

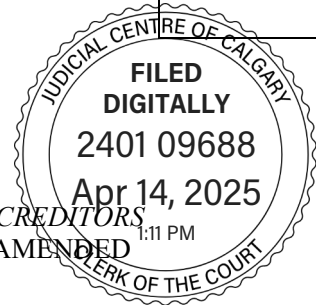
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COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

MATTER IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 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 LIFESTYLE CANNABIS
CLINIC INC., DELTA 9 CANNABIS STORE INC., and
RESIDUALCO.

DOCUMENT **NINTH REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.**

April 14, 2025

ADDRESS FOR
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INTRODUCTION

1. On July 15, 2024 (the "**Filing Date**"), Delta 9 Cannabis Inc. ("**Delta Parent**"), Delta 9 Bio-Tech Inc. ("**Bio-Tech**"), Delta 9 Lifestyle Cannabis Clinic Inc. ("**Lifestyle**"), Delta 9 Cannabis Store Inc. ("**Store**") and Delta 9 Logistics Inc. ("**Logistics**") and collectively, the "**Delta 9 Group**", the "**Company**" or the "**Applicants**" were granted an initial Order (the "**Initial Order**") by the Court of King's Bench of Alberta (the "**Court**"), in relation to proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**"), that, among other things:
 - a) appointed Alvarez & Marsal Canada Inc. ("**A&M**") as monitor (the "**Monitor**") in the CCAA Proceedings;
 - b) ordered a stay of proceedings in favour of the Applicants through to July 25, 2024 (the "**Stay Period**"); and
 - c) granted an administrative charge to a maximum amount of \$350,000 (the "**Administration Charge**") and a directors and officers charge to a maximum amount of \$300,000 (the "**Directors' Charge**").
2. On July 24, 2024, the Applicants sought and obtained the following relief from this Honourable Court:
 - a) an amended and restated Initial Order (the "**ARIO**");
 - b) an order approving a sales and investment solicitation process with respect to Bio-Tech; and
 - c) an order approving a claims procedure to determine the claims of creditors and establish a claims bar date to prove such claims.

3. The ARIO, among other things:
- a) extended the initial Stay Period to September 15, 2024;
 - b) approved the interim financing facility (the "**Interim Financing Facility**") and related charge (the "**Interim Financing Charge**") in the amount of \$16 million, plus interest, costs and expenses;
 - c) approved a key employee retention plan ("**KERP**") and related charge (the "**KERP Charge**") in the amount of \$655,000;
 - d) increased the Administration Charge from \$350,000 to \$750,000;
 - e) increased the Directors' Charge from \$300,000 to \$900,000, and extended the same in favour of legal counsel of the directors and officers of the Applicants, Norton Rose Fulbright LLP;
 - f) granted a break fee charge in favour of the Plan Sponsor of \$1.5 million (the "**Break Fee Charge**"); and
 - g) authorized the appointment of a chief restructuring officer (the "**CRO**").
4. Since the granting of the ARIO, the Applicants have sought and obtained various orders from this Honourable Court approving a number of extensions to Stay Period, amendments to the Interim Financing Facility, the sale and vesting of certain assets of Bio-Tech to 10213358 Manitoba Ltd., an Affected Creditors meeting to vote on the Applicant's proposed plan of arrangement (as amended, the "**Plan**") and an order sanctioning the Plan (the "**Sanction Order**").
5. On January 29, 2025, the Court released a written decision in these CCAA Proceedings¹ which granted the following relief sought by the Applicants on January 10, 2025:

¹ *Delta 9 Cannabis Inc (Re)*, 2025 ABKB 52.

- a) approval of the Asset Purchase Agreement between Bio-Tech and 6599362 Canada Ltd. ("**659**") (the "**659 APA**" or "**659 Transaction**") and the transactions contemplated therein, and a corresponding sale approval and vesting order (the "**659 Approval and Vesting Order**"); and
 - b) approval of the Share Purchase Agreement between Delta Parent, Bio-Tech and Simply Solventless Concentrates Ltd. ("**Simply**") (the "**Simply SPA**" or "**Simply Transaction**") and the transactions contemplated therein, and a corresponding approval and reverse vesting (the "**Reverse Vesting Order**") order.
6. On February 11, 2025, the Monitor sought and obtained approval from this Honourable Court for an interim distribution of the Bio-Tech Proceeds (defined below) to SNDL (the "**Distribution Order**").
7. On February 25, 2025, the Applicants sought and obtained the following relief from this Honourable Court:
- a) the extension of the Stay Period to March 31, 2025;
 - b) the increase of the borrowing limit of Tranche 1 of the Interim Financing Facility by \$400,000, to a total of \$5.9 million, and a corresponding increase in the amount of the Interim Financing Charge from \$18.5 million to \$18.9 million, plus interests, costs and expenses; and
 - c) approval of the actions, activities and conduct of the Monitor, along with the fees and disbursements of the Monitor and its counsel, as set out in the Eight Report.
8. The Monitor has filed an application with this Honourable Court, returnable April 23, 2025 (the "**April 23rd Application**"). The relief sought by the Monitor at the April 23rd Application will include the following:

- a) vacating the Director's Charge, Interim Financing Charge, KERP Charge and Break Fee Charge from the entities remaining in the CCAA Proceedings, being 2684216 Alberta Ltd. ("**ResidualCo**") and Logistics;
 - b) vacating the Administrative Charge once the Monitor's Certificate is filed by the Monitor to conclude the CCAA Proceedings;
 - c) approving the professional fees and costs of the Monitor and its legal counsel, Burnet, Duckworth & Palmer LLP ("**BD&P**" or the "**Monitor's Counsel**") including the Forecast Fees and Costs (defined below), as set out in this Report;
 - d) approving the discharge of the Monitor and the termination of the CCAA Proceedings for ResidualCo and Logistics, following the filing of the Monitor's Certificate;
 - e) approving the Monitor's actions and activities as set out in the Fourth, Fifth, Seventh and Ninth Report; and
 - f) such further and other relief as may be sought by the Monitor and this Honourable Court may deem appropriate in these CCAA Proceedings.
9. Capitalized terms not defined in this Monitor's Ninth Report (this "**Report**" or the "**Ninth Report**") are as defined in the ARIO, the Prior Monitor Reports,² the Affidavits of John Arbuthnot and any supplements thereto sworn in these CCAA Proceedings (the "**Arbuthnot Affidavits**") and the materials filed by the Applicants, the Plan Sponsor, or any other party in connection with the CCAA Proceedings.

² Include all reports of the Monitor, from the Pre-Filing Report dated July 12, 2024 through to the Eight Report dated February 21, 2025, collectively referred to as the "**Prior Monitor Reports**".

PURPOSE

10. The purpose of this Report is to provide information to this Honourable Court in respect of the following:

- a) an update on the activities of the Monitor since the Eight Report dated February 21, 2025;
- b) an update on the 659 Transaction and the Simply Transaction;
- c) a comparison of Delta 9's actual final cash receipts and disbursements to the cash flow forecast included in the Eight Report of the Monitor for the period of February 15, 2025 to March 4, 2025;
- d) an update on the status of the implementation and administration of the Plan, including the actual receipts and disbursements of the Plan Fund (defined below) for the period of March 4, 2025 to April 11, 2025;
- e) the final Plan Fund Forecast (defined below);
- f) the status of the ResidualCo and Logistics bankruptcy proceedings;
- g) the request for approval of the Monitor's actions and activities as set out in the Fourth, Fifth, Seventh and Ninth Reports and the professional fees and costs of the Monitor and its legal counsel, including the Forecast Fees and Costs (defined below), as set forth in this Report;
- h) the request for the discharge of the Monitor and the termination of the CCAA Proceedings for ResidualCo and Logistics; and
- i) the recommendations of the Monitor in regard to the matters described above.

TERMS OF REFERENCE AND DISCLAIMER

11. In preparing this Report, A&M, in its capacity as the Monitor, has been provided with and has relied upon unaudited financial information and the books and records prepared by the Applicants and has held discussions with the Applicants' management ("**Management**") and their respective counsel and directors (collectively, the "**Information**"). Except as otherwise described in this Report, in respect of the Applicants' cash flow forecast:
 - a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CASs**") pursuant to the Chartered Professional Accountants Canada Handbook (the "**CPA Handbook**") and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CASs in respect of the Information; and
 - b) some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.
12. Future-oriented financial information referred to in this Report was prepared based on the Applicants' estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
13. Unless otherwise stated, all monetary amounts contained in this Report are expressed in Canadian dollars.
14. Further information regarding the Delta 9 Group's ownership structure and operations, the cause of the Applicants' insolvency and these CCAA Proceedings,

including the Initial Order, the ARIO, other Orders of this Honourable Court, the Arbuthnot Affidavits, other affidavits and the Prior Monitor's Reports are available on the Monitor's website at: www.alvarezandmarsal.com/delta9.

ACTIVITIES OF THE MONITOR

15. The Monitor's activities since the filing of the Eight Report include, among other things, the following:

- a) engaging with Monitor's Counsel regarding various matters pertaining to these CCAA Proceedings;
- b) engaging in various communications with the Applicants regarding the 659 Transaction, the Simply Transaction, implementation and administration of the Plan, along with the CRO, Management, the Monitor's Counsel and various stakeholder counsel;
- c) reviewing and discussing weekly payables with Management;
- d) reviewing the Delta 9 Group's bank details and assisting the Delta 9 Group with the compilation of their budget to actual reporting for purposes of providing the same to this Honourable Court;
- e) providing a weekly update on cash flows to SNDL;
- f) working closely with the Delta 9 Group and 659 to close the 659 Transaction on February 28, 2025;
- g) working closely with the Delta 9 Group and Simply to close the Simply Transaction on February 28, 2025;
- h) distributing the Bio-Tech Proceeds to SDNL in accordance with the Distribution Order;
- i) assisting the Delta 9 Group and the Plan Sponsor to implement the Plan for Delta Parent, Lifestyle and Store (collectively, the "**Plan Entities**")

on March 4, 2025 (the "**Implementation Date**"), and administering payments from the Plan Fund; and

j) assigning ResidualCo and Logistics into bankruptcy on April 1, 2025.

UPDATE ON THE 659 AND SIMPLY TRANSACTIONS

16. On February 28, 2025, Bio-Tech completed the 659 Transaction following the satisfaction of all material conditions precedent to closing, as outlined in the 659 APA, and the payment of the purchase price to the Monitor. This Honourable Court previously granted a Sale Approval and Vesting Order on January 29, 2025, authorizing the sale of the Bio-Tech Facility to 659.
17. On February 28, 2025, Delta Parent completed the Simply Transaction upon satisfaction of all material closing conditions under the Simply SPA and payment of the purchase price to the Monitor. Following the closing of the Simply Transaction, ResidualCo was added as an Applicant, and Bio-Tech was discharged from, the CCAA Proceedings. This Honourable Court previously issued an Approval and Reverse Vesting Order on January 29, 2025, approving the sale of the Bio-Tech Shares to Simply.
18. Following the closing of the 659 and the Simply Transactions, the Monitor held approximately \$13.8 million in its bank account (the "**Bio-Tech Proceeds**"). On March 3, 2025, the Bio-Tech Proceeds were distributed to SNDL in accordance with the Distribution Order as a partial repayment of the SNDL 1L Debt.

FINAL STATEMENT OF RECEIPTS AND DISBURSEMENTS

19. The Delta 9 Group's actual cash receipts and disbursements as compared to the Updated Cash Flow Forecast presented in the Eight Report during the period of February 15, 2025 to March 4, 2025 (the "**Reporting Period**") is summarized below. The Monitor notes that the Reporting Period covers the period up to the Implementation Date. All payments made after the Implementation Date were funded from the Plan Fund and are described in further detail later in this Report.

Delta 9 Group Cash Flow Variance Analysis For the period from February 15, 2025 to March 4, 2025 \$CAD, thousands, unaudited				
	February 15, 2024 to March 4, 2025			
	Actual ¹	Forecast ²	Actual	Variance
Receipts				
Accounts Receivable - Government	2,960	108	53	(55)
Accounts Receivable - Other	5,761	333	303	(30)
Cannabis Sales	36,880	3,300	2,665	(635)
Total Receipts	45,601	3,741	3,021	(720)
Operating Disbursements				
Cannabis Product Purchases	26,652	2,170	1,540	630
Payroll and Source Deductions	9,755	379	528	(149)
Consultant Fees	179	63	-	63
Rent, Utilities and Insurance	3,980	387	415	(28)
Overholding Rent	177	-	3	(3)
Logistics, Product Treatment and Lab Testing	703	49	39	10
Production Supplies and Materials	1,340	73	57	15
SG&A Expenses	1,817	143	163	(21)
Contingency	-	15	-	15
Excise Tax Remittance	623	64	78	(14)
GST Remittance	405	160	109	51
Total Operating Disbursements	45,631	3,503	2,934	569
Net Cash Flow from Operations	(30)	239	88	(151)
Non-Operating Disbursements				
Critical Supplier Payments	90	-	-	-
Key Employee Retention Plan	105	-	-	-
Professional Fees	3,683	571	-	571
Debt Service	1,687	-	-	-
Total Non-Operating Disbursements	5,565	571	-	571
Net Cash Flow	(5,595)	(333)	88	420
Opening Cash	528	745	745	-
Net Cash Flow	(5,595)	(333)	88	420
Interim Financing Advance/(Repayment)	5,900	-	-	-
Additional Advance From Plan Sponsor	-	-	-	-
Ending Cash	833	413	833	420
Opening Interim Financing Balance	-	5,900	5,900	-
Advances	5,900	-	-	-
Repayments	-	-	-	-
Closing Interim Financing Balance	5,900	5,900	5,900	-
Opening Overholding Rent Funds Balance	-	174	174	-
Funds Held by Monitor	174	(174)	(174)	-
Closing Overholding Rent Funds Balance	174	-	-	-

(1) Actuals for the period from July 15, 2024 to March 4, 2025.

(2) Forecast period extends to the week ending March 7, 2025.

20. Over the Reporting Period, the Delta 9 Group experienced a positive cash flow variance of approximately \$420,000. The primary variances include:

- a) a negative permanent variance related to government accounts receivable collections being \$55,000 lower than originally forecasted, due to the day of the week that the Implementation Date occurred;
 - b) a negative permanent variance related to cannabis sales being \$635,000 lower than originally forecasted, due to the day of the week that the Implementation Date occurred;
 - c) a positive permanent variance related to cannabis product purchases being \$630,000 lower than originally forecasted, due to when the Implementation Date occurred in the week;
 - d) a negative permanent variance of \$149,000, related to payroll and related source deductions being higher than originally forecasted;
 - e) a negative permanent variance of \$28,000, related to rent, utilities, and insurance, due to certain utilities and insurance being higher than originally forecasted; and
 - f) a positive permanent variance of \$571,000, related to the delay in payment of professional fees, which were paid from the Plan Fund after the Implementation Date.
21. The Overholding Rent Funds held by the Monitor were released on February 28, 2025, following the closing of the 659 Transaction. These funds formed part of the Bio-Tech Proceeds and were distributed to SNDL as a partial repayment of the SNDL 1L Debt.
22. The available ending cash balance of approximately \$833,000 on March 4, 2025 was transferred to the Plan Sponsor on the Implementation Date.

PLAN IMPLEMENTATION AND ADMINISTRATION³

Plan Implementation

23. The Plan was implemented on March 4, 2025, following the completion of the steps, compromises, and releases outlined in the Restructuring Steps Supplement, including, but not limited to, the following:
- a) the Monitor confirming that it was holding funds in trust in an amount sufficient to satisfy the SDNL 1L Debt payout, the Plan Implementation Fund, the Administrative Expense Reserve, the Administration Charge and the KERP Prepayments (collectively, the "**Plan Fund**");
 - b) Delta 9 Group confirming that all of the conditions precedent to the implementation of the Plan in favour of the Delta 9 Group set out in Section 8.2 of the Plan were satisfied or waived;
 - c) the Plan Sponsor confirming that the conditions precedent to the implementation of the Plan in favour of the Plan Sponsor, as set out in Section 8.1 of the Plan were satisfied or waived;
 - d) SDNL confirming that all of the conditions precedent to the implementation of the Plan in favour of SNDL, as set out in Section 8.3 of the Plan were satisfied or waived;
 - e) the Monitor issuing the Monitor's Certificate, constituting the "Effective Time" under the Plan and confirming that all of the releases, compromises, transactions and arrangements contemplated by the Plan were deemed to be effective and binding in accordance with the sequence set out in the Restructuring Steps Supplement;

³ Capitalized terms used in this section and not otherwise defined shall have the meanings ascribed to them in the Plan.

- f) SNDL confirming that all obligations of the Delta 9 Group to SNDL existing under or in connection with the SNDL 1L Debt were deemed to be fully performed and discharged; and
 - g) the Monitor confirming that the remaining steps of the Restructuring Steps Supplement were deemed to be completed in the sequence set out in the Restructuring Steps Supplement, and that all actions and steps contemplated by the Plan, the Restructuring Steps Supplement and the Sanction Order were completed or are deemed to have been completed.
- 24. Following the implementation of the Plan, and effective as of the Implementation Date, the Administration Charge, Directors' Charge, Interim Financing Charge, KERP Charge, and Break Fee Charge were discharged from and against the assets of the Plan Entities, and the Plan Entities were discharged from the CCAA Proceedings.

Plan Administration

- 25. The Plan Fund was paid to the Monitor by the Plan Sponsor in advance of the Implementation Date. As of the date of this Report, Monitor has distributed the majority of the Plan Fund in accordance with the Plan. The table below outlines the actual receipts and disbursements in the Plan Fund during the period of March 4, 2025 to April 11, 2025 (the "**Plan Administration Period**").

Delta 9 Group - Plan Fund	
Actual Receipts and Disbursements	
For the period of March 4, 2025 to April 11, 2025	
CAD \$'s	
Receipts	
SNDL 1L Debt Payout Amount	13,103,346
Plan Implementation Fund	135,687
Administration Charge Obligations	568,940
Administrative Expense Reserve	844,786
KERP Prepayment	260,000
Total Receipts	14,912,759
Disbursements	
SNDL 1L Debt Payout	13,103,346
KERP Payment	260,000
Monitor's Fees and Costs	202,228
Monitor's Counsel's Fees and Costs	201,217
MLT's Fees and Costs	305,222
Capital Commercial Sales Commission	105,000
Convenience Creditor Distribution	64,454
Affected Creditor (Eligible Voting Creditors) Distribution	71,233
Distribution to Plan Sponsor	435,714
Total Disbursements	14,748,414
Remaining Cash in Plan Fund	164,345

26. Prior to the implementation of the Plan, the Plan Sponsor transferred approximately \$14.9 million to the Monitor, comprised of the following:

- a) \$13.1 million for the SDNL 1L Debt payout, to be used to pay the remaining debt due to SNDL;
- b) \$135,687 for the Plan Implementation Fund, to be used for the cash distributions to the Affected Creditors;
- c) \$568,940 to pay all outstanding obligations secured by the Administration Charge and payable to the Monitor, the Monitor's Counsel and MLT Aikins LLP ("**MLT**") as of the Implementation Date;
- d) \$844,786 for the Administrative Expense Reserve, to be used for any Post-Implementation Date fees and costs incurred by the Applicants, Logistics, Bio-Tech, CRA, the Monitor, the Monitor's counsel and any other person retained or engaged by the Monitor in connection with administrative estate matters; and

- e) the \$260,000 KERP Prepayment, to be used to pay the Delta 9 Group's remaining KERP obligations.

27. During the Plan Administration Period, the Monitor made the following disbursements:

- a) \$13.1 million to SNDL as payment of the remaining obligations under the SNDL 1L Debt. As previously noted, all obligations of the Delta 9 Group to SNDL have now been fully performed and discharged;
- b) \$260,000 to three key personnel on Plan Implementation, in accordance with the KERP approved by this Honourable Court on July 24, 2024. The Delta 9 Group's obligations under the KERP have now been fulfilled and no further KERP payments will be made by the Monitor;
- c) \$202,228 to the Monitor for its professional fees and costs for the period of December 30, 2024 to March 28, 2025;
- d) \$201,217 to the Monitor's Counsel for its professional fees and costs for the period of December 29, 2024 to March 31, 2025;
- e) \$305,222 to MLT, Delta 9 Group's legal counsel, for its professional fees and costs for the period of January 1, 2025 to March 4, 2025;
- f) a \$105,000 sales commission to Capital Commercial Real Estate Services Inc., who was engaged by the Monitor as a sales advisor to market and sell the Bio-Tech Facility;
- g) a \$64,454 distribution to the Convenience Creditors in accordance with the Plan, which requires the Monitor to make a payment to each Convenience Creditor on the Implementation Date equal to such Convenience Creditor's Convenience Amount, in full consideration for the irrevocable, full and final compromise and satisfaction of such Convenience Creditor's Affected Claim;

- h) a \$71,233 distribution to the Eligible Voting Creditors in accordance with the Plan, which requires the Monitor to make a cash payment to each Affected Creditor in full consideration of the irrevocable, full, and final compromise and satisfaction of such Affected Creditor's Affected Claim. The Monitor notes that, prior to Plan Implementation, MLT, Canada Revenue Agency, Robert Josephson, Uncle Sam's Cannabis Ltd., and 7217804 Manitoba Ltd. assigned their claims to the Plan Sponsor, resulting in \$678,767 being retained by the Plan Sponsor from the Plan Implementation Fund as consideration for the Plan Sponsor's portion of the cash distribution from the Creditor Cash Pool; and
 - i) a \$435,714 distribution to the Plan Sponsor for excess amounts in the Administrative Expense Reserve that are not required by the Monitor to cover remaining administrative expenses. The Plan permits the Monitor to distribute any unused portion of the Administrative Expense Reserve to the Plan Sponsor.
- 28. The Monitor has completed all cash distributions to the Affected Creditors as required by the Plan and there is approximately \$164,000 remaining in the Plan Fund as at April 11, 2025, which is entirely comprised of the Administrative Expense Reserve. These funds will be used to cover the remaining administrative expenses related to the CCAA Proceedings and the bankruptcies of ResidualCo and Logistics. Any remaining funds will be distributed to the Plan Sponsor in accordance with the Plan.

PLAN FUND FORECAST

29. The table below provides a summary of the forecast disbursements to be paid by the Monitor from the Plan Fund during the period from April 12, 2025 to the discharge of the Monitor upon filing of the Monitor's Certificate (the "**Plan Fund Forecast**").

Delta 9 Group - Plan Fund Forecast Receipts and Disbursements April 12, 2025 to Discharge CAD \$'s	
Opening Cash	164,345
<u>Disbursements</u>	
Monitor's Fees and Costs	20,000
Monitor's Counsel's Fees and Costs	15,000
ResidualCo. Bankruptcy Fees	25,000
Logistics Bankruptcy Fees	25,000
Contingency	20,000
Total Disbursements	105,000
Remaining Cash in Plan Fund	59,345

30. Total forecast disbursements of approximately \$105,000 consist of:
- a) forecast professional fees and costs of the Monitor and the Monitor's Counsel totalling approximately \$35,000, in the amounts of \$20,000 and \$15,000 respectively to complete the CCAA Proceedings, including fees and costs incurred from March 29, 2025 to April 11, 2025, but not paid;
 - b) forecast regular course bankruptcy fees and costs for ResidualCo of \$25,000;
 - c) Forecast regular course bankruptcy fees and costs for Logistics of \$25,000; and
 - d) a contingency of \$20,000 for unforeseen costs and expenditures.

31. The Monitor estimates that there will be approximately \$59,000 available for distribution to the Plan Sponsor (the "**Estimated Remaining Funds**"). The Monitor notes that the Estimated Remaining Funds are subject to the Monitor's estimates and assumptions regarding the anticipated disbursements required to conclude the CCAA Proceedings and the administration of the two bankruptcy estates. The Estimated Remaining Funds may be subject to change (increase or decrease) should the Monitor's assumptions on its forecast not materialize as expected.

RESIDUALCO & LOGISTICS BANKRUPTCIES

32. Following the Implementation Date, ResidualCo and Logistics are the only entities remaining in the CCAA Proceedings. On April 1, 2025, pursuant to the Reverse Vesting Order and BIA Section 49 of the *Bankruptcy and Insolvency Act* ("**BIA**"), the Monitor assigned each of ResidualCo and Logistics into bankruptcy.
33. A&M was appointed as the licensed insolvency trustee (the "**Trustee**") of ResidualCo and Logistics, subject to affirmation by the creditors or the substitution of another trustee by the creditors. The Trustee is completing its statutory duties under the BIA and has scheduled the first meeting of creditors for both estates on April 21, 2025.
34. There are no remaining assets in ResidualCo or Logistics. As such, the Trustee has advised the creditors that no recoveries are expected within the respective estates in the bankruptcy proceedings. Once the Trustee has fulfilled its statutory obligations under the BIA, it will seek its discharge.

APPROVAL OF PROFESSIONAL FEES AND EXPENSES

35. The Monitor and the Monitor's Counsel have rendered their invoices for their respective fees and disbursements for services in connection with the CCAA Proceedings through to March 28, 2025 for the Monitor and to March 31, 2025 for the Monitor's Counsel (the "**Invoices**") and the Monitor is now seeking approval of the Invoices from this Honourable Court. The Court has previously approved the fees and costs of the Monitor, BD&P, and Taylor McCaffrey LLP from the Filing Date up to February 8, 2025.
36. The Monitor now seeks approval from this Honourable Court of the professional fees and disbursements of each of the Monitor and BD&P for the periods of February 9, 2025 to March 28, 2025 (the "**Monitor Taxation Period**") and February 9, 2025 to March 31, 2025 (the "**BD&P Taxation Period**"), respectively.
37. The total fees and expenses of the Monitor during the Monitor Taxation Period are \$80,049 (exclusive of GST), a summary of which is included below:

Delta 9 Group							
Summary of the Monitor's Statements of Account							
For the period February 9, 2025 to March 28, 2025							
Invoice	Period	Fees	Disbursements	Subtotal	GST	PST	Total
Alvarez & Marsal Canada							
16	9-Feb-25 to 22-Feb-25	30,052	-	30,052	1,503	-	31,555
17	23-Feb-25 to 7-Mar-25	31,929	-	31,929	1,596	-	33,525
18	8-Mar-25 to 28-Mar-25	18,068	-	18,068	903	-	18,971
	Total	80,049	-	80,049	4,002	-	84,051

38. The total fees and expenses of BD&P during the BD&P Taxation Period total \$59,709 (exclusive of GST), a summary of which is included below:

Delta 9 Group							
Summary of the Monitor's Counsel's Statements of Account							
For the period February 9, 2025 to March 31, 2025							
Invoice	Period	Fees	Disbursements	Subtotal	GST	PST	Total
BD&P LLP							
203494959	9-Feb-25 to 22-Feb-25	24,071	180	24,251	1,212	-	25,462
203495113	23-Feb-25 to 28-Feb-25	17,868	-	17,868	892	-	18,760
203495504	1-Mar-25 to 31-Mar-25	17,484	107	17,591	879	-	18,471
	Total	59,422	287	59,709	2,983	-	62,693

39. The Invoices outline the date of the work completed, the description of the work completed, the length of time taken to complete the work and the name of the individual who completed the work. If necessary, copies of the Invoices will be made available to the Court upon request.
40. The Monitor and the Monitor's Counsel's estimated fees and costs to complete this engagement (March 29, 2025 to discharge) are approximately \$35,000 (the "**Forecast Fees and Costs**"), which includes fees and costs incurred from March 29, 2025 to April 11, 2025, but not paid.
41. The Monitor respectfully submits that its professional fees and disbursements and those of the Monitor's Counsel are fair and reasonable in the circumstances, given the substantive tasks required to be performed by the Monitor and the Monitor's Counsel in connection with the CCAA Proceedings, and respectfully requests that this Court approve the Monitor's Fees and Costs, the Monitor's Counsel's Fees and Costs and the Forecast Fees and Costs, without further passing of accounts by the Monitor and its legal counsel.

DISCHARGE OF THE MONITOR

42. The Monitor's administration of the estate is substantially complete, subject to the forecast disbursements to be made as set out in the Plan Fund Forecast and the proposed final distribution to the Plan Sponsor described herein. In addition, the Monitor will have some miscellaneous items to attend to subsequent to its discharge, including paying forecast disbursements, final reconciliation of accounts and completing the administrative tasks in accordance with the CCAA. The Monitor is of the view that these items are administrative in nature and should not prevent this Court from granting a conditional discharge to the Monitor.
43. The Monitor's next steps include (but are not limited to):
 - a) disbursing the funds as described in the Plan Fund Forecast;
 - b) distributing the Estimated Remaining Funds to the Plan Sponsor; and

- c) completing the administrative tasks in accordance with the CCAA.
44. Upon completion, the Monitor will file a Monitor's Certificate with the Court confirming that all outstanding matters reported in this Report have been completed. The Monitor requests that the Order of this Court provide the standard relief contemplated in the Alberta Template Discharge Order that all claims against the Monitor, its officers, directors, employees and affiliates, in connection with its appointment or the performance of its duties as Monitor to the date of this Order thereafter be stayed, extinguished and forever barred and that the Monitor, its officers, directors, employees and affiliates, shall have no obligation or liability in respect thereof except for any liability arising out of fraud, gross negligence or wilful misconduct on the part of the Monitor.
45. The Monitor respectfully requests that this Honourable Court approve the Order discharging the Monitor of its duties under the CCAA, subject to the completion of final administrative duties and the filing of the Monitor's Certificate as noted above, and the termination of these CCAA Proceedings as they relate to ResidualCo and Logistics.

CONCLUSIONS AND RECOMMENDATIONS

46. The Monitor respectfully recommends that this Honourable Court:
- a) approve the conditional discharge of the Monitor and the termination of the CCAA Proceedings for ResidualCo and Logistics;
 - b) vacate the Director's Charge, Interim Financing Charge, KERP Charge and Break Fee Charge as against ResidualCo and Logistics;
 - c) vacate the Administration Charge as against ResidualCo and Logistics once the Monitor's Certificate is filed by the Monitor to conclude the CCAA Proceedings;

- d) approve the professional fees and costs of the Monitor and the Monitor's Counsel, including the Forecast Fees and Costs, as set out in this Report and referenced in the April 23rd Application; and
- e) approve the Monitor's actions and activities as set out in the Fourth, Fifth, Seventh and Ninth Reports.

All of which is respectfully submitted this 14th day of April, 2025.

**ALVAREZ & MARSAL CANADA INC.,
in its capacity as Monitor of
2684216 Alberta Ltd. and Delta 9 Logistics Inc., and
not in its personal or corporate capacity**



Orest Konowalchuk, CPA, CA, CIRP, LIT
Senior Vice-President



David Williams, CPA, CIRP, LIT
Manager