



Citation: Section 147.1(1), Order No 7700  
The Securities Act (Manitoba)

May 27, 2025

**Delta 9 Cannabis Inc.**

## **REVOCATION ORDER**

### **Under the securities legislation of Manitoba (Legislation)**

#### **Background**

1. Delta 9 Cannabis Inc. (the **Issuer**) is subject to a failure-to-file cease trade order (the **FFCTO**) issued by the Manitoba Securities Commission (the **Principal Regulator**) on October 23, 2024.
2. The Issuer has applied to the Principal Regulator under National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* (**NP 11-207**) for an order revoking the FFCTO.

#### **Interpretation**

3. Terms defined in the National Instrument 14-101 *Definitions* or in NP 11-207 have the same meaning if used in this order, unless otherwise defined.

#### **Representations**

4. This decision is based on the following facts represented by the Issuer:
  - (a) The Issuer was incorporated under the Business Corporations Act (British Columbia) on May 16, 2001.
  - (b) The Issuer is a reporting issuer in each of the following Canadian Provinces and Territories: Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Québec, Saskatchewan and Yukon (the **Reporting Jurisdictions**).
  - (c) The Issuer's registered and records office is located at PO Box 68096 Osborne Village, Winnipeg, Manitoba, R3L 2V9, Canada.
  - (d) On October 23, 2024, the FFCTO was issued as a result of the Issuer's failure to file the following continuous disclosure materials as required by applicable Canadian securities laws:
    - (i) Interim financial statements for the period ended June 30, 2024;
    - (ii) Management's discussion and analysis for the period ended June 30, 2024; and
    - (iii) Certifications for the foregoing filings as required by National Instrument 52-109 *Certificate of Disclosure in Issuers' Annual and Interim Filings*;

(collectively, the **Unfiled Documents**).

(e) The Issuer has not filed continuous disclosure documents required to be filed by applicable Canadian securities laws since the date of the FFCTO, including, without limitation, its interim financial statements and related management's discussion and analysis for the nine months ended September 30, 2024 as required under National Instrument 51-102 *Continuous Disclosure Obligations* and the related certificates as required under *National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings* (together with the Unfiled Documents, the **Unfiled Continuous Disclosure Documents**).

(f) The Issuer was unable to file the Unfiled Continuous Disclosure Documents due to financial distress.

(g) On February 18, 2025, the MSC granted Order No. 7687, partially revoking the FFCTO for the sole purpose of permitting the Purchaser to complete the transactions contemplated by the Arrangement.

(h) Except for its failure to file the Unfiled Documents that led to the issuance of the FFCTO and other continuous disclosure defaults since the issuance of the FFCTO (including the failure to file the Unfiled Continuous Disclosure Documents), the Issuer is not aware of any other defaults in its compliance with the Canadian securities laws, or the rules and regulations made pursuant thereto.

(i) On July 15, 2024, after extensive consultation with legal and financial advisors, and thorough consideration of all available alternatives, the directors of the Delta Group announced that the Delta Group had commenced proceedings (the **CCAA Proceedings**) and filed for creditor protection under the CCAA and received an order (the **Initial Order**) for creditor protection under the CCAA from the Court. The Issuer also entered into a term sheet with the Purchaser as plan sponsor to the CCAA Proceedings whereby the Purchaser proposed to acquire the cannabis retail store business and the logistics and distribution business of the Company, while facilitating a sale and investment solicitation process (the **SISP**) for the assets of the licensed cannabis production business of the Delta 9 Biotech, in exchange for equity of the Purchaser and the satisfaction of certain secured debt of the Issuer.

(j) Pursuant to the Initial Order, the Court, *inter alia*, appointed Alvarez & Marsal Canada Inc. as monitor (in such capacity, the **Monitor**) of the Delta Group under the CCAA Proceedings.

(k) On July 24, 2024, the Court granted an order authorizing, *inter alia*, the Monitor to conduct, with the assistance of the Issuer, the SISP, intended to solicit interest in the opportunity for a sale of or investment in all or part of Delta 9 Bio-Tech.

(l) On December 2, 2024, the Court approved the Arrangement under the CCAA which contemplates, among other things, (i) the sale and issuance by the Issuer of the Purchased Shares to the Purchaser in exchange for the payment and assumption, by the Purchaser, of certain of the Delta Group's secured debt, the payment of certain amounts to certain of the Delta Group's unsecured creditors, the provision of equity in the Plan Sponsor to certain of the Delta Group's unsecured creditors, and the sale of the Purchased

Bio-Tech Shares; (ii) the irrevocable discharge of certain excluded liabilities and charges of the Delta Group; and (iii) the termination and cancellation all capital shares, capital stock partnership, membership, joint venture or other ownership or equity interest, participation or securities (whether voting or non-voting, whether preferred, common or otherwise, and including share appreciation, contingent interest or similar rights) of the Issuer other than the Purchased Shares (the **Arrangement Transaction**).

(m) On December 28, 2024, the Issuer and Simply Solventless Concentrates Ltd. (the **Bio-Tech Purchaser**), entered into a share purchase agreement pursuant to which the Bio-Tech Purchaser agreed to purchase the shares of Delta 9 Bio-Tech (the **Purchased Bio-Tech Shares**), a wholly-owned subsidiary of the Issuer, in exchange for cash consideration of \$3.0 million (the **Bio-Tech Transaction**).

(n) On February 28, 2025, the Bio-Tech Transaction closed and the Bio-Tech Purchaser acquired the Purchased Bio-Tech Shares.

(o) The Arrangement Transaction was completed on March 4, 2025.

(p) Upon closing of the Arrangement Transaction, the authorized capital of the Issuer was amended to consist only of an unlimited number of Class A common shares, without par value.

(q) Pursuant to the Arrangement Transaction, the Purchaser was issued 100 Class A common shares of the Issuer and became the registered owner of all of the securities of the Issuer, and the Issuer became a wholly-owned subsidiary of the Purchaser.

(r) Upon completion of the Arrangement Transaction, the Monitor filed a certificate notifying the Court of same.

## Order

5. The Principal Regulator is satisfied that the order to revoke the FFCTO meets the test set out in the Legislation for the Principal Regulator to make the decision.
6. The decision of the Principal Regulator under the Legislation is that the FFCTO is revoked.

"Patrick Weeks"

Patrick Weeks, Deputy Director  
Manitoba Securities Commission