

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.

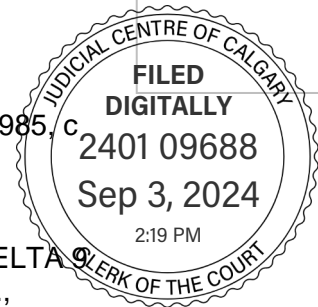
APPLICANTS DELTA 9 CANNABIS INC., DELTA 9 LOGISTICS  
INC., DELTA 9 BIO-TECH INC., DELTA 9  
LIFESTYLE CANNABIS CLINIC INC. and DELTA 9  
CANNABIS STORE INC.

DOCUMENT **APPLICATION**

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**MLT AIKINS LLP**  
Barristers and Solicitors  
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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: September 11, 2024  
Time: 2:00 p.m.  
Where: Calgary Courts Centre via WebEx Virtual Courtroom 60:  
<https://albertacourts.webex.com/meet/virtualcourtroom60>  
Before: The Honourable Justice C.D. Simard

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**”) seek the following relief:
  - (a) an Order pursuant to the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (the “**CCAA**”) substantially in the form attached hereto as **Schedule “A”** granting the following relief:
    - (i) declaring service of this Application and its supporting materials good and sufficient and, if necessary, abridging the time for notice of the Application to the time actually given;
    - (ii) extending the Stay Period (as defined in the Amended and Restated Initial Order, granted July 24, 2024 (the “**ARIO**”) by the Honourable Associate Chief Justice K. G. Nielsen up to and including November 1, 2024, or such further and other date as this Court may consider appropriate (the “**Stay Extension Order**”);
    - (iii) approving the activities, including the fees and disbursements of Alvarez & Marsal Canada Inc. (the “**Monitor**”) and its legal counsel, as set out in the Pre-Filing Report of the Proposed Monitor, dated July 12, 2024 (the “**Pre-Filing Report**”), the First Report of the Monitor, dated July 22, 2024 (the “**First Report**”), the Second Report of the Monitor, dated September 3, 2024 (the “**Second Report**”), and the Confidential Appendix to the Second Report, dated September 3, 2024 (the “**Confidential Appendix**” and together with the Pre-Filing Report, the First Report, and the Second Report, the “**Reports**”);
  - (b) an Order pursuant to Part 6, Division 4 of the Alberta *Rules of Court*, AR 124/2010 (the “**Rules**”) substantially in the form attached hereto as **Schedule “B”** sealing the Confidential Appendix to the Second Report; and
  - (c) such further and other relief as this Court may deem just and appropriate in the circumstances.

2. Capitalized terms used herein that are not otherwise defined have the meaning ascribed to them in 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**”), and the Third Affidavit of John Arbuthnot IV, sworn on September 3, 2024 (the “**Third 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 (the “**Monitor**”).
5. On July 24, 2024, the Honourable Associate Chief K.G. Nielsen granted the ARIO which, among other things, extended the initial stay period until September 15, 2024 (the “**Stay Period**”) and approved a sales investment and solicitation process (the “**SISP**”) in respect of the business and/or assets of Bio-Tech and a claims procedure order (the “**Claims Procedure Order**”).
6. Since the granting of the ARIO, the SISP Order, and the Claims Procedure Order, Delta 9 has, among other things:
  - (a) worked closely with the Monitor to conduct the SISP and the Claims Procedure;
  - (b) worked diligently with the Plan Sponsor to develop and finalize a plan of arrangement with respect to certain of the Delta 9 Applicants;
  - (c) in consultation with the Applicants, made the decision and taken steps to wind down the operations of Logistics; and
  - (d) disclaimed certain retail leases in Alberta and Manitoba which were no longer profitable.

### **Stay Extension**

7. Pursuant to the ARIO, the Stay Period is scheduled to expire on September 15, 2024.
8. The Applicants require an extension of the Stay Period until **[November 1]**, 2024 to provide stability and to provide the Applicants with sufficient time to carry out the terms of the SISP, the Claims Procedure Order and put forward a plan of arrangement for certain of the Applicants to be voted on by the affected creditors.
9. 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.
10. 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.

### **Sealing Relief and Approval of Monitor's Fees and Activities**

11. The Applicants are seeking to seal the Confidential Appendix to the Second Report which contains commercially sensitive information.
12. The Applicants are also seeking approval of the fees and activities of the Monitor incurred and undertaken to date in these CCAA proceedings. The substantive evidence and reporting on those fees and activities will be contained in the Second Report.

### **Material or evidence to be relied on:**

13. The Affidavit of John Arbuthnot IV, filed on July 15, 2024;
14. The First Supplemental Affidavit of John Arbuthnot IV, filed on July 16, 2024;
15. The Second Affidavit of John Arbuthnot IV, filed on July 18, 2024;
16. The Second Supplemental Affidavit of John Arbuthnot IV, filed on July 22, 2024;
17. The Third Affidavit of John Arbuthnot IV, to be filed;
18. The Affidavit of Mark Townsend, filed on July 22, 2024;

19. The Second Affidavit of Mark Townsend, to be filed;
20. The Pre-Filing Report of the Proposed Monitor, filed on July 12, 2024;
21. The First Report of the Monitor, filed on July 25, 2024;
22. The Second Report of the Monitor, to be filed;
23. The Confidential Appendix to the Second Report, unfiled; and
24. Such further and other materials as counsel for the Monitor or the Applicants may advise and this Honourable Court may permit.

**Applicable rules:**

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

**Applicable Acts and regulations:**

26. The *Companies' Creditors Arrangement Act*, RSC 1985, c C-36; and
27. 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:**

28. None.

**How the application is proposed to be heard or considered:**

29. By WebEx videoconference before the Honourable Justice C.D. Simard 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) : 2401 09688

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: September 11, 2024 at 2:00PM

Total: 120 Minute(s)

**Virtual Courtroom 60** has been assigned for the above noted matter:

Virtual Courtroom Link:

<https://albertacourts.webex.com/meet/virtual.courtroom60>

### 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 Stay Extension 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 **STAY EXTENSION AND APPROVAL ORDER**

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**MLT AIKINS LLP**  
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[mmcintosh@mltaikins.com](mailto:mmcintosh@mltaikins.com)  
File No. 0136555.00034

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**DATE ON WHICH ORDER WAS PRONOUNCED: SEPTEMBER 11, 2024**

**LOCATION WHERE ORDER WAS PRONOUNCED: CALGARY, ALBERTA**

**NAME OF JUSTICE WHO MADE THIS ORDER: THE HONOURABLE JUSTICE C.D.  
SIMARD**

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**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 an extension of the stay of proceedings pursuant to the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as



amended; **AND UPON** having read the Application, the Affidavit of John Arbuthnot IV, sworn on July 12, 2024 and filed on July 15, 2024, the First Supplemental Affidavit of John Arbuthnot IV, sworn on July 15, 2024 and filed on July 16, 2024, the Second Affidavit of John Arbuthnot IV, sworn and filed on July 18, 2024, the Second Supplemental Affidavit of John Arbuthnot IV, sworn and filed on July 22, 2024, the Third Affidavit of John Arbuthnot IV, sworn on September 3, 2024 and filed on September \_\_\_, 2024, the Pre-Filing Report of the Proposed Monitor, Alvarez & Marsal Canada Inc. (the "**Monitor**"), filed on July 12, 2024 (the "**Pre-Filing Report**"), the First Report of the Monitor, filed on July 25, 2024 (the "**First Report**"), the Second Report of the Monitor, filed on September \_\_\_, 2024 (the "**Second Report**"), and the Affidavit of Service of \_\_\_\_\_, sworn and filed on September \_\_\_, 2024; **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 Stay Period, as defined in paragraph 14 of the Amended and Restated Initial Order, granted on July 24, 2024 in the within proceeding, is hereby extended until and including November 1, 2024.
3. The Monitor's accounts for fees and disbursements, as set forth in the Second Report, are hereby approved.
4. The accounts of the Monitor's legal counsel, Burnet, Duckworth & Palmer LLP, for its fees and disbursements, as set forth in the Second Report, are hereby approved.
5. The Monitor's activities, actions, and conduct, as set out in the Pre-Filing Report, the First Report, and the Second Report, are hereby ratified and approved.

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The Honourable Justice C.D. Simard  
Justice of the Court of King's Bench of Alberta

**SCHEDULE "B"**

**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  
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PARTY FILING THIS  
DOCUMENT

**MLT AIKINS LLP**  
Barristers and Solicitors  
#2100 – 222 3<sup>rd</sup> Ave SW  
Calgary, AB T2P 0B4  
Attention: Ryan Zahara / Molly McIntosh  
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File No. 0136555.00034

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**DATE ON WHICH ORDER WAS PRONOUNCED: SEPTEMBER 11, 2024**

**LOCATION WHERE ORDER WAS PRONOUNCED: CALGARY, ALBERTA**

**NAME OF JUSTICE WHO MADE THIS ORDER: THE HONOURABLE JUSTICE C.D.  
SIMARD**

---

**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 a sealing order; **AND UPON**

having read the Application, the Affidavit of John Arbuthnot IV, sworn on July 12, 2024 and filed on July 15, 2024, the First Supplemental Affidavit of John Arbuthnot IV, sworn on July 15, 2024 and filed on July 16, 2024, the Second Affidavit of John Arbuthnot IV, sworn and filed on July 18, 2024, the Second Supplemental Affidavit of John Arbuthnot IV, sworn and filed on July 22, 2024, the Third Affidavit of John Arbuthnot IV, sworn on September 3, 2024 and filed on September \_\_\_\_, 2024, the Pre-Filing Report of the Proposed Monitor, Alvarez & Marsal Canada Inc. (the **"Monitor"**), filed on July 12, 2024 (the **"Pre-Filing Report"**), the First Report of the Monitor, filed on July 25, 2024 (the **"First Report"**), the Second Report of the Monitor, filed on September \_\_\_\_, 2024 (the **"Second Report"**) and the Confidential Appendix to the Second Report of the Monitor, unfiled (the **"Confidential Appendix"** and together with the Pre-Filing Report, the First Report and the Second Report, the **"Reports"**), and the Affidavit of Service of \_\_\_\_\_, sworn and filed on September \_\_\_\_, 2024; **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 Appendix shall be sealed until the earlier of: (a) completion of the Applicants' proceedings under the CCAA; (b) March 11, 2025; or (c) by further order of the Court.
3. If directed by the Court, the Applicants can provide a copy of the Confidential Appendix to the Clerk of the Court, who is hereby directed to seal any such copy of the Confidential Appendix 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 OF THE  
HONOURABLE JUSTICE C.D. SIMARD ON SEPTEMBER 11,  
2024. THESE CONFIDENTIAL DOCUMENTS ARE NOT TO BE  
ACCESSED BY ANY PERSON UNLESS OR UNTIL THE EARLIER  
OF: (a) COMPLETION OF THE APPLICANTS' PROCEEDINGS  
UNDER THE CCAA; (b) MARCH 11, 2025; OR (c) FURTHER

ORDER OF THE COURT.

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The Honourable Justice C.D. Simard  
Justice of the Court of King's Bench of Alberta