	Clerk's Stamp:
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 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.
APPLICANT	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:	**BENCH BRIEF OF THE APPLICANT (SANCTION 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: 403.693.5420/780-969-3501 Attention: Ryan Zahara/Molly McIntosh Email: rzahara@mltaikins.com mmcintosh@mltaikins.com File: 136555-34

APPLICATION BEFORE THE HONOURABLE JUSTICE M.A. MARION

TO BE HELD ON JANUARY 10, 2024 AT 10:00 A.M. ON THE COMMERCIAL LIST

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I. OVERVIEW

1. This Brief is submitted on behalf of Delta 9 Cannabis Inc. ("**D9 Parent**"), Delta 9 Logistics Inc. ("**Logistics**"), Delta 9 Bio-Tech Inc. ("**Bio-Tech**"), Delta 9 Lifestyle Cannabis Inc. ("**Lifestyle**"), and Delta 9 Cannabis Store Inc. ("**Store**", and together with D9 Parent, Logistics, Bio-Tech, and Lifestyle, the "**Delta 9 Group**" or the "**Applicants**"), in support of their application for an Order:

    a. sanctioning the Plan of Compromise and Arrangement, dated November 25, 2024 (the "**Plan**"); and

    b. extending the Stay Period (defined below) up to and including February 28, 2025.

2. The Plan was voted on at the Meeting (defined below) on December 20, 2024 and approved by the requisite majority. The Plan meets the statutory requirements of the CCAA, is fair and reasonable, and ought to be sanctioned and approved.

3. Approving the extension of the Stay Period is in the best interest of all stakeholders as it will provide the Applicants and the Monitor with the time and space required to affect a successful compromise and emerge as a sustainable operation.

II. FACTUAL BACKGROUND

4. The facts and background for the Application are set out more fully in the Sixth Affidavit of John Arbuthnot IV, sworn on December 30, 2024 (the "**Sixth Affidavit**"), the Fifth Report of the Monitor, dated November 26, 2024 (the "**Fifth Report**"), the Monitor's Report to the Creditors dated December 11, 2024, and the Sixth Report of the Monitor, dated January 3, 2025 (the "**Sixth Report**") and are summarized below.

5. Capitalized terms used herein that are not otherwise defined have the meaning ascribed to them in the Plan.

A. Status of the *CCAA* Proceedings

6. On July 15, 2024 (the "**Filing Date**"), the Delta 9 Group sought and obtained an order (the "**Initial Order**") under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as

amended (the "***CCAA***"). Pursuant to the Initial Order, Alvarez & Marsal Canada Inc. was appointed monitor (the "**Monitor**") of the Applicants.[1]

7. On July 24, 2024, the Honourable Associate Chief Justice 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.[2]

8. Also on July 24, 2024, the Court granted:

   a. an Order approving a sales investment and solicitation process (the "**SISP**") in respect of the business and/or assets of Bio-Tech (the "**Bio-Tech SISP Order**");[3] and

   b. an Order approving a claims procedure with respect to the Applicants (the "**Claim Procedure**").[4]

9. On December 2, 2024, the Honourable Justice R. W. Armstrong granted an Order (the "**Meeting Order**") that, among other things: (a) accepted the Plan for filing; (b) authorized the Applicants to hold, and present the Plan to Affected Creditors (defined below) at, a meeting of the Affected Creditors to be held on December 20, 2024 (the "**Meeting**"); and (c) subject to approval of the Plan by Affected Creditors at the Meeting, authorized the Applicants to make an application to the Court on January 10, 2025 seeking an Order sanctioning the Plan.[5]

B. Notice to Affected Creditors and the Meeting

10. On December 4, 2024, in accordance with the Meeting Order, the Monitor sent copies of the Meeting Materials to the Service List and on December 5, 2024, the Monitor sent copies of the Meeting Order and the Meeting Materials to each Affected Creditor at the address set out in such Affected Creditor's Proof of Claim.[6]

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[1] Initial Order, dated July 15, 2024.
[2] Amended and Restated Initial Order, dated July 24, 2024
[3] Sales and Investment Solicitation Process Order, dated July 24, 2024.
[4] Claims Procedure Order, dated July 24, 2024.
[5] Meeting Order, dated December 2, 2024.
[6] Sixth Report at para 23.

11. As set out in the Meeting Order, Affected Creditors were authorized to vote by proxy by way of the Affected Creditor Proxy Form. Prior to the Meeting, the Monitor counted the votes cast by proxy.[7]

12. At 10:00 a.m. MST on December 20, 2024, the Meeting was held in accordance with the Meeting Order.[8]

13. As set out in the Meeting Order, there was only a single class of creditors (the "**Affected Creditors**") entitled to vote on the Plan. In summary, the Plan was approved by 97% of the Affected Creditors who voted, representing 97% of the total value of the Affected Creditors who voted.[9]

14. There are two Proofs of Claim pursuant to the Claims Process Order, pertaining to Bio-Tech, totalling approximately $3.2 million, which remain under review as of January 3, 2025. [10]

C. Plan and Plan Implementation

15. The purpose of the Plan is to:

    a. facilitate and implement the restructuring of the Plan Entities in accordance with the Restructuring Term Sheet;

    b. effect a compromise, settlement, release and discharge of all Affected Claims in exchange for distributions to Affected Creditors; and

    c. ensure the continuation of the Plan Entities and their retail operations for the benefit of all stakeholders.[11]

16. Pursuant to the Plan, the Plan Sponsor shall acquire 100% of the issued and outstanding equity of the Plan Entities.

17. Store and Lifestyle will continue as normal and without disruption following the implementation of the Plan and unless otherwise required by the Plan or agreed to in writing between the Plan Sponsor and the applicable employee, all employment

[7] Sixth Report at para 26.
[8] Sixth Report at para 27.
[9] Sixth Report at para 29.
[10] Sixth Report at para 22.
[11] Fifth Report of the Monitor, dated November 26, 2024 (the "**Fifth Report**") at para 30.

agreements that have not been disclaimed prior to the Implementation Date will remain in place.

18. The Plan will result in considerably greater recoveries for all Affected Creditors than would be achieved in a liquidation scenario, wherein the Affected Creditors would not receive any recoveries at all.

19. The Plan contemplates that Affected Creditors shall receive distributions, comprised as follows:

    a. Allowed Affected Claims that have made a Convenience Election shall receive a cash payment equal to the Convenience Amount (being less than or equal to $4,000); and

    b. Eligible Voting Creditors with Allowed Affected Claims that do not constitute Convenience Claims shall receive a *pro rata* Cash Payment from the Creditor Cash Pool (being in the total amount of $750,000) and a Creditor Equity Payment from the Creditor Equity Pool (being 270,270 Class "A" Voting common shares in the capital of the Plan Sponsor).[12]

20. The Plan does not affect the following Claims (the "**Unaffected Claims**"):

    a. Claims against Bio-Tech;

    b. Claims against Logistics;

    c. Post-Filing Claims;

    d. Crown Claims;

    e. Secured Claims included the SNDL Claims;

    f. Claims secured by a Charge;

    g. Employee Priority Claims;

    h. Intercompany Claims;

    i. D&O Claims that cannot be compromised pursuant to section 5.1(2) of the CCAA; and

[12] Fifth Report at para 31.

j. Claims that cannot be compromised pursuant to section 19(2) of the CCAA.[13]

21. Those with Unaffected Claims were not entitled to vote and are not entitled to receive any distribution under the Plan in respect of such Unaffected Claims.

22. The Plan contemplates that the Unaffected Claims, with the exception of the Claims against Bio-Tech and Logistics (which remain and are unaffected by the Plan), will be paid in full or otherwise addressed pursuant to arrangements negotiated amongst the applicable parties, as follows:

a. all Crown Claims outstanding as of the Filing Date, if any, shall be paid by the applicable Plan Entity;

b. all Post-Filing Claims outstanding at the Implementation Date, if any, shall be paid by the applicable Applicant in the ordinary course;

c. on or before the Implementation Date, the SNDL 1 Claim will be repaid in full and all obligations thereunder will be fully performed;

d. with respect to the Disputed Amount of the SNDL 2 Claim, the portion of the Disputed Amount that is found to be due and payable to SNDL, if any, by the Court (which is scheduled to be heard subsequent to the within Application), will be repaid in full (or sufficient amounts paid to the Monitor in trust pending a determination by the Court) and all obligations thereunder will be fully performed;

e. with respect to the Charges:

i. all outstanding amounts secured by the Interim Lender's Charge shall remain in place, unaffected by the Plan, and the Interim Lender's Charge shall be discharged from and against any and all assets of the Plan Entities and the Plan Implementation Fund;

ii. the Plan Sponsor shall pay the KERP Prepayment to the Monitor, upon which the KERP Charge shall be fully and finally satisfied and discharged from and against any and all assets of the Plan Entities and the Plan Implementation Fund;

[13] Fifth Report at para 31(b), Plan at section 3.6.

iii. the Plan Sponsor Protection Charge shall be fully and finally satisfied and discharged from and against any and all assets of the Plan Entities and the Plan Implementation Fund; and

iv. the Plan Sponsor shall pay all outstanding obligations, liabilities, fees and disbursements secured by the Administration Charge as at the Implementation Date and upon payment of same, the Administration Charge shall be fully and finally satisfied and discharged from and against any and all assets of the Plan Entities and the Plan Implementation Fund; and

f. all Employee Priority Claims due and accrued to the Implementation Date shall be paid by the applicable Plan Entities;

g. all Intercompany Claims shall be preserved or extinguished at the election of the Plan Sponsor, as it deems fit; and

h. all D&O Claims (except for those that cannot be compromised under section 5.1(2) of the CCAA) shall be fully, finally, and irrevocably compromised, released, discharged, cancelled, extinguished and barred and the Directors Charge shall be fully and finally discharged from and against the Plan Implementation Fund.[14]

D. The Release Provisions of the Plan

23. Section 9.2 of the Plan contains a release in favour of: (i) the Plan Entities; (ii) the past and current employees, legal and financial advisors, and other representatives of the Plan Entities; (iii) Directors & Officers; (iv) the Monitor and its legal advisors; (v) the Plan Sponsor; and (vi) any other Person who is the beneficiary of a release under the Plan (collectively, the "**Released Parties**").

24. The releases are tied to claims that are to be compromised pursuant to the Plan and cover matters in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date relating to, arising out of, or in connection with any Claim, including any Claim arising out of: (i) the restructuring, disclaimer, resiliation, breach or termination of any contract, lease, agreement or other

[14] Fifth Report at paras 29 to 36.

arrangement, whether written or oral, by the Applicants; (ii) the business of the Plan Entities; (iii) the Plan, including any transaction reference in and relating to the Plan; and (iv) the CCAA Proceedings (collectively, the "**Released Claims**").[15]

25. Approval of the Plan, which includes the releases, is a condition precedent to implementation of the Plan.

26. The Released Parties include the Plan Sponsor, who, has agreed to:

    a. acquire 100% of the shares of D9 Parent for total consideration compromised of, among other things: (i) release or satisfaction of the Charges; and (ii) payment of the SNDL Debt; and

    b. establish the Creditor Cash Pool (in the amount of $750,0000) and issue 270,270 Class "A" voting common shares in the capital of the Plan Sponsor to be distributed *pro rata* among the Eligible Voting Creditors.[16]

27. The Applicants have been entirely reliant on funding ultimately provided by the Plan Sponsor to fund working capital, as well as the costs of these CCAA proceedings and without such funding, would not have sufficient liquidity to continue operations or fund the CCAA proceedings.[17]

28. The Directors and Officers of the Plan Entities, legal counsel to the Plan Entities, and the Monitor and its legal counsel are Released Parties and they have contributed their expertise to assist with structuring and negotiation of the Plan, in addition to providing general services and, in the case of legal counsel to the Plan Entities, the Monitor, and its legal counsel, advice and direction to the Plan Entities throughout these proceedings.

29. The Released Parties have made significant and often critical contributions to the development and implementation of Plan Entities restructuring and the Plan. The services, expertise, and financial contribution of the Released Parties were and are necessary for the ultimate success of the Plan.

30. The Released Parties have worked diligently toward ensuring the implementation and restructuring of the Plan Entities for the benefit of its stakeholders and such efforts have resulted in approval of the Plan by the Affected Creditors and its concomitant recoveries

[15] Fifth Report at para 31(g); Plan at Article 9.
[16] Fifth Report at para 31.
[17] Third Report of the Monitor, dated October 29, 2024 at paras 89 to 91.

for Affected Creditors. If the Plan is sanctioned and implemented, the Plan Entities going concern value will be preserved for all stakeholders.

31. Insofar as the releases relate to the Monitor, the Monitor has carried out its mandate professionally, has been integral to the development of the Plan, and will be administering certain distributions contemplated under the Plan.

32. The Monitor has reviewed the Releases and supports their Approval.

33. The release provisions have been fully disclosed to the Affected Creditors in the Plan. No party as of the date of this Brief has raised any concern with the Plan Entities regarding the proposed releases.

34. The Monitor is supportive of the Plan and is of the view that the Plan Entities have pursued the Plan with due diligence and good faith. The Monitor concludes that the Plan will result in recoveries to Affected Creditors greater than would be received in a liquidation.

III. ISSUES

35. The issues to be determined by the Court are whether:

a. the Plan should be sanctioned; and

b. the Stay Period should be extended.

IV. LAW AND ARGUMENT

A. The Plan Should be Sanctioned

36. This Honourable Court has jurisdiction pursuant to section 6(1) of the CCAA to sanction a plan of compromise or arrangement if a majority in number representing two-thirds in value of the creditors present and voting at a meeting of creditors has approved the Plan.[18]

37. The Plan was approved by the required majority of the Affected Creditors representing two thirds in value and fifty percent in number, voting at the Meeting in person and by proxy. As such, the test to be applied for Court approval of the Plan is well established:

a. there must be strict compliance with all statutory requirements;

[18] *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, s 6(1).

b. all material filed and procedures carried out must be examined to determine if anything has been done or purported to be done which is not authorized by the CCAA; and

c. the Plan must be fair and reasonable.[19]

(1) The Plan Entities Have Complied with the Statutory Requirements

38. When considering if the applicant has complied with all statutory requirements under the CCAA, the Court may consider whether:

a. the plan entities come within the definition of a "debtor company" under section 2(1) of the CCAA;

b. the applicant has total claims in excess of $5,000,000;

c. the creditors were properly classified;

d. the notice of meeting was sent in accordance with the Meeting Order;

e. the meeting was properly constituted;

f. the voting was properly carried out; and

g. the plan was approved by the requisite majorities.[20]

39. This Court determined, at the time it granted the Initial Order, that the Plan Entities came within the definition of "debtor company" under section 2(1) of the CCAA. As the Claims Process has confirmed, the Plan Entities (as affiliated debtor companies) have total aggregate claims well in excess of $5,000,000.[21]

40. In addition, the Plan complies with the statutory requirements set out in section 6(3), 6(5), and 6(6) of the CCAA.

41. There was only a single class of creditors (the Affected Creditors) entitled to vote on the Plan.[22] This was appropriate as all the Affected Creditors hold unsecured claims against

[19] *Laurentian University of Sudbury,* 2022 ONSC 5645 [***Laurentian***] at para 23; *Bul River Mineral Corp*, *Re,* 2015 BCSC 113 at para 40, citing *Canwest Global Communication Corp, Re,* 2010 ONSC 4209 at para 14.
[20] *Laurentian* at para 24.
[21] Fifth Report at para 22.
[22] Fifth Report at para 31.

the Applicants, the nature and rank of the Affected Creditors is the same, and the remedies available to the Affected Creditors are the same.

42. The Meeting was properly constituted, and the voting carried out, in accordance with the Meeting Order.[23]

(2) The Plan is Fair and Reasonable

43. Perfection is not required when assessing whether a plan is fair and reasonable; rather, in assessing the fairness and reasonableness of the Plan, this Court should consider the relative degree of prejudice that would flow if the relief sought was granted or refused, and whether the Plan represents a reasonable and fair balancing of interests in light of the other commercial alternatives available.[24]

44. In doing so, the Court may consider the following factors:

a. whether the claims were properly classified and whether the requisite majorities of creditors approved the Plan;

b. what creditors would receive in a bankruptcy or liquidation as compared to the Plan;

c. alternatives available to the Plan and bankruptcy;

d. oppression of the rights of creditors;

e. unfairness to shareholders; and

f. the public interest.[25]

45. The Plan is fair and reasonable, given that:

a. the Claims of Affected Creditors were properly classified, and the requisite majority of Affected Creditors approved the Plan;

b. the Monitor has completed a liquidation analysis to determine potential recoveries in a scenario where the Plan Entities became bankrupt and has estimated that in such a scenario, there would be no recovery to the Affected Creditors;

[23] Sixth Report at para 27.
[24] *Laurentian* at para 31.
[25] *Laurentian* at para 32.

c. the Plan treats all Affected Creditors equally in terms of treatment under the Plan and distributions under the Plan, and the only persons that receive different treatment are creditors holding Unaffected Claims (which must be treated differently than the Affected Creditors due to the factual or legal nature of their claims); and

d. the Plan will advance, preserve, and protect the Plan Entities' retail operations while providing a recovery to stakeholders that would not otherwise be available to them.[26]

46. Accordingly, all these factors weigh in favour of sanctioning the Plan. It fulfills the principal goal of the CCAA proceedings: it effects a going concern restructuring of the Plan Entities as ongoing businesses. As well, the Plan provides for significant recoveries to holders of Affected Claims. The Plan will also allow the Affected Creditors to obtain part of their payment of their claim by the issuance of the Creditor Equity Payment. This gives the opportunity to any Affected Creditor to not just receive a payment for a portion of its claim but participate in the Plan Sponsor's business going forward and potentially share in any "upside" of that business.

47. The Court's discretion should be informed by the objectives of the CCAA, namely to facilitate the reorganization of a debtor company for the benefit of the company, its creditors, employees and in many instances, a much broader constituency of affected persons. Parliament has recognized that reorganization, if commercially feasible, is in most cases preferable, economically and socially, to liquidation.[27]

48. An important measure of whether a plan is fair and reasonable is the degree to which it is supported by the creditors and the relevant stakeholders of the debtor company. This support, which reflects the business judgment of the participants that their interests are treated equitably under the Plan, creates an inference that the arrangement is fair and reasonable to those who may be affected by it. The Court should be reluctant to interfere with the business decisions of creditors reached as a body.[28] The creditors and the relevant stakeholders overwhelming voted in favor of the Plan.

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[26] Fifth Report at para 46, 50, and 54
[27] *Canadian Airlines Corp., Re,* 2000 ABQB 442 [***Canadian Airlines***] at paras 95 and 97.
[28] *ibid.*

49. The Plan represents a negotiated compromise between the Plan Entities and their stakeholders. No alternatives to the Plan have been proposed, much less alternatives that would achieve the positive outcomes available under the Plan.

50. The classification of creditors for voting purposes was unopposed and the Plan was approved by the Requisite Majority of Affected Creditors and was approved by 97% of the Affected Creditors voting on the Plan in person and by proxy.

51. Finally, the Plan furthers the public interest by preserving the Plan Entities enterprise value, allowing the business to continue as a going concern while ensuring material recoveries for Affected Creditors[29] and given Affected Creditors the opportunity to participate in any "upside" associated with the restructured Plan Entities through the distributions out of the Creditor Equity Pool.

(3) The Releases Should be Granted

52. The Releases contemplated in the Plan are standard in CCAA plans of arrangement and should be granted. If sanctioned, the Plan would provide releases for a number of parties as outlined above. The Releases are necessary to bring finality and certainty to these CCAA proceedings.

53. The CCAA does not expressly provide for the granting of third-party releases. However, it is well established that CCAA courts have jurisdiction to sanction plans containing third-party releases. As stated by the Ontario Court of Appeal in *Metcalfe & Mansfield Alternative Investments II Corp, Re,* "the open-ended CCAA permits third-party releases that are reasonably related to the restructuring at issue because they are encouraged in the comprehensive terms 'compromise' and 'arrangement' and because of the double-voting majority and court-sanctioning statutory mechanism that makes them binding on unwilling creditors."[30]

54. In considering whether to approve releases in CCAA proceedings, including third-party releases, Courts have considered a number of factors, including whether:

    a. the released claims are rationally connected to the purpose of the plan;

    b. the plan can succeed without the releases;

[29] Second Report, at para 43.
[30] *Metcalfe & Mansfield Alternative Investments II Corp, Re,* 2008 ONCA 587 [***Metcalfe & Mansfield***] at para 78.

c. whether the parties being released contributed to the plan;

d. whether the releases benefit the debtors as well as the creditors generally;

e. whether the creditors voting on the plan have knowledge of the nature and the effect of the releases; and

f. whether the releases are fair, reasonable, and not overly-broad.[31]

55. The releases contemplated in Article 9 of the Plan should be approved, given that:

a. the Released Claims are rationally connected to the purpose of the Plan, they cover matters relating to, arising out of or in connection with any Claim, including any Claim arising out of: (i) the restructuring, disclaimer, resiliation, breach or termination of any contract, lease, agreement or other arrangement, whether written or oral, entered into by the Plan Entities; (ii) the Plan and any other transactions referenced in and relating to the Plan; and (iii) the CCAA proceedings;

b. approval of the Plan, which includes the releases, is a condition precedent to the implementation of the Plan;

c. each of the Released Parties have made important critical contributions to the development and implementation of the Plan Entities' restructuring and the Plan; the services, expertise and financial contribution of the Released Parties were and are necessary for the ultimate success of the Plan;

d. the restructuring of the Plan Entities and the Plan which will advance, preserve and protect the business and retail operations of the Plan Entities and provide a recovery to stakeholders that would not otherwise be available to them;

e. the Releases ensure that all stakeholders in these CCAA proceedings have certainty and finality about their liabilities at the conclusion of the Plan Entities successful restructuring; and

f. the release provisions have been fully disclosed to the Affected Creditors in the Plan and no party has raised any concern regarding the proposed releases.[32]

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[31] *Laurentian* at para 40, citing *Lydian International Limited (Re),* 2020 ONSC 4006 [***Lydian***] at para 54; *Metcalfe & Mansfield* at paras 70 to 71.
[32] Sixth Report at para 69.

56. Canadian Courts have exercised their authority to grant similar releases, including in circumstances where the released claims included claims of parties who did not vote on the plan and were not eligible to receive distributions.[33]

57. The Applicants respectfully submit that, based on the significant contributions of the Released Parties, the proposed releases are fair and reasonable in the circumstances, and that the contributions made by the Released Parties were and are critical to design, negotiation, implementation, and successful approval of the Plan.

B. The Stay Period Should be Extended

58. Pursuant to section 11.02(2) of the CCAA, a debtor company may apply for an extension of the stay of proceedings for a period of time that the Court considers necessary on any terms that it may impose.[34]

59. Section 11.02(3) of the CCAA provides that the Court shall not make an order extending the stay unless it is satisfied that: (a) circumstances exist that make the order appropriate; and (b) the debtor company has acted and is acting in good faith and with due diligence.[35]

60. The Applicants, with the support of the Monitor, seek an extension of the Stay Period from January 31, 2025 until February 28, 2025.

61. The Applicants have acted and continue to act in good faith and with due diligence, including by taking steps to advance the restructuring. Since the granting of the Second Stay Extension, the Applicants have taken the following steps to advance the restructuring including, but not limited to:

    a. negotiating and finalizing the Plan;

    b. negotiating further transactions in respect of the business and/or assets of Bio-Tech;

    c. continuing to wind down the operations of Logistics;

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[33] *Target Canada Co et al,* CV-15-10832-00CL, Sanction and Vesting Order, granted on June 2, 2016 (ONSC) at para 29 and Article 7 of the Plan; *Rubicon Minerals Corporation et al,* CV-16-115666-00CL, Sanction Order, granted on December 8, 2016 (ONSC) at para 20 and Article 7 of the Plan; *Lydian* at paras 50 to 64 and *Lydian International Limited et al*, CV-19-00633392-00CL, Order re: Plan Sanction and Implementation, granted on June 29, 2020 at para 14 and 15*; Green Relief Inc, Re,* 2020 ONSC 6837 at para 76 and CV-20-00639217-00CL (ONSC), Approval and Vesting Order, granted on November 9, 2020 at para 24; *Tacora Resources Inc, Re,* 2024 ONSC 4436 at paras 17 to 26 and CV-23-00707394-00CL, Approval and Reverse Vesting Order, granted on July 26, 2024 at para 26;
[34] CCAA, s 11.02(2).
[35] CCAA, s 11.02(3).

d. holding the Meeting; and

e. finalizing the Sanction and Extension Order.[36]

62. It is appropriate to extend the Stay Period in the circumstances to enable the Applicants to implement the Plan, complete the transactions contemplated thereunder, and conclude their restructuring.

V. RELIEF SOUGHT

63. The Applicants submit that they have met all of the qualifications required to obtain the requested relief and respectfully request that this Court grant the proposed form of Sanction and Stay Extension Order.

ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS 6th DAY OF JANUARY, 2025.

MLT AIKINS LLP

Ryan Zahara/Molly McIntosh
Counsel for the Delta 9 Group

[36] Sixth Arbuthnot Affidavit at para 18.

LIST OF AUTHORITIES

A. Legislation

1. *Companies' Creditors Arrangement Act*, RSC 1985, c C-36

B. Case Law

2. *Laurentian University of Sudbury*, 2022 ONSC 5645
3. *Bul River Mineral Corp*, *Re*, 2015 BCSC 113
4. *Canwest Global Communication Corp, Re*, 2010 ONSC 4209
5. *Canadian Airlines Corp., Re*, 2000 ABQB 442
6. *Metcalfe & Mansfield Alternative Investments II Corp, Re*, 2008 ONCA 587
7. *Lydian International Limited (Re)*, 2020 ONSC 4006
8. *Green Relief Inc, Re*, 2020 ONSC 6837
9. *Tacora Resources Inc, Re*, 2024 ONSC 4436

C. Court Orders

10. *Target Canada Co et al,* CV-15-10832-00CL, Sanction and Vesting Order, granted on June 2, 2016 (ONSC)
11. *Rubicon Minerals Corporation et al,* CV-16-115666-00CL, Sanction Order, granted on December 8, 2016 (ONSC);
12. *Lydian International Limited et al*, CV-19-00633392-00CL, Order re: Plan Sanction and Implementation, granted on June 29, 2020 (ONSC);
13. *Green Relief Inc, Re,* CV-20-00639217-00CL (ONSC), Approval and Vesting Order, granted on November 9, 2020 (ONSC);
14. *Tacora Resources Inc, Re,* CV-23-00707394-00CL, Approval and Reverse Vesting Order, granted on July 26, 2024