

News Release

Delta 9 Announces Receipt of Demand Letter from SNDL Inc. and Creation of Independent Board Committee to Review Strategic Transactions

WINNIPEG, MB – May 24, 2024 – DELTA 9 CANNABIS INC. (TSX: DN) (OTC: DLTNF) (“**Delta 9**” or the “**Company**”) announces today that it has received a letter (the “**Demand Letter**”) from SNDL Inc. (“**SNDL**”) demanding repayment of its 10% senior secured second-lien convertible debenture (the “**Convertible Debenture**”) in the principal amount of \$10,000,000, all outstanding interest thereon, and any other costs or amounts recoverable in connection therewith. In the Demand Letter, SNDL alleges that Delta 9 is in default of certain obligations under the Convertible Debenture and related financing documents (collectively, the “**Financing Documents**”).

Delta 9 has reviewed the Demand Letter and has concluded that it is not in default of its obligations under the Financing Documents. Delta 9 notes that none of the alleged defaults in the Demand Letter are for failure to make required payments of principal or interest and Delta 9 remains current with all required payments to SNDL. Prior to receipt of the Demand Letter, SNDL had requested certain concessions from Delta 9 relating to the Financing Documents that Delta 9 was not willing to agree to.

At this time Delta 9 also wishes to announce that it has formed an independent committee of its board of directors to examine various potential strategic transactions for Delta 9, which may include, without limitation, mergers, acquisitions, asset sales or financings. To date, Delta 9 has had discussions with various parties with respect to potential strategic transactions. There can be no assurance that any of these discussions will result in a binding agreement or the completion of a transaction. No further details regarding such discussions, including the identity of any potential counterparty, will be disclosed at this time.

Delta 9 believes that the timing of the Demand Letter is related to SNDL becoming aware of the discussions that Delta 9 has had with various counterparties with respect to potential strategic transactions. Through delivery of the Demand Letter, SNDL may be attempting to insert itself into that process and potentially affect the outcome thereof. Notwithstanding the delivery of the Demand Letter, Delta 9 intends to continue to actively explore a broad range of strategic alternatives to maximize shareholder value. There can be no assurance that this process will result in any binding agreements or the completion of any transactions.

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No securities regulatory authority has either approved or disapproved of the contents of this press release. This press release is for information purposes only and does not constitute an offer to sell or the solicitation of an offer to buy the securities of Delta 9, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Delta 9 Cannabis Inc.

Delta 9 Cannabis Inc. is a vertically integrated cannabis company focused on bringing the highest quality cannabis products to market. The Company sells cannabis products through its wholesale and retail sales channels and sells its cannabis grow pods to other businesses. Delta 9's wholly-owned subsidiary, Delta 9 Bio-Tech Inc., is a licensed producer of medical and recreational cannabis and operates a 95,000 square foot production facility in Winnipeg, Manitoba, Canada. Delta 9 owns and operates a chain of retail stores under the Delta 9 Cannabis Store brand. Delta 9's shares trade on the Toronto Stock Exchange under the symbol "DN" and on the OTC under the symbol "DLTNF". For more information, please visit www.delta9.ca.

Disclaimer for Forward-Looking Information

Certain statements in this release are forward-looking statements, which reflect the expectations of management regarding the Company's future business plans and other matters. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements, including with respect to the issues between Delta 9 and SNDL, any strategic transaction undertaken by Delta 9 as well as all risk factors set forth in the annual information form of Delta 9 dated March 28, 2024 which has been filed on SEDAR. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. Readers are urged to consider these factors carefully in evaluating the forward-looking statements contained in this news release and are cautioned not to place undue reliance on such forward-looking statements, which are qualified in their entirety by these cautionary statements. These forward-looking statements are made as of the date hereof and the Company disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.