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Order No. 7701

May 27, 2025

**In the Matter of
the Securities Legislation of
Manitoba and Ontario (the Jurisdictions)**

and

**In the Matter of
the Process for Cease to be a Reporting Issuer Applications**

and

**In the Matter of
Delta 9 Cannabis Inc. (the Filer)**

ORDER

Background

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the **Order Sought**).

Under the Process for Cease to be a Reporting Issuer Applications (for a dual application):

- (a) the Manitoba Securities Commission (**MSC**) is the principal regulator for this application;
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Québec, Saskatchewan and Yukon, and
- (c) this order is the order of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this order, unless otherwise defined.

Representations

This order is based on the following facts represented by the Filer:

1. The Filer's registered and records office is located in Manitoba.
2. The Filer is a reporting issuer in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Québec, Saskatchewan and Yukon.
3. The Filer is an issuer existing under the *Business Corporations Act* (British Columbia).
4. The Filer is subject to a failure-to-file cease trade order (**FFCTO**) issued by the MSC on October 23, 2024, and effective in each other jurisdiction in which Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions* applies and in each jurisdiction that has a statutory reciprocal order provision.
5. The FFCTO was issued as a result of the Filer's failure to file the following continuous disclosure for the interim period ended June 30, 2024 (the **Unfiled Documents**):
 - a. interim financial statements;
 - b. the related management's discussion and analysis; and
 - c. certification of interim filings.
6. The Filer is not in default of securities legislation in any jurisdiction, other than the defaults that led to the issuance of the FFCTO, and its obligations to file 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**).
7. The Filer's failure to file the Unfiled Documents was a result of the financial distress that led to the Filer initiating the CCAA Proceedings.
8. On July 15, 2024, the Filer initiated proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the CCAA and such proceedings being the **CCAA Proceedings**) and received an order for creditor protection under the CCAA from the Court of King's Bench for Alberta (the **Court**). The Issuer also entered into a term sheet with 2759054 Ontario Inc. o/a The FIKA Company (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 for the assets of the licensed cannabis production business of Delta 9 Bio-Tech, in exchange for equity of the Purchaser and the satisfaction of certain secured debt of the Issuer.
9. On December 2, 2024, the Court approved a plan of arrangement (the **Arrangement**) under the CCAA, which contemplates, among other things, (i) the sale and issuance by the Issuer of all of its Common Shares (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**).

10. On February 17, 2025, the Manitoba Securities Commission granted a partial revocation of the FFCTO to permit the Filer to complete the Arrangement Transaction.
11. On March 4, 2025, the Filer completed the Arrangement Transaction, which was effected in accordance with its terms and pursuant to the provisions of the Arrangement approved by the Court.
12. As a result of the Arrangement Transaction, among other things, all outstanding equity interests, including shares, convertible securities, or any other rights or interests to purchase the same, of the Filer were deemed cancelled for no consideration.
13. The Purchaser was issued 100 shares of a new class of common shares denominated "Class A common shares" pursuant to the Transactions to become the sole securityholder of the Filer, and the Filer does not have any other securities issued and outstanding (including debt securities).
14. The common shares of the Filer were delisted from the Toronto Stock Exchange on August 22, 2024 and also removed from the Best Market of the OTC Markets Group Inc. effective as of the close of markets on April 4, 2025.
15. No securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 Marketplace Operation or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported.
16. The Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*.
17. The outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide.
18. The Filer has no current intention to seek public financing by way of an offering of securities in Canada or elsewhere or to make or maintain a market in securities of the Filer.
19. The Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer.

20. The Filer has concurrently filed an application with the MSC under National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* for an order pursuant to Section 147(1) of the Legislation revoking the FFCTO without requiring the Filer to file the Unfiled Continuous Disclosure Documents, to be effective on the same date as the Order Sought.
21. But for the fact that the Filer is subject to the FFCTO as a result of failing to file the Unfiled Continuous Disclosure Documents, the Filer would be eligible to use the "simplified procedure" under National Policy 11-206 Process for Cease to be a Reporting Issuer Applications.
22. Upon the granting of the Order Sought, the Filer will no longer be a reporting issuer or the equivalent in any jurisdiction in Canada.

Order

Each of the Decision Makers is satisfied that the order meets the test set out in the Legislation for the Decision Maker to make the order.

The decision of the Decision Makers under the Legislation is that the Order Sought is granted.

"Patrick Weeks"

Patrick Weeks, Deputy Director
Manitoba Securities Commission