

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

Clerk Stamp:

PROCEEDING

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.

DOCUMENT

**APPLICATION TO DISTRIBUTE FUNDS**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS DOCUMENT

**Burnet, Duckworth & Palmer LLP**

2400, 525 - 8 Avenue SW

Calgary, Alberta T2P 1G1

Lawyer: David LeGeyt / Ryan Algar

Phone Number: (403) 260-0210 / 0126

Fax Number: (403) 260-0332

Email address: dlegeyt@bdplaw.com / ralgar@bdplaw.com

File no.: 64793-7

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

You have the right to state your side of the matter before a master/judge.

The application will be heard as shown below:

**DATE:** February 11, 2025

**TIME:** 2:00 PM

**WHERE:** Calgary Courts Centre – Via Webex

**BEFORE WHOM:** The Honourable Justice C.D. Simard

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

**Remedy claimed or sought:**

1. Alvarez & Marsal Canada Inc. ("**A&M**"), in its capacity as court-appointed monitor (the "**Monitor**") 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 Logistics, Bio-Tech, and Lifestyle, the "**Debtors**" or "**Delta 9**") respectfully seeks an Order substantially in the form attached as **Schedule "A"** (a "**Distribution Order**"):
  - (a) declaring that the time for service of this Application and supporting materials is valid and sufficient;
  - (b) authorizing the Monitor to make the distributions as set forth in the Monitor's Seventh Report dated February 3, 2025 (the "**Seventh Report**"); and
  - (c) such further and other relief, advice and directions as counsel may advise and this Honourable Court may deem just and appropriate.
2. Capitalized terms used herein that are not otherwise defined have the meaning ascribed to them in the Seventh Report.

**Grounds for making this Application:**

3. The Delta 9 Group 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 Canada Revenue Agency pursuant to the *Cannabis Act* and *Excise Act*, respectively.
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 A&M as the Monitor of the Debtors.
5. On July 24, 2024, the Honourable Associate Chief K.G. Nielsen granted the Amended and Restated Initial Order (the "**ARIO**") which, among other things, extended the initial stay period until September 15, 2024 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. On September 11, 2024, the Honourable Justice C. D. Simard granted the first Stay Extension Order, extending the stay of proceedings pursuant to the ARIO up to and including November 1, 2024.
7. On November 1, 2024, the Honourable Justice M.A. Marion granted the second Stay Extension Order, further extending the stay period pursuant to the ARIO up to and including January 31, 2024.
8. On January 29, 2025, the Honourable Justice M.A. Marion granted a series of orders:
  - (a) extending the Stay up to and including February 28, 2025;
  - (b) approving the Plan Sanction Order proposed by the Debtors;
  - (c) approving the sale approval and vesting order in respect of an Asset Purchase Agreement between Bio-Tech and 6599362 Canada Ltd. ("**659**") (the "**659 APA**" or "**659 Transaction**") and the transactions contemplated therein; and
  - (d) approving the sale and reverse vesting order in respect of a Share Purchase Agreement between D9 Parent, Bio-Tech and Simply Solventless Concentrates Ltd. ("**Simply**") (the "**Simply SPA**" or "**Simply Transaction**") and the transactions contemplated therein.
9. The Monitor has prepared the Seventh Report in connection with, among other things, its Application for a distribution order.

### **DISTRIBUBUTION ORDER**

10. The Monitor's legal counsel has completed a security review outlining the security held by SNDL against Bio-Tech (the "**Security Opinion**"). The Security Opinion, subject to customary qualifications, limitations, and assumptions, confirms that SNDL holds a valid and enforceable first charge security against the Debtors' assets that have been or are proposed to be realized upon.
11. With the exception of the potential claims under apart from the Administration Charge, which will be satisfied in respect of the Plan Entities upon Plan Implementation, the Monitor is not aware of any other claimant that ranks in priority to the SNDL Security.

12. Accordingly, the Monitor requests authorization and direction from this Honourable Court to distribute proceeds from the 659 Transaction and the Simply Transaction to SNDL.

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

13. All pleadings and proceedings filed in the within action, including the Seventh Report.
14. The proposed form of Distribution Order.
15. The inherent jurisdiction of this Honourable Court to control its own process.
16. Such further and other material and evidence as counsel may advise and this Honourable Court may permit.

**Applicable rules:**

17. Rules 1.3, 6.3(1), 6.29, 6.47(e) and (f), 6.9(l)(a), 11.27, 11.29, 13.5, and such further and other Rules as counsel may advise and that this Honourable Court may permit.

**Applicable Acts and regulations:**

18. The CCAA, as amended, and such other Rules, Acts and Regulations as counsel may advise and that this Honourable Court may permit.

**Any irregularity complained of or objection relied on:**

19. None.

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

20. Before Justice C.D. Simard on the Commercial List, via Webex.

**AFFIDAVIT EVIDENCE IS REQUIRED IF YOU WISH TO OBJECT.**

**WARNING**

If you do not come to Court either in person or by your lawyer, the Court may give the Applicant(s) 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 rely on an affidavit or other evidence when the Application is heard or considered, you must reply by giving reasonable notice of the materials to the Applicant.

**SCHEDULE "A"**  
**DRAFT DISTRIBUTION ORDER**

See Attached

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COURT COURT OF KING'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY

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PROCEEDING 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.

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**DISTRIBUTION ORDER**

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF PARTY  
FILING THIS DOCUMENT

**Burnet, Duckworth & Palmer LLP**  
2400, 525 - 8 Avenue SW  
Calgary, Alberta T2P 1G1  
Lawyer: David LeGeyt / Ryan Algar  
Phone Number: (403) 260-0210 / 0126  
Fax Number: (403) 260-0332  
Email address: dlegeyt@bdplaw.com / ralgar@bdplaw.com  
File no.: 64793-7

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**DATE ON WHICH ORDER WAS PRONOUNCED:** February 11, 2025

**LOCATION OF HEARING OR TRIAL:** Calgary, Alberta

**JUSTICE WHO MADE THIS ORDER:** The Honourable Justice C.D. Simard

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**UPON THE APPLICATION** of Alvarez & Marsal Canada Inc. ("**A&M**"), in its capacity as court-appointed monitor (the "**Monitor**") 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 Logistics, Bio-Tech, and Lifestyle, "**Delta 9**" or the "**Debtors**") for an order approving an interim distribution to SNDL Inc. ("**SNDL**"); **AND UPON** reviewing the Initial Order of the Honourable Justice D.R. Mah dated July 15, 2024, as amended and restated by the order of the Honourable Justice K.G. Nielsen dated July 24, 2025; **AND UPON** reviewing the Plan Sanction Order of the Honourable Justice

M.A. Marion dated January 10, 2025; **AND UPON** reviewing the Approval and Reverse Vesting Order of the Honourable Justice M.A. Marion dated January 10, 2025; **AND UPON** reviewing the reviewing the Sale and Vesting Order of the Honourable Justice M.A. Marion dated January 10, 2025; **AND UPON** reviewing the seventh report of the Monitor dated February 3, 2025 (the "**Seventh Report**"); **AND UPON** hearing from counsel for the Monitor, the Debtors and any other interested parties present; **IT IS HEREBY ORDERED AND DECLARED THAT:**

#### **SERVICE**

1. 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.
2. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Seventh Report.

#### **DISTRIBUTION**

3. The Monitor is hereby authorized and directed to make the distributions to SNDL Inc. ("**SNDL**") as set out in the Seventh Report.
4. The Monitor is authorized and empowered to do such things, and execute and deliver such additional, related and ancillary documents and assurances governing or giving effect to the distribution, which in the Monitor's discretion, are reasonably necessary or advisable to properly give effect to the distribution or this Order.



5. This Order shall be posted on the Monitor's Website at <https://www.alvarezandmarsal.com/Delta9> and only be required to be served on the parties on the Service List and those parties who appeared at the hearing of the motion for this Distribution Order. Service may be effected by facsimile, electronic mail, personal delivery or courier.

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Justice of the Court of King's Bench of Alberta