

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 **SALE APPROVAL AND VESTING ORDER**

ADDRESS FOR SERVICE **MLT AIKINS LLP**
AND CONTACT Barristers and Solicitors
INFORMATION OF #2100 – 222 3rd Ave SW
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File No. 0136555.00034

DATE ON WHICH ORDER WAS PRONOUNCED: JANUARY 10, 2024
LOCATION WHERE ORDER WAS PRONOUNCED: EDMONTON, ALBERTA
NAME OF JUSTICE WHO MADE THIS ORDER: JUSTICE M.A. MARION

UPON THE APPLICATION of Delta 9 Cannabis Inc. ("**Delta 9**"), Delta 9 Logistics Inc. ("**Logistics**"), Delta 9 Bio-Tech Inc. ("**Bio-Tech**"), Delta 9 Lifestyle Cannabis Store Inc. ("**Lifestyle**") and Delta 9 Cannabis Store Inc. ("**Store**" and collectively, with D9 Parent, Logistics, Bio-Tech, and Lifestyle, the "**Applicants**" or the "**Delta 9 Group**") for approving the sale transaction (the "**Transaction**") contemplated by the Asset Purchase Agreement (the "**Sale Agreement**") between Bio-Tech and 65999362 Canada Ltd. (the "**Purchaser**") and vesting in the Purchaser Bio-Tech's right, title and interest in and to the assets described in the Sale

Agreement (the “**Purchased Assets**”) pursuant to the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended; **AND UPON** having read the Seventh Affidavit of John Arbuthnot, sworn on December 30, 2024 (the “**Seventh Affidavit**”), the Sixth Report of Alvarez & Marsal Canada Inc. (“**A&M**”) in its capacity as the monitor (the “**Monitor**”) filed January 6, 2025 (the “**Sixth Report**”), the Confidential Appendices to the Sixth Report, and the Affidavit of Service of Regie Agcaoili, sworn on January 9, 2025; **AND UPON** hearing from counsel for the Applicants, counsel for the Monitor, and all other parties in attendance;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

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

APPROVAL OF TRANSACTION

2. The Transaction is hereby approved and execution of the Sale Agreement by Bio-Tech is hereby authorized and approved, with such minor amendments as the parties may deem necessary. Bio-Tech is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser (or its nominee).

VESTING OF PROPERTY

3. Upon delivery of a Monitor’s certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule “A”** hereto (the “**Monitor’s Closing Certificate**”), all of the Bio-Tech’s right, title and interest in and to the Purchased Assets listed in **Schedule “B”** hereto shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, “**Claims**”) including, without limiting the generality of the foregoing:

- a. any encumbrances or charges created by the ARIO or any other Order granted in the CCAA Proceedings;
- b. any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta), the *Personal Property Security Act* (Manitoba), or any other equivalent personal property registry system in Canada ;
- c. any liens or claims of lien under the *Prompt Payment and Construction Lien Act*, RSA 2000, c P-26.4 (Alberta) or any such similar legislation in any other jurisdiction in Canada; and
- d. those Claims listed in **Schedule “C”** hereto (all of which are collectively referred to as the **“Encumbrances”**, which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule “D”** (collectively, the **“Permitted Encumbrances”**))

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets.

- 4. Upon delivery of the Monitor’s Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, **“Governmental Authorities”**) are hereby authorized, requested and directed to accept delivery of such Monitor’s Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

- a. the Manitoba Registrar of Land Titles (**“Land Titles Registrar”**) for the lands defined below shall and is hereby authorized, requested and directed to forthwith:
 - i. cancel existing Certificate of Title No. 2977656/1 for those lands and premises municipally described as 760 Pandora Ave E, Winnipeg, Manitoba, and legally described as:

PARCELS A, B, C, D, E AND F PLAN 51110 WLTO EXC FIRSTLY: OUT OF SAID PARCELS A AND C ALL MINES AND MINERALS MINERAL OILS PETROLEUM GAS COAL GRAVEL AND

VALUABLE STONE OF EVERY DESCRIPTION THAT MAY BE FOUND
IN UPON OR UNDER
SAID PARCELS A AND C TOGETHER WITH THE RIGHT TO ENTER
AND REMOVE THE SAME
SECONDLY: OUT OF SAID PARCELS B AND E, ALL MINES AND
MINERALS AS RESERVED IN
DEED 2374744 WLTO AND THIRDLY: OUT OF SAID PARCEL F, ALL
MINES AND MINERALS
AS SET FORTH IN TRANSFER 2374748 WLTO IN SW 1/4 3 AND SE
1/4 4-11-4 EPM AND IN GOVERNMENT ROAD ALLOWANCE
(CLOSED) BETWEEN SAID SECTIONS

(the “**Property**”);

- ii. issued a new Certificate of Title for the Property in the name of the Purchaser (the “**New Certificate of Title**”);
 - iii. transfer to the New Certificate of Title the existing instruments listed in **Schedule “D”**, to this Order, and to issue and register against the New Certificate of Title such new caveats, utility rights of ways, easements or other instruments as are listed in **Schedule “D”**; and
 - iv. discharge and expunge the Encumbrances listed in **Schedule “C”** to this Order and discharge and expunge any Claims including Encumbrances (but excluded Permitted Encumbrances) which may be registered after the date of the APA against the existing Certificate of Title to the Lands;
- b. the Registrar of the Alberta Personal Property Registry and the Manitoba Personal Property Registry, and any other equivalent provincial/territorial personal property registry system in Canada, shall and is hereby directed to forthwith cancel and discharge any registrations at the applicable registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of Bio-Tech in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.
5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Monitor’s Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations

against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.

6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by Bio-Tech of the Sale Agreement.
7. Upon delivery of the Monitor's Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by the Monitor, in its capacity as the Monitor of the Applicants, and not in its personal capacity.
8. For the purposes of determining the nature and priority of Claims, proceeds from sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets from and after delivery of the Monitor's Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Monitor shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court.
9. Except as expressly provided for in the APA, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against Bio-Tech.
10. Upon completion of the Transaction, the Applicants and all persons who claim by, through or under the Applicants in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined

from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

11. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by Bio-Tech, or any person claiming by, through or against the Applicants.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against Bio-Tech associated with the Purchased Assets.
13. The Monitor is directed to file with the Court a copy of the Monitor's Certificate forthwith after delivery thereof to the Purchaser (or its nominee).
14. Notwithstanding:
 - a. the pendency of these proceedings and any declaration of insolvency made herein;
 - b. the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C 1985, c. B-3, as amended (the "**BIA**"), in respect of the Debtor, and any bankruptcy order pursuant to any such applications;
 - c. any assignment in bankruptcy made in respect of the Debtor; and
 - d. the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicants and shall not be void or voidable by creditors of the Applicants, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

15. The Applicants, the Monitor, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
16. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Applicants, as may be necessary or desirable to give effect to this Order or to assist the Applicants and their agents in carrying out the terms of this Order.
17. The Ministry of the Environment and Climate Change (the “**Ministry**”) in Manitoba shall have 21 days from the date of service of this Order to comeback to Court by way of an application to vary or amend the terms of this Order as it relates to the treatment of any environmental liabilities that might be associated with the Property and the classification of any such environmental liabilities as Excluded Liabilities under the provisions of the Sale Agreement. The Applicants shall also provide the Ministry 10 days’ notice (the “**Closing Notice**”) of closing of the Transaction. If no application to vary or amend the terms of this Order has been served on the Applicants within 21 days of the date of service on the Ministry, the Applicants can proceed to close the Transaction upon providing the Closing Notice. The Applicants are directed to serve a copy of this Order and the Seventh Affidavit on the Ministry of the Environment and Climate Change as soon as reasonably possible after filing of the Order.
18. Service of this Order shall be deemed good and sufficient by:
 - a. Serving the same on:
 - i. the persons listed on the service list created in these proceedings;
 - ii. any other person served with notice of the application for this Order;
 - iii. any other parties attending or represented at the application for this Order;

iv. the Purchaser or the Purchaser's solicitors; and

b. Posting a copy of this Order on the Monitor's website at:
<https://www.alvarezandmarsal.com/Delta9>,

and service on any other person is hereby dispensed with.

19. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

Justice of the Court of King's Bench of Alberta

SCHEDULE “A”
(to Sale Approval and Vesting Order)

Form of Monitor’s Certificate

COURT FILE NUMBER	2401-09688	
COURT	COURT OF KING’S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	RECITALS
	IN THE MATTER OF THE <i>COMPANIES’ CREDITORS ARRANGEMENT ACT</i> , RSC 1985, c C-36, AS AMENDED	A. P
	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.	ursu ant to an Orde r of the Hono urabl e Justi ce M.A. Mari on, of
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	MONITOR’S CERTIFICATE	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	MLT Aikins LLP 2100 – 222 3 rd Ave SW Calgary, AB T2P 0B4 Attention: Ryan Zahara/Molly McIntosh Email: rzahara@mltaikins.com mmcintosh@mltaikins.com File: 0136555.00034	

the Court of King’s Bench of Alberta, Judicial District of Edmonton (the “**Court**”) dated January 10, 2025 (the “**SAVO**”), the Court approved the agreement of purchase and sale made as of December 27, 2024 (the “**Sale Agreement**”) between Delta 9 Bio-Tech Inc. (“**Bio-Tech**”) and 65999362 Canada Ltd. (the “**Purchaser**”) and provided for the vesting in the Purchaser of Bio-Tech’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing of the Sale

Agreement have been satisfied or waived by Bio-Tech and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Monitor.

- B. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement and the SAVO.

THE MONITOR CERTIFIES the following:

1. the Purchaser has paid Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. the conditions to Closing as set out in Article 6 of the Sale Agreement have been satisfied or waived by the Bio-Tech and the Purchaser; and
3. the Transaction has been completed to the satisfaction of the Monitor.

This Certificate was delivered by the Monitor at _____ on _____.

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

Per: _____
Name:
Title:

SCHEDULE "B"

(to Sale Approval and Vesting Order)

Purchased Assets

"Purchased Assets" means all of the Vendor's right, title and interest, if any, in and to the properties, rights, assets, and undertakings listed in Schedule "A". For certainty, the Purchased Assets do not include the Excluded Assets.

Where **"Excluded Assets"** is defined as all Liabilities of any kind or nature whatsoever (whether director or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, mature or unmatured or due or not yet due, in law or in equity and whether arising by subrogation, set-off, right of indemnification or otherwise) of or against the Vendor that are not Assumed Liabilities.

Schedule "A" provides:

The land and property civically addressed as 760 Pandora Avenue E, Winnipeg, MB and legally described as (the **"Land"**):

Title No. 2977656/1

PARCELS A, B, C, D, E AND F PLAN 51110 WLTO EXC FIRSTLY: OUT OF SAID PARCELS A AND C ALL MINES AND MINERALS MINERAL OILS PETROLEUM GAS COAL GRAVEL AND VALUABLE STONE OF EVERY DESCRIPTION THAT MAY BE FOUND IN UPON OR UNDER SAID PARCELS A AND C TOGETHER WITH THE RIGHT TO ENTER AND REMOVE THE SAME
SECONDLY: OUT OF SAID PARCELS B AND E, ALL MINES AND MINERALS AS RESERVED IN DEED 2374744 WLTO AND THIRDLY: OUT OF SAID PARCEL F, ALL MINES AND MINERALS AS SET FORTH IN TRANSFER 2374748 WLTO IN SW 1/4 3 AND SE 1/4 4-11-4 EPM AND IN GOVERNMENT ROAD ALLOWANCE (CLOSED) BETWEEN SAID SECTIONS

The Purchased Assets will include, without limitation, if appropriate, all buildings, structures, erections, improvements, appurtenances and fixtures situated in or upon all of the Land and all systems, machinery and equipment used or intended to be used in connection with the operation and maintenance thereof, including, but not limited to, all electrical fixtures, security cameras, panels and switch boxes, heating fixtures and equipment, air conditioning units and equipment, fencing, plumbing and bathroom fixtures as installed, screens, storm windows and doors, window blinds, partitions, power wiring and installations, pumps and compressors, and appliances if appropriate, all of which are now situate on the Land and are to be free and clear of all liens, charges, encumbrances and security interests excepting the Permitted Encumbrances.

Main electrical room and contents within.

Secondary electrical rooms and contents within.

Sub electrical panels attached to building walls or posts

Lighting inside and outside the building but not in containers.

Sprinkler headers, sprinkler lines and system outside of containers.

Chillers installed into the roof of the building.

Wells and well pumps coming out of ground and leading into the ground.
Ventilation equipment attached to the inside of the building.
Domestic water lines leading to bathrooms, sinks, cleaning rooms, etc.
Indifferent to burglar alarm system.
Office structures, walls, empty rooms within the building.
Bathrooms inside and attached to the exterior of the building.
Heating equipment inside the building but outside of containers.
Monitoring equipment for fire, CO2, low temp, etc.
Cable tray
Emergency lighting
Air compressor.

SCHEDULE "C"
(to Sale Approval and Vesting Order)
Dischargeable Encumbrances on Title

Registration No.	Date (D/M/Y)	Particulars
5411011/1	31/3/2022	Mortgage to Connect First Credit Union Ltd.
5411012/1	31/3/2022	Caveat to Connect First Credit Union Ltd.
5411013	31/3/2022	Personal Property Security Notice by Connect First Credit Union Ltd.
5411014/1	31/3/2022	Mortgage to Sundial Growers Inc.
5411015/1	31/3/2022	Caveat by Sundial Growers Inc.
5411016/1	31/3/2022	Personal Property Security Notice by Sundial Growers Inc.
5588205/1	27/10/2023	Certificate of Judgment – H.M. the King (Canada)
5610517/1	19/1/2024	Certificate of Judgment – H.M. the King (Canada)
5655886/1	9/7/2024	Transfer of Mortgage from Connect First to SNDL Inc.
5655915/1	9/7/2024	Misc – Name Change from Sundial Growers Inc. to SNDL Inc.
5655920/1	9/7/2024	Misc – Name Change from Sundial Growers Inc. to SNDL Inc.
5655922/1	9/7/2024	Misc – Name Change from Sundial Growers Inc. to SNDL Inc.
5660847/1	24/7/2024	Assignment of Caveat from Connect First Credit Union Ltd. to SNDL Inc.
5660856/1	24/7/2024	Misc – Transfer of Security Interest from Connect First Credit Union Ltd. to SNDL Inc.

SCHEDULE "D"
(to Sale Approval and Vesting Order)

Permitted Encumbrances

Instrument Nos. 2528190/1, 2687852/1, 2687853/1, 5008307/1, 5008308/1