowings under such credit facility shall not exceed the principal amount of \$16,000,000.00 unless permitted by further order of this Court.

33. Such credit facility shall be on the terms and subject to the conditions set forth in the interim financing term sheet between the Applicants and the Interim Lender dated as of July 18, 2024 (the “**Interim Financing Term Sheet**”), appended to the Second Arbuthnot Affidavit at Exhibit “2”.
34. The Applicants are hereby authorized and empowered to execute the Interim Financing Term Sheet and deliver such credit agreements, mortgages, charges, hypothecs, and security documents, guarantees and other definitive documents (collectively, the “**Definitive Documents**”), as are contemplated by the Interim Financing Term Sheet or as may be reasonably required by the Interim Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities, and obligations to the Interim Lender under and pursuant to the Interim Financing Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.
35. The Interim Lender shall be entitled to the benefits of and is hereby granted a charge (the “**Interim Financing Charge**”) on the Property to secure all obligations under the Definitive Documents incurred on or after the date of this Order which charge shall not exceed the aggregate amount advanced on or after the date of this Order under the Interim Financing Term Sheet or the Definitive Documents, plus all accrued interest, fees and costs, as applicable, under the Interim Financing Term Sheet. The Interim Financing Charge shall not secure any obligation existing before this the date this Order is made. The Interim Financing Charge shall have the priority set out in paragraphs 51 and 53 hereof.
36. Notwithstanding any other provision of this Order:
 - (a) the Interim Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Financing Charge or any of the Definitive Documents;
 - (b) upon the occurrence of an event of default under the Definitive Documents or the Interim Financing Charge, the Interim Lender, upon 3 days’ notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies

against the Applicants or the Property under or pursuant to the Interim Financing Term Sheet, Definitive Documents, and the Interim Financing Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the Interim Lender to the Applicants against the obligations of the Applicants to the Interim Lender under the Interim Financing Term Sheet, the Definitive Documents or the Interim Financing Charge, to make demand, accelerate payment, and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and

- (c) the foregoing rights and remedies of the Interim Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

- 37. The Interim Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicants under the CCAA, or any proposal filed by the Applicants under the *Bankruptcy and Insolvency Act* of Canada (the “**BIA**”), with respect to any advances made under the Definitive Documents.

KEY EMPLOYMENT RETENTION PLAN

- 38. The Key Employee Retention Plan (the “**KERP**”), as described in the Second Arbuthnot Affidavit and appended to the First Report, is hereby approved and the Applicants are authorized to make payments contemplated thereunder in accordance with the terms and conditions of the KERP.
- 39. Payments by the Applicants pursuant to the KERP do not and shall not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.
- 40. The key employees referred to in the KERP (the “**Key Employees**”) shall be entitled to the benefit of and are hereby granted a charge on the Property, which charge shall not exceed an aggregate amount of \$655,000 (the “**KERP Charge**”), as security for amounts payable to the Key Employees pursuant to the KERP. The KERP Charge shall have the priority set out in paragraphs 51 and 53 hereof.

APPOINTMENT OF CHIEF RESTRUCTURING OFFICER

41. Mark Townsend is hereby appointed as the Chief Restructuring Officer (“**CRO**”) over and in respect of the Applicants and shall have the powers and obligations set out in the engagement agreement between the Applicants and 1198184 B.C. Ltd., dated July 18, 2024 (the “**CRO Agreement**”), enclosed in the Confidential Appendices to the First Report.
42. The CRO Agreement is hereby approved, subject to such minor amendments as the parties may agree to with the Monitor’s consent, and the Applicants are hereby authorized and directed to perform all of their obligations pursuant to the CRO Agreement.
43. Subject to the terms of this Order, the CRO is hereby authorized to assist the Applicants and to do all things, carry out all actions and perform all duties described in the CRO Agreement, and without limiting the generality of the foregoing, the CRO is hereby empowered to do the following:
 - (a) assist the Applicants with the Restructuring (as defined in the CRO Agreement);
 - (b) communicate with and provide information to the Monitor and other professionals involved in the Restructuring regarding the business and affairs of the Applicants;
 - (c) assist the Applicants in managing and providing information to, and serving as a contact with, the Applicants’ stakeholders;
 - (d) assist the Applicants in preparing and evaluating their projected cash flow statements and approving the same, in accordance with the terms of the Interim Financing Term Sheet and the Restructuring Term Sheet (collectively, the “**Term Sheets**”);
 - (e) lead the proposed plan of arrangement in accordance with the terms of the Term Sheets and the applicable orders of this Court, and any potential sale and investment solicitation process in connection with these proceedings;
 - (f) assist the Applicants with any deliverables owed to the Plan Sponsor pursuant to the Term Sheets;
 - (g) manage these proceedings on the Applicants’ behalf, including dealing with the administration of financing, any insolvency-related claims and other related matters;

- (h) work with the key stakeholders in these proceedings, including employees, lenders, vendors and suppliers;
 - (i) participate in the Applicants' respective management and executive teams;
 - (j) review and approve all of the Applicants' planned disbursements during the Stay Period as prepared by the Applicants' officers and accounting departments; and
 - (k) such other services as requested or directed by the Applicants' management,
- provided that each of the foregoing actions, agreements, expenses and obligations shall be construed to be those of the Applicants and not of the CRO nor any of his employees, representatives or agents.
44. In addition to the rights and protections afforded to the CRO by this Court, the CRO shall not be deemed to be a director, officer or trustee of the Applicants.
45. The CRO shall not take possession of the Property and shall not, by fulfilling his obligations hereunder, be deemed to have taken or maintained possession or control of the Business or the Property, or any part thereof.
46. In addition to the rights and protections afforded to the CRO by this Court, the CRO shall not incur any liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save an except for any liability or obligation incurred as a result of the CRO's gross negligence or wilful misconduct.
47. No action or other proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of the CRO, and all rights and remedies of any Person against or in respect of the CRO are hereby stayed and suspended, except with: (i) written consent of the CRO and the Monitor; or (ii) leave of this Court. Notice of any such application seeking leave of this Court shall be served upon the CRO and the Monitor at least seven (7) days prior to the return date of any such application for leave.
48. The CRO's fees shall be secured by the Interim Financing Charge provided for herein.

PLAN SPONSOR PROTECTION CHARGE

49. Pursuant to the provisions of the Restructuring Term Sheet (as defined in the Second Arbuthnot Affidavit), the Plan Sponsor shall receive a break fee of \$1,500,000.00 (the

“Break Fee”) that shall become due and payable immediately upon the occurrence of the following events: (i) the Court approves any plan of compromise or arrangement or any other transaction that would have the effect of precluding the consummation of the Acquisition Transaction (as defined in the Restructuring Term Sheet); or (ii) the Applicants otherwise enter into any agreement that would have the effect of precluding the consummation of the Acquisition Transaction.

50. The Plan Sponsor is entitled to the benefit of, and is hereby granted, a charge (the **“Plan Sponsor Protection Charge”**) on the Property, which charge shall not exceed an aggregate amount of \$1,500,000 as security for the amounts payable by way of the Break Fee. The Plan Sponsor Protection Charge shall have the validity and priority set out in paragraphs 51 and 53.

VALIDITY AND PRIORITY OF CHARGES

51. The priorities of the Directors’ Charge, the Administration Charge, the Interim Financing Charge, the KERP Charge and the Plan Sponsor Protection Charge as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$750,000);

Second – Directors’ Charge (to the maximum amount of \$900,000);

Third – KERP Charge (to the maximum amount of \$655,000);

Fourth – Interim Financing Charge (to the maximum amount set out in paragraph 35); and

Fifth – Plan Sponsor Protection Charge (to the maximum amount of \$1,500,000).

52. The filing, registration or perfection of the Administration Charge, the Directors’ Charge, the KERP Charge, the Interim Financing Charge, and the Plan Sponsor Protection Charge (collectively, the **“Charges”**) shall not be required, and the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.
53. Each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property and subject always to section 34(11) of the CCAA, such Charges shall rank:
- (i) in priority to all other security interests, trusts, liens, charges and encumbrances, and

claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person; and (ii) except that the registrations in favour of SNDL, which shall rank in priority to the Interim Financing Charge and the Plan Sponsor Protection Charge, but will remain subordinate to the Administration Charge, the Directors' Charge and the KERP Charge.

54. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtain the prior written consent of the Monitor, the Plan Sponsor, and the beneficiaries of the Administration Charge, Directors' Charge or KERP Charge or further order of this Court.
55. The Charges, the Interim Financing Term Sheet and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the Plan Sponsor thereunder shall not otherwise be limited or impaired in any way by:
 - (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
 - (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications;
 - (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;
 - (d) the provisions of any federal or provincial statutes; or
 - (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") that binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:
 - (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof including the Interim Financing Term Sheet or the Definitive Documents shall create or be deemed to constitute a new breach by the Applicants of any Agreement to which it is a party;

- (ii) none of the Chargees or the Plan Sponsor shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges, the Applicants entering into the Interim Financing Term Sheet or the execution, delivery or performance of the Definitive Documents; and
- (iii) the payments made by the Applicants pursuant to this Order, including the Interim Financing Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.

ALLOCATION

56. Any interested Person may apply to this Court on notice to any other party likely to be affected for an order to allocate the Charges amongst the various assets comprising the Property.

CORPORATE MATTERS

57. The Applicants are hereby relieved of any obligation to call and hold an annual meeting of their shareholders until further Order of this Court.

RELIEF FROM SECURITIES REPORTING AND FILING OBLIGATIONS

58. D9 Parent is hereby directed to incur no further expenses in relation to any filings (including financial statements), disclosures, core or non-core documents, restatements, amendments to existing filings, press releases or any other actions (collectively, the "**Securities Filings**") that may be required by any federal, provincial or other law respecting securities or capital markets in Canada, or by the rules and regulations of a stock exchange, including, without limitation, *The Securities Act* (Manitoba), CCSM c S50 and comparable statutes enacted by other provinces of Canada, the CSE Policies 1-10 and other rules, regulations and policies of the Canadian Securities Exchange and the Toronto Stock Exchange (collectively, the "**Securities Provisions**"), is hereby authorized, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature

described in section 11.1(2) of the CCAA as a consequence of D9 Parent failing to make any Securities Filings required by the Securities Provisions

59. None of the directors, officers, employees, and other representatives of D9 Parent, nor the Monitor, shall have any personal liability for any failure by D9 Parent to make any Securities Filings required by the Securities Provisions.

STATUS QUO OF APPLICANTS' LICENCES

60. The status quo in respect of the Applicants' Health Canada and cannabis excise licences (collectively, the "**Licences**") shall be preserved and maintained during the pendency of the Stay Period (and any further extensions thereof), including the Applicants' ability to sell cannabis inventory in the ordinary course under the Licences.
61. To the extent any Licence may expire during the Stay Period, the term of such Licence shall be deemed to be extended by a period equal to the Stay Period.

SERVICE AND NOTICE

62. The Monitor shall, if not already completed pursuant to the Initial Order: (i) without delay, publish in *Insolvency Insider*, *The Globe and Mail*, the *Calgary Herald*, and the *Winnipeg Free Press* a notice containing the information prescribed under the CCAA; (ii) within five (5) days after the date of this Order (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1,000 and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with section 23(1)(a) of the CCAA and the regulations made thereunder.
63. The Monitor shall establish a case website in respect of the within proceedings at: www.alvarezandmarsal.com/delta9.
64. The Applicants and the Monitor are at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, recorded mail, courier, personal delivery or electronic transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such

service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail or recorded mail, on the seventh day after mailing. Any person that wishes to be served with any application and other materials in these proceedings must deliver to the Applicants or the Monitor by way of ordinary mail, courier, or electronic transmission, a request to be added to the service list (the “**Service List**”) to be maintained by the Monitor.

65. Any party to these proceedings may serve any court materials in these proceeding by emailing a PDF or other electronic copy of such materials to counsel's email addresses as recorded on the Service List from time to time, and the Monitor shall post a copy of all prescribed materials on the Monitor's website.
66. The Applicants and, where applicable, the Monitor, are at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by sending true copies thereof by prepaid ordinary mail, recorded mail, courier, personal delivery or electronic transmission to the Applicants' creditors or other interested parties at their respective addresses last shown on the records of the Applicants, or as otherwise updated on the Service List.

GENERAL

67. The Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.
68. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Monitor will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Monitor's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
69. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager or a trustee in bankruptcy of the Applicants, the Business or the Property.
70. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction, to give

effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

71. Each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Monitor is authorized and empowered to act as a representative in respect of the within proceeding for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
72. Any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
73. This Order and all of its provisions are effective as of 12:01 a.m. Mountain Standard Time on the date of this Order.

The Honourable Associate Chief Justice K.G Nielsen
Justice of the Court of King's Bench of Alberta

SCHEDULE "B"

Form of SISP Order

COURT FILE NUMBER 2401-09688

Clerk's Stamp

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

MATTER IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, c C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF DELTA 9 CANNABIS INC., DELTA 9 LOGISTICS INC., DELTA 9 BIO-TECH INC., DELTA 9 LIFESTYLE CANNABIS CLINIC INC. and DELTA 9 CANNABIS STORE INC.

APPLICANTS DELTA 9 CANNABIS INC., DELTA 9 LOGISTICS INC., DELTA 9 BIO-TECH INC., DELTA 9 LIFESTYLE CANNABIS CLINIC INC. and DELTA 9 CANNABIS STORE INC.

DOCUMENT **ORDER (APPROVAL OF SALE AND INVESTMENT SOLICITATION PROCESS)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **MLT AIKINS LLP**
222 - 3rd Avenue S.W.
Calgary, AB T2P 0B4
Attention: Ryan Zahara / Kaitlin Ward
Telephone: 403.693.5420 / 4311
Email: rzahara@mltaikins.com / kward@mltaikins.com
Fax Number: 403.508.4349
File No.: 0136555.00034

DATE ON WHICH ORDER WAS PRONOUNCED: JULY 24, 2024

LOCATION OF HEARING OR TRIAL: EDMONTON, ALBERTA

NAME OF JUDGE WHO MADE THIS ORDER: THE HONOURABLE ASSOCIATE CHIEF JUSTICE NIELSEN

UPON the application of Delta 9 Cannabis Inc. ("**D9 Parent**"), Delta 9 Logistics Inc. ("**Logistics**"), Delta 9 Bio-Tech Inc. ("**Bio-Tech**"), Delta 9 Lifestyle Cannabis Clinic Inc. ("**Lifestyle**"), and Delta 9 Cannabis Store Inc. ("**Store**", and collectively with D9 Parent, Logistics, Bio-Tech, and Lifestyle, the "**Applicants**" or "**Delta 9**") for, among other things, an amended and

restated initial order under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**") and for an Order approving a sales and investment solicitation process (the "**Application**"); **AND UPON** having read the Application, the Second Affidavit of John Arbuthnot IV sworn on July 18, 2024, the Affidavit of Mark Townsend sworn on July 19, 2024 and the Affidavit of Service of Regie Agcaoili sworn July __, 2024; **AND UPON** having read the First Report of the monitor, Alvarez & Marsal Canada Inc. (the "**Monitor**"), dated July 18, 2024 (the "**First Report**") and the Confidential Appendices enclosed thereto; **AND UPON** hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for the Plan Sponsor, 2759054 Ontario Inc., o/a Fika Herbal Goods (the "**Plan Sponsor**") and counsel for any other parties present; **IT IS HEREBY ORDERED AND DECLARED THAT:**

SERVICE

1. Service of notice of the Application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of the Application, and time for service of the Application is abridged to that actually given.

APPROVAL OF SALE AND INVESTMENT SOLICITATION PROCESS

2. The Sales and Investment Solicitation Process (the "**SISP**") attached hereto as **Schedule "A"** is hereby approved and the Monitor, with the assistance of Bio-Tech and, if deemed necessary by the Monitor, a Sales Advisor (as defined in the SISP), are hereby authorized and empowered to proceed, carry out, and implement the SISP and all corresponding sales, marketing, or tendering processes, including any and all actions related thereto, substantially in accordance with the SISP.
3. The Monitor, Bio-Tech, and the Sales Advisor(s) are further hereby authorized and empowered to take such steps as they consider necessary or appropriate in carrying out each of their obligations under the SISP, subject to approval of this Court being obtained before the completion of any transaction(s) resulting from the SISP.
4. The Monitor, the Applicants, the Sales Advisor and any interested person, including for clarity the Plan Sponsor, are hereby authorized and empowered to apply to this Honourable Court to amend, vary, or seek any advice, directions, or the approval or vesting of any transactions, in connection with the SISP.

5. Service of this Order shall be deemed good and sufficient by serving all interested parties to this Comeback Application by posting a copy of this Order on the Monitor's website: <https://www.alvarezandmarsal.com/Delta9>.
6. Service of this Order shall be deemed good and sufficient regardless of whether service is effected by PDF copy attached to an email, facsimile, personal delivery, courier or regular mail. Service is deemed to be effected the next business day following transmission or delivery of this Order.

The Honourable Associate Chief Justice Nielsen
Justice of the Court of King's Bench of Alberta

Schedule "A"

Sale and Investment Solicitation Process

SALE AND INVESTMENT SOLICITATION PROCESS

DELTA 9 GROUP

INTRODUCTION

1. On July 15, 2024, Delta 9 Cannabis Inc. ("**D9 Parent**"), Delta 9 Bio-Tech Inc. (the "**Vendor**"), Delta 9 Cannabis Store Inc. ("**Store**"), Delta 9 Lifestyle Cannabis Clinic Inc. ("**Lifestyle**") and Delta 9 Logistics Inc. ("**Logistics**", and together with Delta Parent, the Vendor, Delta Retail and Delta Lifestyle, the "**Debtors**") commenced proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA Proceedings**") and Alvarez & Marsal Canada Inc. was appointed Monitor of the Vendor (in such capacity, the "**Monitor**") pursuant to an initial order (the "**Initial Order**") granted by Justice D.R. Mah.
2. The Vendor, *inter alios*, has entered into a binding term sheet with 2759054 Ontario Inc. o/a Fika Herbal Goods ("**Fika**") dated July 12, 2024 (the "**Term Sheet**") related to the Restructuring (as defined in the Term Sheet) of the Debtors pursuant to one or more plans of arrangement (collectively, the "**Plans**" and each a "**Plan**") sponsored by Fika. Fika has also committed to providing interim financing (in such capacity, the "**Interim Lender**") to the Debtors up to a maximum aggregate principal amount of \$16,000,000, plus interest, costs and expenses and all other amounts payable thereunder (as applicable, the "**Interim Financing**").
3. On July 24, 2024, the Debtors intend to make an application to the Court for an amended and restated order (the "**ARIO**") and an Order (the "**SISP Order**" and together with the Initial Order and the ARIO, the "**CCAA Orders**"), among other things, authorizing the Monitor, with the assistance of: (i) the Vendor; and/or (ii) if deemed necessary, one or more sales advisor(s) (each, a "**Sales Advisor**") to be engaged by the Monitor on customary terms for such engagement, to conduct a sale and investment solicitation process (the "**SISP**") for the property, assets and undertakings of the Vendor as further described herein.
4. The Monitor intends on providing all qualified interested parties with an opportunity to participate in the SISP.
5. This document (the "**SISP Procedure**") outlines the SISP, which is comprised of one phase and, if required, an auction.
6. All dollar amounts expressed herein, unless otherwise noted, are in Canadian currency. Unless otherwise indicated herein, any event that occurs on a day that is not a business day in the Province of Alberta (each, a "**Business Day**") shall be deemed to occur on the next Business Day. All references to time shall be to the current time in Calgary, Alberta. Capitalized terms not otherwise defined in this SISP Procedure shall have the meanings set forth in the materials filed by the Debtors in support of the SISP Procedure or the reports of the Monitor.

OPPORTUNITY

7. The SISP is intended to solicit interest in, and opportunities for, a sale of, or investment in, all or part of Vendor's assets and business operations (the "**Opportunity**"). The Opportunity may include one or more of a restructuring, recapitalization or other form or reorganization of the business and affairs of the Vendor as a going concern, or a sale of all, substantially all, or one or more components of Vendor's assets (the "**Property**") and business operations (the "**Business**") as a going concern or otherwise.

8. Any sale of the Property or investment in the Business of the Vendor will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Monitor, the Vendor, or any of their respective agents, advisors or estates, and, in the event of a sale, all of the right, title and interest of the Vendor in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to CCAA Orders, to the extent that the Court deems it appropriate to grant such relief and except as otherwise provided in the definitive agreement and such CCAA Orders.

TIMELINE

9. The following table sets out the key milestones under the SISP which are as follows:

Milestone	Deadline
Bio-Tech to create list of Known Potential Bidders	July 26, 2024
Monitor to prepare and have available for Potential Bidders the Data Room	July 26, 2024
Monitor to distribute Teaser Letters and NDAs to Known Potential Bidders	July 31, 2024
Bid Deadline	August 26, 2024
Auction (if required)	August 28, 2024
Transaction Approval Application Hearing (if required)	September 2 - 6, 2024
Closing Date Deadline	September 9, 2024

The dates set out in the SISP may be extended by the Monitor with the consent and approval of Bio-Tech and the Interim Lender, and in consultation with SNDL Inc.

SOLICITATION OF INTEREST: NOTICE OF THE SISP

10. As soon as reasonably practicable, but in any event by no later than the timeline set out in Section 9:
- (a) the Monitor, with the advice of any Sales Advisor, and in consultation with the Vendor, will prepare a list of Potential Bidders (as defined herein), including:
 - (i) parties that have approached the Vendor, the Monitor or the Sales Advisor indicating an interest in the Opportunity; and
 - (ii) local and international strategic and financial parties who the Monitor, in consultation with the Vendor and any Sales Advisor, believe may be interested in purchasing all or part of the Business and Property or investing in the Vendor pursuant to the SISP,
 (collectively, "**Known Potential Bidders**");
 - (b) the Monitor will arrange for a notice of the SISP (and such other relevant information which the Monitor, in consultation with the Vendor, considers appropriate) (the "**Notice**")

to be published in the National Post, Insolvency Insider and any other industry publication, website, newspaper or journal as the Monitor, in consultation with any Sales Advisor and the Vendor, considers appropriate, if any;

- (c) the Vendor will issue a press release with Canada Newswire setting out the information contained in the Notice and such other relevant information which the Vendor, in consultation with the Monitor, consider appropriate designating dissemination in Canada; and
 - (d) the Monitor, in consultation with the Vendor and any Sales Advisor, will prepare:
 - (i) a process summary (the "**Teaser Letter**") describing the Opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; and
 - (ii) a non-disclosure agreement in form and substance satisfactory to the Monitor, the Vendor and their respective counsel (an "**NDA**").
11. The Monitor shall send the Teaser Letter and NDA to each Known Potential Bidder by no later than the timeline set out in Section 9 and to any other party who requests a copy of the Teaser Letter and NDA or who is identified to the Vendor or the Monitor as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

Qualified Bidders

12. Any party who wishes to participate in the SISP (each, a "**Potential Bidder**"), must deliver to the Monitor:
- (a) an executed NDA which shall inure to the benefit of any purchaser of the Business or Property, or any portion thereof;
 - (b) a letter setting forth the Potential Bidder's: (i) identity; (ii) contact information; and (iii) full disclosure of its direct and indirect principals; and
 - (c) a form of financial disclosure and credit quality support or enhancement that allows the Monitor to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate: (i) the acquisition of all, substantially all or a portion of the Property (each, a "**Sale Proposal**"); or (ii) an investment in, restructuring, reorganization or refinancing of the Business or the Vendor (each, an "**Investment Proposal**"), as applicable.
13. If the Monitor, in its sole discretion, determines that a Potential Bidder has:
- (a) delivered the documents contemplated in Section 12 above; and
 - (b) the financial capability based on the availability of financing, experience and other considerations, to be able to consummate a sale or investment pursuant to the SISP,
- then such Potential Bidder will be deemed to be a "**Qualified Bidder**".

14. At any time during the SISP, the Monitor may, in its reasonable business judgment and after consultation with the Vendor and the Interim Lender, eliminate a Qualified Bidder from the SISP, in which case such bidder will be eliminated from the SISP, will no longer be a Qualified Bidder for the purposes of this SISP, and shall have no further recourse as against the Vendor or the Monitor in respect thereof.

Due Diligence

15. The Monitor, with the assistance of the Vendor, shall prepare a data room with additional information considered relevant to the Opportunity, including a form of purchase agreement. The Vendor, the Monitor and their respective advisors make no representation or warranty whatsoever as to the information (including as to the accuracy or completeness of such information) made available pursuant to the SISP, including in the data room, except to the extent expressly contemplated in any definitive sale or investment agreement with a successful bidder ultimately executed and delivered by the Vendor.
16. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the SISP and any transaction they enter into with the Vendor.
17. The Monitor, in consultation with the Vendor, shall, in its reasonable business judgment and subject to competitive and other business considerations, afford each Qualified Bidder such access to due diligence material and information relating to the Property and Business as it or the Monitor and any Sales Advisor deem appropriate. Due diligence access may include management presentations, access to electronic data rooms, on-site inspections, and other matters which a Qualified Bidder may reasonably request and as to which the Monitor, in its reasonable business judgment and after consulting with the Vendor, may agree.
18. The Monitor and any Sales Advisor shall designate a representative to coordinate all reasonable requests for additional information and due diligence access from Qualified Bidders and the manner in which such requests must be communicated. Neither the Vendor nor the Monitor shall be obligated to furnish any information relating to the Property or Business to any person other than to Qualified Bidders. Furthermore, and for the avoidance of doubt, selected due diligence materials may be withheld from certain Qualified Bidders if the Vendor, in consultation with and with the approval of the Monitor, determine such information to represent proprietary or sensitive competitive information.

PHASE 1: BINDING BIDS

Formal Binding Bids

19. Qualified Bidders that wish to make a formal offer to purchase or make an investment in the Vendor or their Property or Business shall submit a binding offer (a "**Binding Bid**") that complies with all of the following requirements to the Monitor at the address specified in Schedule "1" hereto (including by e-mail), so as to be received by them not later than the timeline set out in Section 9 and as may be further modified with the consent of the Monitor and Interim Lender from time to time (the "**Bid Deadline**"):
 - (a) the bid (either individually or in combination with other bids that make up one bid) is an offer to purchase or make an investment in the Vendor or their Property or Business and is

consistent with any necessary terms and conditions established by the Monitor and the Vendor and communicated to Qualified Bidders;

- (b) the bid includes a letter stating that the Qualified Bidder's offer is irrevocable until the selection of the Successful Bidder (as defined herein), provided that if such Qualified Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder;
- (c) the bid includes duly authorized and executed transaction agreements, substantially in the form provided in the data room, including the purchase or subscription price, investment amount and any other key economic terms expressed in Canadian dollars (the "**Purchase Price**"), together with all exhibits and schedules thereto;
- (d) the bid includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Monitor to make a determination as to the Qualified Bidder's financial and other capabilities to consummate the proposed transaction;
- (e) the bid is not conditioned on: (i) the outcome of unperformed due diligence by the Qualified Bidder, apart from, to the extent applicable, the disclosure of due diligence materials that represent proprietary or sensitive competitive information which was withheld from the Qualified Bidder; or (ii) obtaining financing, but may be conditioned upon the Vendor receiving the required approvals or amendments relating to the licences required to operate the Business, if necessary;
- (f) the bid does not include a request for or entitlement to any break fee, expense reimbursement or other similar type payment if the bid is not selected as the Successful Bid (as defined herein);
- (g) the bid fully discloses the identity of each entity that will be entering into the transaction or the financing, or that is participating or benefiting from such bid;
- (h) for a Sale Proposal, the bid includes payment of a non-refundable deposit in the form of a wire transfer to a trust account specified by the Monitor (a "**Deposit**") in an amount not less than 10% of the Purchase Price by the Bid Deadline;
- (i) for an Investment Proposal, the bid includes payment of a Deposit in the amount of not less than 10% of the total new investment contemplated in the bid by the Bid Deadline;
- (j) the bid includes acknowledgements and representations by the Qualified Bidder that the Qualified Bidder:
 - (i) has had an opportunity to conduct any and all due diligence regarding the Property, the Business and the Vendor prior to making its offer (apart from, to the extent applicable, the disclosure of due diligence materials that represent proprietary or sensitive competitive information which were withheld from the Qualified Bidder);
 - (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid; and

- (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Business, the Property, or the Vendor or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Vendor;
- (k) the bid and Deposit are received by the Bid Deadline;
- (l) the bid contemplates closing the transaction set out therein no later than the timeline set out in Section 9.

Assessment of Binding Bids

20. Following the Bid Deadline, the Monitor, together with any Sales Advisor, the Vendor and the Interim Lender, will assess the Binding Bids received, following which they will designate the most competitive bids that comply with the foregoing requirements to be "**Qualified Bids**". No Binding Bids received shall be deemed to be Qualified Bids without the approval of the Monitor, the Vendor and the Interim Lender. Only Qualified Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).
21. If at the Bid Deadline, at least one Qualified Bid has been received, the Monitor, in consultation with the Vendor and the Interim Lender, will evaluate Qualified Bids based upon several factors including, without limitation:
 - (a) the Purchase Price and the net value provided by such bid;
 - (b) the identity, circumstances and ability of the Qualified Bidder to successfully complete such transactions;
 - (c) the proposed transaction documents;
 - (d) factors affecting the speed, certainty and value of the transaction;
 - (e) the assets included or excluded from the bid;
 - (f) any related restructuring costs; and
 - (g) the likelihood and timing of consummating such transaction.

The Monitor may choose to aggregate separate Binding Bids from unaffiliated Qualified Bidders to create one Qualified Bid if such aggregated Qualified Bid would constitute a superior offer.

Selection of Successful Bid

22. If at the Bid Deadline, only one Qualified Bid has been received in respect of the Vendor, as determined by the Monitor in consultation with the Vendor, it may be designated as the best bid (the "**Successful Bid**", and, as applicable, the Qualified Bidder making such Successful Bid, the "**Successful Bidder**") and will close in accordance with the terms of the Successful Bid and any applicable Court orders. For certainty, the Monitor and the Vendor are under no obligation to accept any bid or designate any bid a Successful Bid in respect of the Vendor and shall not do so without the approval of the Interim Lender.

23. In the event that no bid is designated a Successful Bid in respect of the Vendor, this SISP shall automatically terminate in respect of the Vendor.
24. If the Monitor, in consultation with the Vendor and the Interim Lender, determines, in its reasonable discretion, that:
 - (a) one or more Qualified Bids have been received for Property not contemplated in the Successful Bid, the Monitor may designate the applicable Qualified Bids as the respective Successful Bids for the applicable Property (as well as any applicable Back-up Bids).
 - (b) one or more Qualified Bids have been received for some or all of the Property, the Monitor may either:
 - (i) designate one or more Qualified Bids as Successful Bids and one or more of the other Qualified Bids as Back-up Bids; or
 - (ii) provide all parties that have made Qualified Bids, the opportunity to make further bids through the auction process set out below (the "**Auction**").

AUCTION

Auction Process

25. In the event of an Auction, the Monitor shall conduct the Auction commencing at 10:00 a.m. no later than the timeline set out in Section 9 at the offices of the Monitor's legal counsel, at 525. 8 Ave SW #2400, Calgary, AB T2P 1G1, or such other location as shall be timely communicated to all entities entitled to attend at the Auction, which Auction may be adjourned by the Monitor.
26. The Auction shall run in accordance with the following procedures, which shall be adjusted accordingly in the event of any adjournment of the Auction by the Monitor:
 - (a) prior to 5:00 p.m. on August 26, 2024, the Monitor will provide unredacted copies of the Qualified Bid(s) which the Monitor believes is/are (individually or in the aggregate) the highest or otherwise best Qualified Bid(s) (the "**Starting Bid**") to all Qualified Bidders that have made a Qualified Bid;
 - (b) prior to 5:00 p.m. on August 27, 2024, each Qualified Bidder that has made a Qualified Bid must inform the Monitor by email whether it intends to participate in the Auction (the parties who so inform the Monitor that they intend to participate are hereinafter referred to as the "**Auction Bidders**");
 - (c) prior to the Auction, the Monitor shall develop a financial comparison model (the "**Comparison Model**") which will be used to compare the Starting Bid and all Subsequent Bids (as defined below) submitted during the Auction, if applicable;
 - (d) during the morning of August 28, 2024, the Monitor shall make itself available to meet with each of the Auction Bidders to review the procedures for the Auction, the mechanics of the Comparison Model, and the manner by which Subsequent Bids will be evaluated during the Auction, and the Auction shall be held immediately thereafter;

- (e) only representatives of the Auction Bidders, the Monitor, the Vendor and such other persons as permitted by the Monitor (and the advisors to each of the foregoing entities) are entitled to attend the Auction in person (and the Monitor shall have the discretion to allow such persons to attend by teleconference);
- (f) the Monitor shall arrange to have a court reporter attend the Auction;
- (g) at the commencement of the Auction, each Auction Bidder shall be required to confirm that it has not engaged in any collusion with any other Auction Bidder with respect to the bidding or any sale;
- (h) only the Auction Bidders will be entitled to make a Subsequent Bid (as defined below) at the Auction; provided, however, that in the event that any Qualified Bidder elects not to attend and/or participate in the Auction, such Qualified Bidder's Qualified Bid, shall nevertheless remain fully enforceable against such Qualified Bidder if it is selected as the Winning Bid (as defined below) or Back-up Bid;
- (i) all Subsequent Bids presented during the Auction shall be made and received in one room and on an open basis. All Auction Bidders will be entitled to be present for all Subsequent Bids at the Auction with the understanding that the true identity of each Auction Bidder at the Auction will be fully disclosed to all other Auction Bidders and that all material terms of each Subsequent Bid will be fully disclosed to all other Auction Bidders throughout the entire Auction;
- (j) all Auction Bidders must have at least one individual present at the Auction with authority to bind such Auction Bidder;
- (k) the Monitor may employ and announce at the Auction such additional procedural rules that are reasonable under the circumstances (including but not limited to, the amount of time allotted to make a Subsequent Bid, requirements to bid in each round, and the ability of multiple Auction Bidders to combine to present a single bid) for conducting the Auction, provided that such rules are (i) not inconsistent with these SISP Procedures, general practice in insolvency proceedings, the CCAA Order, or the SISP Order and (ii) disclosed to each Auction Bidder at the Auction;
- (l) bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round at least one subsequent bid is submitted by an Auction Bidder (each, a "**Subsequent Bid**") that the Monitor, utilizing the Comparison Model, determines is:
 - (i) for the first round, a higher or otherwise better offer than the Starting Bid;
 - (ii) for subsequent rounds, a higher or otherwise better offer than the Leading Bid (as defined below),

in each case by at least the minimum incremental overbid of at least \$100,000. After the first round of bidding and between each subsequent round of bidding, the Monitor shall announce the bid (including the value and material terms thereof) that it believes to be the highest or otherwise best offer (in each round, the "**Leading Bid**"). A round of bidding will conclude after each Auction Bidder has had the opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid;

- (m) to the extent not previously provided (which shall be determined by the Monitor), an Auction Bidder submitting a Subsequent Bid must submit, at the Monitor's discretion, as part of its Subsequent Bid, written evidence (in the form of financial disclosure or credit-quality support information or enhancement reasonably acceptable to the Monitor), demonstrating such Auction Bidder's ability to close the transaction proposed by the Subsequent Bid;
 - (n) the Monitor reserves the right, in its reasonable business judgment, to make one or more adjournments in the Auction of not more than 24 hours each, to among other things (i) facilitate discussions between the Monitor and the Auction Bidders; (ii) allow the individual Auction Bidders to consider how they wish to proceed; (iii) consider and determine the current highest and best offer at any given time in the Auction; and (iv) give Auction Bidders the opportunity to provide the Monitor with such additional evidence as the Monitor, in its reasonable business judgment, may require that that Auction Bidder has sufficient internal resources, or has received sufficient non-contingent debt and/or equity funding commitments, to consummate the proposed transaction at the prevailing overbid amount;
 - (o) if, in any round of bidding, no new Subsequent Bid is made, the Auction shall be closed;
 - (p) the Auction shall be closed within 2 Business Days of the start of the Auction unless otherwise extended by the Monitor; and
 - (q) no bids (from Qualified Bidders or otherwise) shall be considered after the conclusion of the Auction.
27. At the end of the Auction, the Monitor, with the approval of the Interim Lender, shall select the winning bid (the "**Winning Bid**"). Once a definitive agreement has been negotiated and settled in respect of the Winning Bid as selected by the Monitor (the "**Selected Superior Offer**") in accordance with the provisions hereof, the Selected Superior Offer shall be the "**Successful Bid**" hereunder and the person(s) who made the Selected Superior Offer shall be the "**Successful Bidder**" hereunder.
28. Notwithstanding the foregoing, the Monitor may designate one or more Qualified Bids (whether made in the Auction or not) as a "**Back-up Bid**" and the person(s) who made the Back-up Bid shall be a "**Back-up Bidder**" hereunder. A Back-up Bid shall remain enforceable against the Back-up Bidder until either the transaction contemplated by the initial applicable Successful Bid closes (in which case the Back-up Bid shall be deemed to terminate and the Back-up Bidder shall receive its Deposit back) or the transaction contemplated by the initial Successful Bid does not close, in which case the Monitor may deem the best Back-up Bid to be the Successful Bid for the purposes of the SISP Procedures.

Transaction Approval Application Hearing

29. Once the Successful Bid has been selected by the Monitor, the Vendor will use best efforts to close the transaction by the closing date set out in Section 9 and the Vendor will bring an application to approve the transaction with the Successful Bidder (the "**Transaction Approval Application**") as soon as reasonably practicable after finalization of the transaction agreement(s).

30. All the Qualified Bids other than the Successful Bid and Back-up Bids, if any, shall be deemed to be rejected on and as of the date of the closing of the transaction contemplated by the Successful Bid.

Confidentiality and Access to Information

31. All discussions regarding a Sale Proposal, Investment Proposal, Binding Bid or Qualified Bid shall be directed through the Monitor or any Sales Advisor. Under no circumstances should the management or employees of the Vendor be contacted directly without the prior consent of the Monitor. Any such unauthorized contact or communication may result in exclusion of the interested party from the SISP Procedures.
32. Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all current participants relating to the number or identity of Potential Bidders, Qualified Bidders, Qualified Bidders, Qualified Bids, the details of any bids submitted or the details of any confidential discussions or correspondence between the Vendor, the Monitor, any Sales Advisor, and such other bidders or Potential Bidders in connection with the SISP, except to the extent the Vendor, with the approval of the Monitor and consent of the applicable participants, are seeking to combine separate bids from Qualified Bidders, in which case they shall use reasonable efforts to protect the confidentiality of such party's confidential information.
33. The Monitor may consult with any other parties with a material interest in the CCAA Proceedings regarding the status of and material information and developments relating to the SISP to the extent considered appropriate by the Monitor (taking into account, among other things, whether any particular party is a Potential Bidder, Qualified Bidder or other participant or prospective participant in the SISP or involved in a bid), provided that such parties shall have entered into confidentiality arrangements satisfactory to the Vendor and the Monitor.

Deposits

34. All Deposits shall be retained by the Monitor in a non-interest-bearing trust account located at a financial institution in Canada selected by the Monitor. The Monitor may waive the requirement of a Deposit if it believes sufficient security or certainty has been provided by a Qualified Bidder.
35. If there is a Qualified Bid that constitutes a Successful Bid, the Deposit paid by the Successful Bidder shall be applied to the consideration to be paid upon closing of the transaction constituting the Successful Bid.
36. The Deposit(s) from all Qualified Bidders submitting Qualified Bids that do not constitute a Successful Bid or a Back-up Bid shall be returned to such Qualified Bidder within five (5) Business Days of the date that the Vendor select a Successful Bid and Back-up Bid, if applicable.
37. If the Qualified Bidder making a Qualified Bid is selected as the Successful Bid and breaches or defaults on its obligation to close the transaction in respect of its Successful Bid, it shall forfeit its Deposit to the Monitor for and on behalf of the Vendor; provided however that the forfeit of such Deposit shall be in addition to, and not in lieu of, any other rights in law or equity that the Vendor may have in respect of such breach or default.

38. If the Vendor is unable to complete the Successful Bid as a result of their own actions and not as a result of steps or conditions contained in the Successful Bid (or the actions of the Successful Bidder) then the Deposit shall be returned to the Successful Bidder.

Supervision of the SISP

39. The Monitor, with the support of any Sales Advisor, shall oversee the conduct of the SISP in all respects. Without limitation to that supervisory role, the Monitor shall participate in the SISP in the manner set out in this SISP Procedure, the CCAA Orders, the SISP Order and any other order of the Court, and is entitled to receive all information in relation to the SISP. For the avoidance of doubt, the completion of any Sale Proposal or Investment Proposal shall be subject to the approval of the Court and the requirement of approval of the Court may not be waived.
40. The Monitor, in consultation with the Vendor and Interim Lender, may waive compliance with any one or more of the requirements of this SISP, including, for greater certainty, waiving strict compliance with any one or more of the requirements specified above and deem a non-compliant bid to be a Qualified Bid.
41. This SISP does not, and shall not be interpreted to, create any contractual or other legal relationship between the Vendor or the Monitor and any Potential Bidder, any Qualified Bidder or any other party, other than as specifically set forth in a definitive agreement that may be entered into with the Vendor.
42. Without limiting the preceding section, the Monitor, and any Sales Advisor, shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Qualified Bidder, the Successful Bidder, any Back-up Bidder, the Vendor, or any other creditor or other stakeholder of the Vendor, for any act or omission related to the process contemplated by this SISP Procedure, except to the extent such act or omission is the result from gross negligence or willful misconduct of the Monitor. By submitting a bid, each Potential Bidder, Qualified Bidder, Successful Bidder and Back-up Bidder shall be deemed to have agreed that it has no claim against the Monitor for any reason whatsoever, except to the extent that such claim is the result of gross negligence or willful misconduct of the Monitor.
43. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Binding Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.
44. Subject to the terms of the Initial Order, the ARIO, and the SISP Order, the Monitor, in consultation with the Vendor, the Interim Lender and, if applicable, SNDL Inc., shall have the right to modify the SISP, if, in its reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP; provided that the service list in the CCAA Proceedings shall be advised of any substantive modification to the procedures set forth herein.
45. In order to discharge its duties in connection with the SISP the Monitor may engage professional or business advisors or agents as the Monitor deems fit in its sole discretion.

Further Orders

46. At any time during the SISP, the Monitor or the Vendor may apply to the Court for advice and directions with respect to the discharge of their respective powers and duties hereunder, if any.

Schedule "1"

To the Monitor:

Alvarez & Marsal Canada Inc., the Monitor

Attention: David Williams
Email: david.williams@alvarezandmarsal.com

With a copy to:

Burnet, Duckworth & Palmer LLP, legal counsel to the Monitor

Attention: David LeGeyt/Ryan Algar
Email: dlegeyt@bdplaw.com / ralgar@bdplaw.com

To the Vendor:

Attention: John Arbuthnot
Email: john.arbuthnot@delta9.ca

With a copy to:

MLT Aikins LLP, legal counsel to the Vendor

Attention: Ryan Zahara / Chris Nyberg
Email: rzahara@mltaikins.com / cnyberg@mltaikins.com

SCHEDULE "C"

Form of Claims Procedure Order

Clerk's Stamp:

COURT FILE NUMBER: 2401-09668

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, RSC 1985, c C-36, AS
AMENDED

AND IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF DELTA 9 CANNABIS INC.,
DELTA 9 LOGISTICS INC., DELTA 9 BIO-TECH INC.,
DELTA 9 LIFESTYLE CANNABIS CLINIC INC. and
DELTA 9 CANNABIS STORE INC.

APPLICANTS DELTA 9 CANNABIS INC., DELTA 9 LOGISTICS
INC., DELTA 9 BIO-TECH INC., DELTA 9 LIFESTYLE
CANNABIS CLINIC INC., and DELTA 9 CANNABIS
STORE INC.

DOCUMENT: **CLAIMS PROCEDURE ORDER**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

MLT AIKINS LLP
2100, 222 - 3rd Ave SW
Calgary, AB T2P 0B4
Telephone: 403.693.5420/4311
Attention: Ryan Zahara/Kaitlin Ward
Email: rzahara@mltaikins.com
kward@mltaikins.com
File: 136555-34

DATE ON WHICH ORDER WAS PRONOUNCED: JULY 24, 2024

LOCATION WHERE ORDER WAS PRONOUNCED: EDMONTON, ALBERTA

**NAME OF JUSTICE WHO MADE THIS ORDER: THE HONOURABLE ASSOCIATE
CHIEF JUSTICE K.G. NIELSEN**

UPON THE APPLICATION of the applicants, Delta 9 Cannabis Inc. ("**D9 Parent**"), Delta 9 Logistics Inc. ("**Logistics**"), Delta 9 Bio-Tech Inc. ("**Bio-Tech**"), Delta 9 Lifestyle Cannabis Clinic Inc. ("**Lifestyle**") and Delta 9 Cannabis Store Inc. ("**Store**", and together with D9 Parent, Logistics, Bio-Tech, and Lifestyle, the "**Delta 9**" or the "**Applicants**") pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**") for, among other things, an order approving a procedure for the determination and resolution of claims against the Applicants and

authorizing and directing the Applicants and the Monitor (defined below) to administer the claims procedure in accordance with its terms;

AND UPON having read the First Affidavit of John Arbuthnot IV sworn on July 12, 2024, the Second Affidavit of John Arbuthnot IV sworn on July 18, 2024, the Affidavit of Mark Townsend, sworn on July 19, 2024 and the Affidavit of Service of Regie Agcaoili sworn on July ___, 2024; **AND UPON** having read the Pre-Filing Report of the Monitor, dated July 15, 2024, and the First Report of the Monitor, dated July ___, 2024 and the Confidential Appendices enclosed thereto; **AND UPON** hearing from counsel for the Applicants, counsel for the Monitor, and any other interested party in attendance;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE & INTERPRETATION

1. Service of notice of this application and supporting materials is hereby abridged to that actually given, if necessary, and declared to be good and sufficient. The application is properly returnable today and no other person is required to have been served with notice of this application.
2. In this Order:
 - a. "**BIA**" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended;
 - b. "**Business Day**" means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Calgary, in the Province of Alberta, Canada;
 - c. "**Calendar Day**" means a day, including Saturday, Sunday and any statutory holidays in the Province of Alberta, Canada;
 - d. "**CCAA Proceedings**" means the within proceedings under the CCAA in respect of the Applicants;
 - e. "**Claim**" means: (i) Pre-Filing Claims; (ii) D&O Claims; and (iii) Restructuring Claims;
 - f. "**Claimant**" means any Person asserting a Claim and includes without limitation the transferee or assignee of a Claim transfer and recognized as a Claimant in accordance with paragraph 35 hereof or a trustee, executor, liquidator, receiver, receiver and manager, or other Person acting on or behalf of or through such Person;

- g. **"Claims Bar Date"** means 5:00 p.m. on August 17, 2024;
- h. **"Claims Package"** means the document package which shall include a copy of the Claims Process Order, the Notice to Claimants, and a Proof of Claim and related instructions, along with any other documentation the Applicants, in consultation with the Monitor, may deem appropriate;
- i. **"Claims Procedure"** means the procedures outlined in this Order, including the Schedules hereto;
- j. **"Court"** means the Court of King's Bench of Alberta in the Judicial Centre of Calgary;
- k. **"Director"** means anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of one or more of the Applicants;
- l. **"D&O Claim"** means all demands, claims (including claims for contribution or indemnity), actions, causes of action, counterclaims, suits, debts, sums of money, liabilities, accounts, covenants, damages, judgments, orders (including orders for injunctive relief or specific performance and compliance orders), expenses, executions, encumbrances and recoveries on account of any liability, obligation, demand or cause of action of whatever nature that any creditor or other Person has or may be entitled to assert (including for, in respect of or arising out of environmental matters, pensions or post-employment benefits or alleged wrongful or oppressive conduct, misrepresentation, fraud or breach of fiduciary duty), whether known or unknown, matured or unmatured, contingent or actual, direct, indirect or derivative, at common law, in equity or under statute, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing, matter or occurrence that in any way relate to or arise out of or in connection with (i) any right or claim of any Person that may be asserted or made in whole or in part against one or more of the Directors or Officers that relates to a claim for which such Directors or Officers are by law liable to pay in their capacity as Directors or Officers; (ii) any Pre-Filing Claim that may be asserted against Directors or Officers; or (iii) the assets, property, obligations, business or affairs of the Applicants, but "D&O Claim" does not include a claim that cannot be compromised due to the provisions of subsection 5.1(2) of the CCAA and for greater certainty does not include any Excluded Claims;

- m. **“D&O Indemnity Claim”** means any Claim of a current or former Director or Officer of one or more of the Applicants for indemnification from the Applicants in relation to a D&O Claim under the Claims Process;
- n. **“Excluded Claims”** means:
 - i. any Claim secured by a charge now or hereinafter granted by the Court in connection with these CCAA Proceedings;
 - ii. any Claim arising under a contract entered into by the Applicants after the Filing Date or with respect to goods or services provided to any of the Applicants on or after the Filing Date;
 - iii. inter-company Claims against the Applicants by another Applicant; and
 - iv. any claims by SNDL Inc. or 2759054 Ontario Inc. operating as Fika Herbal Goods (**“Fika”** or the **“Plan Sponsor”**);
- o. **“Filing Date”** means July 15, 2024, the date on which the Applicants were granted an Initial Order in the CCAA Proceedings;
- p. **“Monitor”** means Alvarez & Marsal Canada Inc.;
- q. **“Notice of Dispute”** means the notice referred to in paragraphs 15 and 30 hereof, substantially in the form attached as **Schedule “E”** hereto, which must be delivered to the Monitor by any Claimant wishing to dispute a Notice to Known Claimant or Notice of Revision or Disallowance, with reasons for its dispute;
- r. **“Notice of Revision or Disallowance”** means the notice referred to in paragraph 29 hereof, substantially in the form attached as **Schedule “D”** hereto that the Monitor, in consultation with the Applicants, has revised or rejected all or part of such Claimant’s Claim as set out in its Proof of Claim;
- s. **“Notice to Claimant”** means a notice referred to in paragraph 19 hereof, substantially in the form attached as **Schedule “B”** hereto;
- t. **“Notice to Known Claimant”** means a notice referred to in paragraph 14 hereof, substantially in the form attached as **Schedule “A”** hereto;
- u. **“Notice to Unknown Claimant”** means a notice referred to in paragraph 30 hereof, substantially in the form attached as **Schedule “A”** hereto;

- v. **"Officer"** means anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or *de facto* officer of one or more of the Applicants;
- w. **"Person"** means any individual, corporation, firm, limited or unlimited liability company, general or limited partnership, association (incorporated or unincorporated), trust, unincorporated organization, joint venture, trade union, government authority or any agency, regulatory body, or officer thereof, or any other entity, wherever situate or domiciled, and whether or not having legal status, and whether acting on their own or in a representative capacity;
- x. **"Pre-Filing Claims"** means (i) any indebtedness, liability, or obligation of any kind that would be a claim provable within the meaning of section 2 of the *BIA*; and/or (iii) all Claims against the Applicants or current or former Directors or Officers of the Applicants (or any one of them), but excluding Excluded Claims. For greater certainty, a "Claim" shall include any right or claim of any Person arising prior to the Filing Date that may be asserted or made in whole or in part against the Applicants or their current or former Directors or Officers, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including without limitation, by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including, without limitation, any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future;
- y. **"Proof of Claim"** means the Proof of Claim referred to in paragraph 23 hereof, substantially in the form attached as **Schedule "C"** hereto;

- z. **“Proven Claim”** means the amount and status of a Claim of a Claimant as finally determined in accordance with this Claims Procedure Order;
 - aa. **“Restructuring Claim”** means any right of claim of any Person against any of the Applicants in connection with any indebtedness, liability, or obligation of any kind whatsoever owed by any such Applicant to such Person arising out of the restructuring, disclaimer, repudiation, resiliation, or termination by such Applicant on or after the Filing Date of any contract, lease, other agreement or obligation whether written or oral;
 - bb. **“Restructuring Claims Bar Date”** means the later of:
 - i. the Claims Bar Date; and
 - ii. 15 days after the Monitor sends a Claims Package with respect to a Restructuring Claim in accordance with paragraph 22 hereof;
 - cc. **“Website”** means <https://www.alvarezandmarsal.com/Delta9>.
- 3. All references as to time herein shall mean local time in Calgary, Alberta, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day unless otherwise indicated herein.
 - 4. All references to the word "including" shall mean "including without limitation".
 - 5. All references to the singular herein include the plural, the plural include the singular, and any gender includes the other gender.
 - 6. All Claims shall be denominated in Canadian dollars. Any Claims denominated in a foreign currency shall be converted to Canadian dollars based on the Bank of Canada's daily average exchange rate for that currency against the Canadian Dollar on the Filing Date.
 - 7. Interest and penalties that would otherwise accrue after the Filing Date shall not be included in any Claims.

MONITOR'S ROLE

- 8. The Monitor, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA, shall assist the Applicants in connection with the administration of the Claims Procedure provided for herein, and is hereby directed and empowered to take such

other actions and fulfill such other roles as are contemplated by this Order or incidental thereto.

9. In carrying out the terms of this Order, the Monitor shall:
 - a. have all of the protections given to it by the CCAA and any subsequent orders and extensions related thereto, and this Order, or as an officer of the Court, including the stay of proceedings in its favour;
 - b. incur no liability or obligation as a result of the carrying out of the provisions of this Order, save and except for any gross negligence or willful misconduct on its part;
 - c. be entitled to rely on the books and records of the Applicants and any information provided by the Applicants, all without independent investigation; and
 - d. not be liable for any claims or damages resulting from any errors or omissions in such books, records or information, save and except for any gross negligence or willful misconduct on its part.
10. The Applicants and the Monitor are hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which forms delivered hereunder are completed and executed, and may, where they are satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Order as to completion and execution of such forms and to request any further documentation from a Person that the Applicants or the Monitor may require in order to enable them to determine the validity of a Claim.
11. The form and substance of each of the documents comprising the Claims Package substantially in the forms attached as schedules hereto, are hereby approved. Despite the foregoing, the Monitor may, from time to time, make such minor changes to such forms as the Monitor, in consultation with the Applicants, considers necessary or desirable.
12. Copies of all forms delivered hereunder, as applicable, and determinations of Claims by the Court, as the case may be, shall be maintained by the Monitor and, subject to further order of the Court, the applicable Claimant will be entitled to have access thereto by appointment during normal business hours on written request to the Monitor or the Applicant.

NOTICE TO KNOWN CLAIMANTS

13. The Applicants shall provide to the Monitor a complete list of known potential Claimants with Pre-Filing Claims, save and except for Claimants with D&O Claims, listed in the books and records of the Applicants (the “**Known Claimants**”) as at the date of this Claim Procedure Order, and the Applicants, in consultation with the Monitor, shall determine the value of such Known Claimants' Claim for all purposes, on the basis of the books and records of the Applicants.
14. The Monitor shall send a Claims Package to each of the Known Claimants (or to the counsel of record for any such Known Claimants) by prepaid ordinary mail, courier, personal delivery, or electronic or facsimile transmission, within 5 Business Days from the granting of this Claims Procedure Order. A Claims Package sent to a Known Claimant shall include the value of such Known Claimant's Claim, as determined by the Applicants in accordance with this Claims Procedure Order (the “**Notice to Known Claimant**”).
15. If a Known Claimant, having received a Claims Package, disagrees with the amount or classification of such amount in the Notice to Known Claimant, the Claimant must deliver a Notice of Dispute of Known Claimant in the form attached as **Schedule “E”** hereto to the Applicants and the Monitor, by no later than the applicable Claims Bar Date. Such Notice of Dispute of Known Claimant shall outline the basis for the dispute, include the amount believed to be owing to the Known Claimant and the classification of such amount, and where possible, including supporting documentation. Where a Claimant that receives a Notice to Known Claimant pursuant to paragraph 14 does not deliver a Notice of Dispute of Known Claimant by the applicable Claims Bar Date, the amount owing to the Claimant and the classification of such amount shall be deemed to be as set out in the Notice to Known Claimant sent to such Claimant.

D&O CLAIMS

16. Any Person entitled or that intends to assert a D&O Claim must do so by the Claims Bar Date in accordance with paragraph 23 of this Order and shall be an Unknown Claimant and subject to the same process as an Unknown Claimant set out in paragraph 23 of this Claims Procedure Order.

DISCLAIMERS AND RESILIATIONS

17. Any action taken by the Applicant to restructure, disclaim, resiliate, terminate, or breach any contract, lease, or other agreement, whether written or oral, must occur on or before the day that is 14 Calendar Days prior to the date of any meeting called for the purpose of considering and voting on a Plan pursuant to the CCAA (a “**Meeting**”). Any notices of disclaimer or resiliation delivered after the date of this Order to Claimants in connection with the foregoing shall be accompanied by a Claims Package.
18. Any Person entitled or that intends to assert a Restructuring Claim must do so by the Restructuring Claims Bar Date in accordance with paragraph 23 of this Order and shall be an Unknown Claimant and subject to the same process as an Unknown Claimant set out in paragraph 24 of this Claims Procedure Order.

CLAIMS PROCEDURE FOR UNKNOWN CLAIMANTS

19. The Monitor shall, as soon as is practicable after the date of this Claims Procedure Order cause the Notice to Claimants to be published once in the *Insolvency Insider*, *The Globe and Mail*, the *Calgary Herald*, and the *Winnipeg Free Press*.
20. The Monitor will also post to the Website electronic copies of the Notice to Claimants and Claims Package as soon as is practicable and cause it to remain posted thereon until its discharge as Monitor of the Applicants.
21. The publication of the Notice to Claimants, in accordance with this Order, and the posting of this Order on the Website shall constitute good and sufficient service and delivery of notice of this Order and the Claims Bar Date on all Persons and no other notice or service need to be given or made.
22. Upon the Monitor receiving a request by a Claimant for a Claims Package or documents or information relating to the Claims Procedure prior to the applicable Claims Bar Date or any applicable Restructuring Claims Bar Date (each hereafter referred to as an “**Unknown Claimant**”), the Monitor shall forthwith send a Claims Package, direct such Person to the documents posted on the Website, or otherwise respond to the request for information or documents as the Monitor considers appropriate in the circumstances.

PROOFS OF CLAIM

23. Any Unknown Claimant that wishes to assert:
- a. a D&O Claim, must deliver to the Monitor and the Applicants a completed Proof of Claim form, together with all relevant supporting documentation in respect of such D&O Claim, in the manner set out in this Claims Procedure Order on or before the Claims Bar Date;
 - b. a Pre-Filing Claim, must deliver to the Monitor and the Applicants a completed Proof of Claim form, together with all relevant supporting documentation in respect of such Pre-Filing Claim, in the manner set out in this Claims Procedure Order on or before the Claims Bar Date; and/or
 - c. a Restructuring Claim, must deliver to the Monitor and the Applicants a completed Proof of Claim form, together with all relevant supporting documentation in respect of such Restructuring Claim, in the manner set out in this Claims Procedure Order on or before the Restructuring Claims Bar Date.
24. Any Unknown Claimant who fails to deliver a Proof of Claim to the Monitor and the Applicants in accordance with this Claims Procedure Order by either the Claims Bar Date or the Restructuring Claims Bar Date, as applicable, unless otherwise ordered by the Court, shall:
- a. be forever barred from making or enforcing any such Claim against any of the Applicants, their Directors and their Officers, and all such Claims will be forever extinguished and barred without any further act or notification by the Applicants;
 - b. be forever barred from making or enforcing any such Claim as against any other Person who could claim contribution or indemnity from the Applicants, its Directors and their Officers, or any of them and all such Claims will be forever extinguished and barred without any further act or notification by the Applicants;
 - c. will not be permitted to vote at any creditors' Meeting on account of such Claim;
 - d. will not be entitled to receive further notice with respect to the Claims Process or these proceedings with respect to such Claim; and
 - e. will not be permitted to participate in any distribution under any Plan or otherwise on account of such Claim.

25. To the extent that any D&O Claim is filed in accordance with this Claims Procedure Order, a corresponding D&O Indemnity Claim shall be deemed to have been filed in respect of such D&O Claim.
26. Any Person with an Excluded Claim shall not file a Proof of Claim in this process unless required to do so by further order of the Court, nor shall the Monitor send a Claims Package to Claimants with Excluded Claims.

REVIEW OF PROOFS OF CLAIM

27. The Monitor and the Applicants (and in the case of a D&O Claim, in consultation with the applicable Director/Officer, and/or their counsel, if applicable) shall review all Proofs of Claim filed in accordance with the Claims Procedure Order and at any time may:
 - a. request additional information from a Claimant;
 - b. request that a Claimant file a revised Proof of Claim;
 - c. attempt to resolve and settle any issue arising in a Proof of Claim or in respect of a Claim;
 - d. accept (in whole or in part), the amount and/or status of any Claim and so notify the Claimant in writing; and
 - e. revise or disallow (in whole or in part) the amount and/or status of any Claim and so notify the Claimant in writing.
28. Where a Claim has been accepted by the Monitor (and in the case of a D&O Claim, with the acceptance of the Monitor and the affected Director or Officer) in accordance with this Claims Procedure Order, such Claim shall constitute such Claimant's Proven Claim. The acceptance of any Claim or other determination of same in accordance with this Claims Procedure Order, in full or in part, shall not constitute an admission of any fact, thing, liability, quantum, or status of any claim by any Claimant, save and except in the context of these CCAA proceedings.
29. Where a Claim is revised or disallowed (in whole or in part, and whether as to amount and/or status), the Monitor shall deliver to the Claimant a Notice of Revision or Disallowance.

NOTICE OF DISPUTE

30. Any Claimant who intends to dispute a Notice of Revision or Disallowance sent pursuant to paragraph 29 above shall deliver a Notice of Dispute of Unknown Claimant to the Applicants and the Monitor no later than 7 Calendar Days after such Claimant is deemed to have received the Notice of Revision or Disallowance, or such longer period as may be agreed to by the Monitor in writing ("**Notice of Dispute of Unknown Claimant**").
31. Where a Claimant that receives a Notice of Revision or Disallowance pursuant to paragraph 29 above does not file a Notice of Dispute of Unknown Claimant by the time set out in paragraph 30 above, the amount and classification of such Claimant's Claim shall be deemed to be as set out in the Notice of Revision or Disallowance, and the Claimant shall be barred from disputing or appealing same, and the balance of such Claimant's Claim, if any, shall be forever barred and extinguished.

RESOLUTION AND ADJUDICATION OF CLAIMS

32. As soon as is practicable after a Notice of Dispute of Known Claimant or a Notice of Dispute of Unknown Claimant (hereinafter referred to together as a "**Notice of Dispute**") is received by the Applicants and the Monitor in accordance with this Claims Procedure Order, the Monitor, in consultation with the Applicants (and in the case of a D&O Claim, in consultation with the applicable Director/Officer, and/or their counsel, if applicable), may attempt to resolve and settle the Claim with the Claimant.
33. In the event that the Monitor, in consultation with the Applicants (and in the case of a D&O Claim, in consultation with the applicable Director/Officer, and/or their counsel, if applicable), is unable to resolve a dispute regarding a Notice of Dispute with the Claimant, the Claimant must file an Application to the Court for the resolution of the Claim for voting and distribution purposes. Any such application must be filed and served within 10 Calendar Days after the Claimant has delivered a Notice of Dispute, failing which the amount and classification of such Claimant's Claim shall be deemed to be as set out in the Notice of Revision or Disallowance. Thereafter, the Court shall resolve the dispute and determine the amount and/or classification of the Claimant's Claim for voting and distribution purposes. Any affected Director or Officer shall have standing to participate in any such Court process.

34. Where the amount and/or classification of a Claimant's Claim has not been finally determined by the Court by the date of a Meeting, the Monitor shall either:
- a. accept the Claimant's determination of the amount and/or classification of the Claim as set out in the applicable Notice of Dispute of Revision or Disallowance only for the purposes of voting and conduct the vote of the creditors on that basis subject to a final determination of such Claimant's Claim, and in such case the Monitor shall record separately such Claimant's Claim and whether Claimant voted in favour of or against the Plan;
 - b. adjourn the Meeting until a final determination of the Claim(s) is made; or
 - c. deal with the matter as the Court may otherwise direct or as the Applicant, the Monitor, and the relevant Claimant may otherwise agree.

NOTICE OF TRANSFEREES

35. If, after the Filing Date, the holder of a Claim transfers or assigns the whole of such Claim to another Person, neither the Applicants nor the Monitor shall be obligated to give notice or otherwise deal with the transferee or assignee of such Claim in respect thereof unless and until actual notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Applicants and the Monitor in writing and thereafter such transferee or assignee shall for the purposes hereof constitute the "Claimant" in respect of such Claim. Any such transferee or assignee of a Claim shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Order prior to receipt and acknowledgement by the Applicants and the Monitor of satisfactory evidence of such transfer or assignment. A transferee or assignee of a Claim takes the Claim subject to any rights of set-off to which the Applicants may be entitled with respect to such Claim. For greater certainty, a transferee or assignee of a Claim is not entitled to set-off, apply, merge, consolidate or combine any Claims assigned or transferred to it against or on account or in reduction of any amounts owing by such Person to the Applicants. No transfer or assignment shall be received for voting purposes unless such transfer shall have been received by the Monitor no later than five Business Days prior to the Meetings, failing which the original transferor shall have all applicable rights as the "Claimant" with respect to such Claim as if no transfer of the Claim had occurred. Reference to transfer in this Claims Procedure Order includes a transfer or assignment whether absolute or intended as security.

36. If a Claimant, or any subsequent holder of a Claim, who has been acknowledged by the Monitor as the holder of such, transfers or assigns the whole of such Claim to more than one Person or part of such Claim to another Person, such transfers or assignments shall not create separate Claims and such Claims shall continue to constitute and be dealt with as a single Claim notwithstanding such transfers or assignments. The Monitor shall not, in each case, be required to recognize or acknowledge any such transfers or assignments and shall be entitled to give notices to and otherwise deal with such Claim only as a whole and then only to and with the Person last holding such Claim provided such Claimant may, by notice in writing delivered to the Monitor, direct that subsequent dealings in respect of such Claim, but only as a whole, shall be dealt with by a specified Person and in such event such Person shall be bound by any notices given or steps taken in respect of such Claim with such Claimant in accordance with the provisions of this Order.
37. Neither the Applicants nor the Monitor are under any obligation to give notice to any Person other than a Claimant holding a Claim and shall have no obligation to give notice to any Person holding a security interest, lien or charge in, or a pledge or assignment by way of security in, a Claim as applicable in respect of any Claim.

SERVICE AND NOTICE

38. The Monitor and the Applicants may, unless otherwise specified by this Order, serve and deliver any letters, notices or other documents contemplated by this Claims Procedure Order to Claimants, Directors or Officers, and any other interested Persons, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission to such Persons (with copies to their counsel if applicable) at the address as last shown on the records of the Applicants or set out in such Claimant's Proof of Claim. Any such service or notice by courier, personal delivery or electronic or digital transmission shall be deemed to have been received: (i) if sent by ordinary mail, on the third Business Day after mailing within Alberta, the fifth Business Day after mailing within Canada (other than within Alberta), and the tenth Business Day after mailing internationally; (ii) if sent by courier or personal delivery, on the next Business Day following dispatch; and (iii) if delivered by electronic or digital transmission by 5:00 p.m. on a Business Day, on such Business Day, and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.

39. Any notice or other communication (including Proofs of Claim) to be given under this Order by any Person to the Applicant and the Monitor shall be in writing in substantially the form, if any, provided for in this Order and will be sufficiently given only if delivered by prepaid registered mail, courier, personal delivery or electronic or digital transmission addressed to the following address and any such notice or other communication by a Claimant shall be deemed received only upon actual receipt thereof during normal business hours on a Business Day, or if delivered outside of a normal business hours, the next Business Day:

To the Applicants:

MLT AIKINS LLP
2100, 222 - 3rd Ave SW
Calgary, AB T2P 0B4
Attention: Ryan Zahara/Molly McIntosh
Email: rzahara@mltaikins.com
mmcintosh@mltaikins.com

To the Monitor:

ALVAREZ & MARSAL CANADA INC.
Bow Valley Square 4
Suite 1110, 250 6th Ave SW
Calgary, AB T2P 3H7
Email: delta9@alvarezandmarsal.com

With a copy to:

BURNET, DUCKWORTH & PALMER LLP

Attention: David LeGeyt (dlegeyt@bdplaw.com)
Ryan Algar (ralgar@bdplaw.com)
Jenny Deyholos (jdeyholos@bdplaw.com)

40. If during any period during which notices or other communications are being given pursuant to this Order a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary mail and then not received shall not, absent further order of the Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery or electronic or digital transmission in accordance with this Order.

41. In the event that this Order is later amended by further order of the Court, the Monitor shall post such further order on the Website and such posting shall constitute adequate notice of such amended claims procedure.

SET-OFF

42. The Applicants may set-off (whether by way of legal, equitable or contractual set-off) against payments or other distributions to be made pursuant to the Claims Process Order to any Claimant, any claims of any nature whatsoever that the Applicants (or any of them) may have against such Claimant, however, neither the failure to do so nor the allowance of any claim hereunder shall constitute a waiver or release by the Applicants (or any of them) of any such claim that the Applicants may have against such Claimant.

MISCELLANEOUS

43. The Applicants or the Monitor may from time to time apply to this Court to amend, vary, supplement or replace this Order or for advice and direction concerning the discharge of their respective powers and duties under this Order or the interpretation or application of this Order.
44. This Order shall have full force and effect in all provinces and territories of Canada, outside Canada and against all Persons against whom it may be enforceable.
45. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or the United States, or in any other foreign jurisdiction, to give effect to this Order and to assist the Applicants, or any of them, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of the Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Applicants in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

46. Each of the Applicants and the Monitor shall be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Claims Procedure Order and for assistance in carrying out the terms of this Claims Procedure Order.

The Honourable Associate Chief Justice Neilsen
Justice of the Court of King's Bench of Alberta

SCHEDULE "A"

NOTICE TO KNOWN CLAIMANTS

**IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, RSC 1985, c C-36, AS AMENDED**

**AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF DELTA 9
CANNABIS INC., DELTA 9 LOGISTICS INC., DELTA 9 BIO-TECH INC., DELTA 9
LIFESTYLE CANNABIS CLINIC INC. and DELTA 9 CANNABIS STORE INC.**

NOTICE LETTER TO KNOWN CLAIMANTS REGARDING CLAIMS PROCEDURE

RE: Notice of Claims Procedure, Claims Bar Date & Restructuring Claims Bar Date

This notice is published pursuant to the Order of the Honourable Associate Chief Justice Neilsen of the Court of King's Bench of Alberta, dated July 24, 2024 (the "**Claims Procedure Order**"), in the Applicants' proceedings under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended. Pursuant to the Initial Order dated July 15, 2024, Alvarez & Marsal Canada Inc. was appointed as monitor of the Applicants (in such capacity, the "**Monitor**"), and pursuant to the Claims Procedure Order will, with the assistance of the Applicants, conduct a Claims Procedure with respect to Claims against the Applicants and their present and former Directors and Officers. Additionally, the Monitor is required to send Claims Packages to the Applicants' Known Claimants.

All capitalized terms used herein that are not otherwise defined have the meaning ascribed to them in the Claims Procedure Order.

The Claims Procedure Order, the Claims Package, a Proof of Claim form, and related materials can be accessed on the Monitor's Website at: <https://www.alvarezandmarsal.com/Delta9>. Proof of Claim forms can also be obtained by contacting the Monitor at the address below and providing particulars as to your name, address, facsimile number and email address.

I. CREDITOR CLAIM

Based on the books and records of the Applicants, [Creditor Name] has a Known Claim against the Applicants (or any one of them) which arose before the commencement of these CCAA proceedings. Details regarding [Creditor name]'s claim are as follows:

Creditor Name	
Creditor Claim (\$CAD)	
Classification of Creditor Claim	

If you AGREE with the amount and classification as set out in this notice, you need not do anything further; the quantum and classification of your claim, as set out in this notice, will be accepted as your Proven Claim.

If you DISAGREE with the amount and/or classification as set out in this notice, or wish to assert a different claim, you **MUST** submit a 'Notice of Dispute' to the Monitor **by**:

(a) in respect of Pre-Filing Claims, no later than 5:00 p.m. MST on August 17, 2024 (the “**Claims Bar Date**”); and

(b) in respect of Restructuring Claims, on or before the later of:

- (i) the Claims Bar Date; and
- (ii) 15 Business Days after the Monitor sends the Claims Package with respect to such Claim in accordance with paragraph 17 of the Claims Procedure Order

(the “**Restructuring Claims Bar Date**”).

The Notice of Dispute must outline the basis for the dispute and including supporting documentation.

Additional information about these proceedings may be found on the Monitor’s Website or may be obtained by contacting the Monitor directly. Contact details for the Monitor are described below:

ALVAREZ & MARSAL CANADA INC.
Bow Valley Square 4
Suite 1110, 250 6th Ave SW
Calgary, AB T2P 3H7
Email: delta9@alvarezandmarsal.com

Dated at the City of Calgary, in the Province of Alberta, this [date] of [month], [year].

Alvarez & Marsal Canada Inc.
in its capacity as Monitor of the Applicants, and not
in its personal or corporate capacity

SCHEDULE “B”

NOTICE TO CLAIMANTS

**IN THE MATTER OF THE COMPANIES’ CREDITORS
ARRANGEMENT ACT, RSC 1985, c C-36, AS AMENDED**

**AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF DELTA 9
CANNABIS INC., DELTA 9 LOGISTICS INC., DELTA 9 BIO-TECH INC., DELTA 9
LIFESTYLE CANNABIS CLINIC INC. and DELTA 9 CANNABIS STORE INC.**

NOTICE LETTER TO CLAIMANTS REGARDING CLAIMS PROCEDURE

RE: Notice of Claims Procedure, Claims Bar Date & Restructuring Claims Bar Date

This notice is published pursuant to the Order of the Honourable Associate Chief Justice Nielsen of the Court of King’s Bench of Alberta, dated July 24, 2024 (the “**Claims Procedure Order**”), in the Applicants’ proceedings under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended. Pursuant to the Initial Order dated July 15, 2024, Alvarez & Marsal Canada Inc. was appointed as monitor of the Applicants (in such capacity, the “**Monitor**”), and pursuant to the Claims Procedure Order will, with the assistance of the Applicants, conduct a Claims Procedure with respect to Claims against the Applicants and their present and former Directors and Officers.

All capitalized terms used herein that are not otherwise defined have the meaning ascribed to them in the Claims Procedure Order.

The Claims Procedure Order, the Claims Package, a Proof of Claim form, and related materials can be accessed on the Monitor’s Website at: <https://www.alvarezandmarsal.com/Delta9>. Proof of Claim forms can also be obtained by contacting the Monitor at the address below and providing particulars as to your name, address, facsimile number and email address.

I. SUBMISSION OF PROOF OF CLAIM

Any Person who believes they have a Claim against the Applicants (or any one of them) or their Directors or Officers shall submit their Claim in a Proof of Claim form, other than an Excluded Claim, in accordance with the Claims Procedure Order.

All Claimants MUST submit their Proof of Claim to the Applicants and the Monitor:

- II. in respect of Pre-Filing Claims, no later than 5:00 p.m. MST on August 17, 2024 (the “**Claims Bar Date**”); and
- III. in respect of Restructuring Claims, on or before the later of:
 - (iii) the Claims Bar Date; and
 - (iv) 15 Business Days after the Monitor sends the Claims Package with respect to such Claim in accordance with paragraph 17 of the Claims Procedure Order(the “**Restructuring Claims Bar Date**”).

Proofs of Claim MUST be submitted by prepaid registered mail, courier, personal delivery, or electronic or digital transmission addressed to the following address:

To the Applicants:

MLT AIKINS LLP
2100, 222 - 3rd Ave SW
Calgary, AB T2P 0B4
Attention: Ryan Zahara (rzahara@mltaikins.com)
Kaitlin Ward (kward@mltaikins.com)

To the Monitor:

ALVAREZ & MARSAL CANADA INC.
Bow Valley Square 4
Suite 1110, 250 6th Ave SW
Calgary, AB T2P 3H7
Email: delta9@alvarezandmarsal.com

With a copy to:

BURNET, DUCKWORTH & PALMER LLP

Attention: David LeGeyt (dlegeyt@bdplaw.com)
Ryan Algar (ralgar@bdplaw.com)
Jenny Deyholos (jdeyholos@bdplaw.com)

CLAIMS WHICH ARE NOT RECEIVED BY THE MONITOR BY THE APPLICABLE CLAIMS BAR DATE WILL BE FOREVER BARRED FROM MAKING OR ENFORCING ANY CLAIM AGAINST ANY OF THE APPLICANTS, THEIR DIRECTORS, OR THEIR OFFICERS.

Additional information about these proceedings may be found on the Monitor's Website or may be obtained by contacting the Monitor directly at the address above.

Dated at the City of Calgary, in the Province of Alberta, this [date] of [month], [year].

Alvarez & Marsal Canada Inc.
in its capacity as Monitor of the Applicants, and not
in its personal or corporate capacity

SCHEDULE "C"

PROOF OF CLAIM FORM

**IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, RSC 1985, c C-36, AS AMENDED**

**AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF DELTA 9
CANNABIS INC., DELTA 9 LOGISTICS INC., DELTA 9 BIO-TECH INC., DELTA 9
LIFESTYLE CANNABIS CLINIC INC. and DELTA 9 CANNABIS STORE INC.**

Regarding the claim of _____ (referred to
in this form as "**the Claimant**"). (Name of Claimant)

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

Telephone Number: _____
Facsimile Number: _____
Attention (Contact
Person): _____
Email Address: _____

*(Note – All future correspondence will be delivered to the designated email address unless the
Claimant specifically requests that hardcopies be provided)*

☐ Please provide hardcopies of materials to the address above.

I, _____ (name of the Claimant or representative of the
Claimant), of _____ (City, Province or State) do hereby certify
that:

(a) I am (select one):

☐ the Claimant; or

☐ I am _____ (state position/title) of the Claimant.

(b) I have knowledge of all the circumstances connected with the Claim referred to below;

(c) I confirm that complete documentation in support of the Claim referred to below is attached;
and

(d) The Applicants and/or one or more of the Directors or Officers of the Applicants were and still
are Indebted to the Claimant as follows:

I. Pre-Filing Proof of Claim

Debtor	Pre-Filing Claim Amount	Nature of Claim (Secured, Priority, Unsecured or Secured)	Value of Security Held (if any)
Delta 9 Cannabis Inc.	CAD\$		
Directors and Officers of Delta 9 Cannabis Inc. (insert names of same)	CAD\$		
Delta 9 Logistics Inc.	CAD\$		
Directors and Officers of Delta 9 Logistics Inc. (insert names of same)	CAD\$		
Delta 9 Bio-Tech Inc.	CAD\$		
Directors and Officers of Delta 9 Bio-Tech Inc. (insert names of same)	CAD\$		
Delta 9 Lifestyle Cannabis Clinic Inc.	CAD\$		
Directors and Officers of Delta 9 Lifestyle Cannabis Clinic Inc. (insert names of same)	CAD\$		
Delta 9 Cannabis Store Inc.	CAD\$		
Directors and Officers of Delta 9 Cannabis Store Inc. (insert names of same)	CAD\$		

II. Restructuring Proof of Claim

Debtor	Pre-Filing Claim Amount	Nature of Claim (Secured, Priority, Unsecured or Secured)	Value of Security Held (if any)
Delta 9 Cannabis Inc.	CAD\$		
Directors and Officers of Delta 9 Cannabis Inc. (insert names of same)	CAD\$		
Delta 9 Logistics Inc.	CAD\$		
Directors and Officers of Delta 9 Logistics Inc.	CAD\$		

<i>(insert names of same)</i>			
Delta 9 Bio-Tech Inc.	CAD\$		
Directors and Officers of Delta 9 Bio-Tech Inc. <i>(insert names of same)</i>	CAD\$		
Delta 9 Lifestyle Cannabis Clinic Inc.	CAD\$		
Directors and Officers of Delta 9 Lifestyle Cannabis Clinic Inc. <i>(insert names of same)</i>	CAD\$		
Delta 9 Cannabis Store Inc.	CAD\$		
Directors and Officers of Delta 9 Cannabis Store Inc. <i>(insert names of same)</i>	CAD\$		

The particulars of the undersigned's total Claim, in the sum of \$CAD _____
(insert \$CAD value of total Claim) are attached.

(Please provide full particulars of the Claim and supporting documentation including amount, description of transaction(s) or agreement(s) or legal breach(es) giving rise to the Claim, name of any guarantor(s) which have guaranteed the Claim, particulars and copies of any security and amount of Claim allocated thereto, date and number of all invoices, particulars of all credits, discounts, etc. claimed. If a Claim is made against any Directors or Officers, specify the applicable Directors or Officers and the legal basis for the Claim against each of them. Any claim for interest must be supported by contractual documentation evidencing the entitlement to interest. Claims should not include the value of goods and/or services supplied or interest accrued after July 15, 2024).

FILING DEADLINES FOR CLAIM:

For Pre-Filing Claims, this Proof of Claim must be received by the Applicants and the Monitor before 5:00 p.m. MST on August 17, 2024 (the "**Claims Bar Date**").

For Restructuring Claims, this Proof of Claim must be received by the Applicants and the Monitor on or before the later of: (i) the Claims Bar Date, or 15 Business Days after the Monitor sends the Claims Package with respect to such Claim in accordance with paragraph 17 of the Claims Procedure Order.

Proofs of Claim MUST be submitted by prepaid registered mail, courier, personal delivery, or electronic or digital transmission addressed to the following address:

To the Applicants:

MLT AIKINS LLP
2100, 222 - 3rd Ave SW

Calgary, AB T2P 0B4
Attention: Ryan Zahara/Molly McIntosh
Email: rzahara@mtlaikins.com
mmcintosh@mtlaikins.com

To the Monitor:

ALVAREZ & MARSAL CANADA INC.
Bow Valley Square 4
Suite 1110, 250 6th Ave SW
Calgary, AB T2P 3H7
Email: delta9@alvarezandmarsal.com

With a copy to:

BURNET, DUCKWORTH & PALMER LLP

Attention: David LeGeyt (dlegeyt@bdplaw.com)
Ryan Algar (ralgar@bdplaw.com)
Jenny Deyholos (jdeyholos@bdplaw.com)

Any such notice or communication delivered by a Claimant shall be deemed to be received upon actual receipt thereof before 5:00 p.m. MST on a Business Day or if delivered outside of normal business hours, the next Business Day.

CLAIMS WHICH ARE NOT RECEIVED BY THE MONITOR BY THE APPLICABLE CLAIMS BAR DATE WILL BE FOREVER BARRED FROM MAKING OR ENFORCING ANY CLAIM AGAINST ANY OF THE APPLICANTS, THEIR DIRECTORS, OR THEIR OFFICERS.

DATED this ____ day of _____, 2024

.

Witness

Per: _____

Print name of Claimant:

If Claimant is other than an individual, print name and title of authorized signatory

Name: _____

Title: _____

SCHEDULE "D"

NOTICE OF REVISION OR DISALLOWANCE

**IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, RSC 1985, c C-36, AS AMENDED**

**AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF DELTA 9
CANNABIS INC., DELTA 9 LOGISTICS INC., DELTA 9 BIO-TECH INC., DELTA 9
LIFESTYLE CANNABIS CLINIC INC. and DELTA 9 CANNABIS STORE INC.**

TO: [name and address of claimant]

PLEASE TAKE NOTICE that this Notice of Revision or Disallowance is being sent pursuant to an order of the Court of King's Bench of Alberta (the "**Court**") dated July 24, 2024 (the "**Claims Procedure Order**") issued in the Applicants' proceedings under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended. A copy of the Claims Procedure Order, and all other related materials, may be found on the Monitor's Website at: <https://www.alvarezandmarsal.com/Delta9>.

The Monitor, and in the case of a D&O Claim, the named Director or Officer, has reviewed your Notice of Dispute or your Proof of Claim dated _____, 2024, and has revised or disallowed your Claim for the following reasons:

Subject to further dispute by you in accordance with the provisions of the Claims Procedure Order, your Claim will be allowed for voting and distributions purposes as follows:

	Submitted or Disputed Amount	Allowed
Claimant		
Claim		
Classification		

If you **AGREE** with the amount and classification allowed by Monitor as set out above, you need not do anything further; the quantum and classification of your claim, as set out as allowed in this Notice of Revision or Disallowance, will be accepted as your Proven Claim. In the event you take

no action, your claim will also be accepted based on the allowed amount as set out above.

If you **DISAGREE** with the amount and classification allowed by Monitor (or the affected Director of Officer) as described above, you are obligated to file a **Notice of Dispute** with the Monitor within 7 Calendar Days after receipt of the Notice of Revision or Disallowance, failing which the amount and classification of your claim shall be deemed to be as set out as allowed in this Notice of Revision or Disallowance.

In the event the Monitor is unable to resolve the dispute about your allowable claim, you may file an application with the Court for the resolution or adjudication of your claim for voting and distribution purposes by no later than 10 Calendar Days after delivery of the Notice of Dispute of Revision or Disallowance, failing which the amount and classification of your claim shall be deemed to be as set out as allowed in this Notice of Revision or Disallowance.

Additional information about these proceedings may be found on the Monitor's Website or may be obtained by contacting the Monitor directly. Contact details for the Monitor are described below:

ALVAREZ & MARSAL CANADA INC.
Bow Valley Square 4
Suite 1110, 250 6th Ave SW
Calgary, AB T2P 3H7
Email: delta9@alvarezandmarsal.com

Dated at the City of Calgary, in the Province of Alberta, this [date] of [month], [year].

Alvarez & Marsal Canada Inc.
in its capacity as Monitor of the Applicants, and not
in its personal or corporate capacity

SCHEDULE "E"

NOTICE OF DISPUTE OF KNOWN CLAIMANT OR UNKNOWN CLAIMANT

**IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, RSC 1985, c C-36, AS AMENDED**

**AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF DELTA 9
CANNABIS INC., DELTA 9 LOGISTICS INC., DELTA 9 BIO-TECH INC., DELTA 9
LIFESTYLE CANNABIS CLINIC INC. and DELTA 9 CANNABIS STORE INC.**

PLEASE TAKE NOTICE that by order of the Court of King's Bench of Alberta (the "**Court**") dated July 24, 2024 (the "**Claims Procedure Order**"), in the Applicants' proceedings under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended, the Monitor, with assistance from the Applicants, have been authorized to conduct a claims procedure (the "**Claims Procedure**"). A copy of the Claims Procedure Order, and all other related materials, may be found on the Monitor's Website at: <https://www.alvarezandmarsal.com/Delta9>.

Name of Claimant: _____

Address: _____

Telephone Number: _____

Facsimile Number: _____

Email Address: _____

PLEASE TAKE NOTICE THAT, pursuant to the Claims Procedure Order, we hereby give you notice of our intention to dispute the Notice to Known Claimant or the Notice of Revision or Disallowance, as applicable, issued by Alvarez & Marsal Canada Inc., acting in its capacity as Court-appointed Monitor of the Delta 9 Group in respect of our Claim. We dispute the following portion(s) of our Claim as articulated in the Notice to Known Claimant or Notice of Revision or Disallowance, as applicable:

Claim as Listed in the Notice to Known Claimant (\$CAD)	Revised Claim (\$CAD)

or

Allowed Claim as Listed in the Notice of Revision or Disallowance (\$CAD)	Revised Claim (\$CAD)

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Allowed Classification of Claim as Listed in the Notice of Revision	Revised Classification

Reason for the dispute (attach copies of any supporting documentation):

The address for Service of Notice of Dispute is as follows:

To the Applicants:

MLT AIKINS LLP
 2100, 222 - 3rd Ave SW
 Calgary, AB T2P 0B4
 Attention: Ryan Zahara/Molly McIntosh
 Email: rzahara@mltaikins.com
mmcintosh@mltaikins.com

To the Monitor:

ALVAREZ & MARSAL CANADA INC.
 Bow Valley Square 4
 Suite 1110, 250 6th Ave SW
 Calgary, AB T2P 3H7
 Email: delta9@alvarezandmarsal.com

With a copy to:

BURNET, DUCKWORTH & PALMER LLP

 Attention: David LeGeyt (dlegeyt@bdplaw.com)
 Ryan Algar (ralgar@bdplaw.com)
 Jenny Deyholos (jdeyholos@bdplaw.com)

THIS FORM AND ANY REQUIRED SUPPORTING DOCUMENTATION MUST BE RETURNED TO THE MONITOR AND THE APPLICANT BY REGISTERED MAIL, PERSONAL SERVICE, EMAIL, FACSIMILE OR COURIER TO THE ADDRESS INDICATED ABOVE:

- **FOR NOTICE OF DISPUTE OF KNOWN CLAIMANT MUST BE ACTUALLY RECEIVED BY 5:00 P.M. ON THE CLAIMS BAR DATE**

OR

- **FOR A NOTICE OF DISPUTE OF UNKNOWN CLAIMANT MUST BE ACTUALLY RECEIVED BY 5:00 P.M. CALGARY TIME 7 CALENDAR DAYS AFTER RECEIPT OF NOTICE OF REVISION OR DISALLOWANCE.**

In the event that the Monitor is unable to resolve a dispute regarding my claim following its receipt of this Notice of Dispute of Revision or Disallowance, I understand that:

- a) I am obligated to make an application to the Court for the resolution or adjudication of the Claim for voting and distribution purposes; and,
- b) any such application must be filed in the Court (and served on the Applicants and the Monitor) no later than 10 Calendar Days after the Claimant has delivered a Notice of Dispute of Revision or Disallowance, failing which the amount and classification of such Claimant's Claim shall be deemed to be as set out in the Notice of Revision or Disallowance.

DATED this ____ day of _____, 2024

Witness

Per: _____

Name of Claimant

If Claimant/Restructuring Period Claimant is other than an individual, print name and title of authorized signatory

Name: _____

Title: _____

SCHEDULE "D"

Form of Sealing Order

COURT FILE NUMBER 2401-09688
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

Clerk's stamp

IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, RSC 1985,
c C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF DELTA
9 CANNABIS INC., DELTA 9 LOGISTICS INC.,
DELTA 9 BIO-TECH INC., DELTA 9 LIFESTYLE
CANNABIS CLINIC INC. and DELTA 9
CANNABIS STORE INC.

APPLICANTS DELTA 9 CANNABIS INC., DELTA 9 LOGISTICS
INC., DELTA 9 BIO-TECH INC., DELTA 9
LIFESTYLE CANNABIS CLINIC INC. and DELTA
9 CANNABIS STORE INC.

DOCUMENT **SEALING ORDER**

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

MLT AIKINS LLP
Barristers and Solicitors
#2100 – 222 3rd Ave SW
Calgary, AB T2P 0B4
Attention: Ryan Zahara / Kaitlin Ward
Telephone: (403) 693-5420 / 4311
Email: rzahara@mltaikins.com /
kward@mltaikins.com
File No. 0136555.00034

DATE ON WHICH ORDER WAS PRONOUNCED: JULY 24, 2024

LOCATION WHERE ORDER WAS PRONOUNCED: EDMONTON, ALBERTA

**NAME OF JUSTICE WHO MADE THIS ORDER: THE HONOURABLE ASSOCIATE
CHIEF JUSTICE NIELSEN**

UPON the application (the "**Application**") of Delta 9 Cannabis Inc. ("**D9 Parent**"), Delta 9 Logistics Inc. ("**Logistics**"), Delta 9 Bio-Tech Inc. ("**Bio-Tech**"), Delta 9 Lifestyle Cannabis Clinic Inc. ("**Lifestyle**") and Delta 9 Cannabis Store Inc. ("**Store**", and collectively with D9 Parent,

Logistics, Bio-Tech and Lifestyle, the “**Applicants**” or “**Delta 9**”) for, among other things, an amended and restated initial order pursuant to the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “**CCAA**”) and for an order sealing the confidential appendices (the “**Confidential Appendices**”) appended to the First Report of the Monitor, Alvarez & Marsal Canada Inc. (the “**Monitor**”), dated July 18, 2024 (the “**First Report**”); **AND UPON** having read the Application, the Second Affidavit of John Arbuthnot IV sworn on July 18, 2024, the Affidavit of Mark Townsend sworn on July 19, 2024 and the Affidavit of Service of Regie Agcaoili sworn July ___, 2024; **AND UPON** having read the First Report and Confidential Appendices; **AND UPON** hearing the submissions of counsel for the Applicants, counsel for the Monitor and counsel for any other parties present; **IT IS HEREBY ORDERED AND DECLARED THAT:**

1. The time for service of the notice of the Application is hereby abridged and service thereof is seemed good and sufficient and this Application is properly returnable today.
2. The Confidential Appendices to the First Report shall be sealed until the earlier of: (a) completion of the Applicants’ proceedings under the CCAA; (b) January 24, 2025; or (c) by further order of the Court.
3. If directed by the Court, the Applicants can provide a copy of the Confidential Appendices to the Clerk of the Court, who is hereby directed to seal any such copy of the Confidential Appendices in a sealed envelope which shall have a notice attached that sets out the style of cause of these proceedings and states that:

THIS ENVELOPE CONTAINS CONFIDENTIAL DOCUMENTS. THESE CONFIDENTIAL DOCUMENTS ARE SEALED ON COURT FILE NO. 2401-09688 PURSUANT TO THE ORDER ISSUED BY THE HONOURABLE ASSOCIATE CHIEF JUSTICE NIELSEN ON JULY 24, 2024. THESE CONFIDENTIAL DOCUMENTS ARE NOT TO BE ACCESSED BY ANY PERSON UNLESS OR UNTIL THE EARLIER OF: (i) COMPLETION OF THE APPLICANTS’ PROCEEDINGS UNDER THE CCAA; (ii) JANUARY 24, 2025; OR (iii) FURTHER ORDER OF THE COURT.

The Honourable Associate Chief Justice Nielsen
Justice of the Court of King’s Bench of Alberta