

THE SECURITIES ACT) Order No. 6837
)
Subsection 20(1)) November 6, 2013

DELTA 9 BIO-TECH LIMITED PARTNERSHIP

WHEREAS:

(A) Delta 9 Bio-Tech Limited Partnership (The Partnership) has applied to the Manitoba Securities Commission (The Commission) for an order pursuant to subsection 20(1) of the Securities Act (Manitoba) (The Act) that, subject to certain conditions, The Partnership be exempted from the requirements of clause 91(a)(ii) of the Regulation to the Act in order that it may be permitted to make sales of its securities under the provisions of subsection 91(a) of the Regulation to the Act until December 31st, 2013, notwithstanding that the 180 day period referred to in clause 91(a)(ii) would have otherwise expired;

(B) It has been represented to the Commission by The Partnership;

(1) Delta 9 Bio-Tech Limited Partnership (The Partnership) is a limited partnership formed pursuant to the laws of the Province of Manitoba for the purposes of operating as a Licensed Commercial Producer (LCP) of medical grade cannabis and cannabis based pharmaceuticals under the new federal Marihuana for Medical Purposes Regulations (MMPR).

(2) The Partnership has made application to Health Canada to become an LCP under the MMPR. This license would allow the partnership to sow, propagate, produce, process, harvest, store, sell, provide, import and export cannabis sativa as directed by the MMPR.

(3) The Partnership is currently leasing a 95,000 sq ft building in Winnipeg which is being improved and upgraded to comply with the MMPRs production and security standards. Delta 9 currently employs four full-time employees with the intention of hiring another 10 by the end of the first year of production.

(4) Delta 9 Bio-Tech Inc. (The General Partner) is the General Partner of The Partnership.

(5) On June 17th, 2011 Health Canada announced they would be reforming the current regulations for access to medical marihuana. It was announced these changes would include making the program much less restrictive for patients as well as developing an all new system for production and distribution by large scale LCPs.

(6) In December 2012 Health Canada posted the proposed MMPR into the Canada Gazette Part I and indicated that interim licensing for LCPs for research and development purposes would begin immediately. The purpose of the interim licensing was to allow companies such as The Partnership to begin to produce a bank of genetic plant material that could be carried forward onto the new MMPR program as well as to expedite the MMPR application process for qualified producers.

(7) On January 15th, 2013 Delta 9 Bio-Tech Inc. (The General Partner) began submissions to Health Canada for an interim license with the understanding that this process would begin immediately and that licensing would be completed before the regulations became law in 2013.

(8) In early 2013, it was decided by the managers of the General Partner that \$2,000,000 in capital would be the maximum amount needed to begin such an operation, while \$1,100,000 would be the minimum amount required for start-up. The Limited Partnership Units would be issued at a cost of \$10,000 per unit with the minimum purchase being 10 units or \$100,000 unless otherwise agreed upon by the General Partner.

(9) On April 8th, 2013 The Partnership filed a Notice in Form 23 of the Regulation to the Act indicating that the Partnership intended to commence trading (the Offering) in reliance upon the exemptions afforded under section 91 of the Regulation to the Act. The Notice in Form 23 was filed at this time due to a growing interest from related and sophisticated purchasers as well as the timelines provided by Health Canada for interim licensing.

(10) On June 19th, 2013 Health Canada published the MMPR into law in the Canada Gazette Part II and despite Delta 9 having almost completed the interim licensing process Health Canada terminated the interim licensing process. At this time Health Canada also published firm dates for a transition period from the old program and onto the new MMPR which began on June 19th, 2013 and will be completed on April 1st, 2014. The critical dates are as follows:

(a) On October 1st, 2013, Health Canada will no longer accept new applications or changes to any licenses on the old program.

(b) On October 1st, 2013, individuals requiring access to Medical Marijuana can choose to buy from Health Canada or register with an LCP. This is the earliest date that an LCP can be licensed.

(c) On March 31st, 2014, all licenses under the old program will expire.

(d) On April 1st, 2014, Health Canada will no longer produce or sell marijuana for medical purposes. All individuals licensed on the old program must register with an LCP to continue to access a legal supply of Medical Marijuana. All

individuals who require access to Medical Marijuana must register with an LCP. By this date Health Canada estimates that there will be 51 LCPs.

(11) On July 22nd, 2013, The General Partner made an application to Health Canada to become an LCP. Since then The Partnership has provided Health Canada with all supporting documentation they require and are currently waiting on a pre-licensing inspection of its production facility before a license can be granted.

(12) To date subscriptions have been received from purchasers in the amount of \$610,000, of which 90% will be held in trust. Trust accounts are held with the lawyers of the Partnership at the law firm Orle Barga Davidson LLP, pending the acquisition of an LCP license from Health Canada. The 10% has been deposited in the Bank accounts of the Partnership and is being used for start-up and pre licensing activities.

(13) The Partnership has disclosed to all investors that 10% of their investment will be used for start-up and pre licensing activities.

(14) The Partnership wishes to continue the Offering under the provisions of subsection 91(a) of the Regulation to the Act.

(15) No trading is occurring pending a ruling on this application.

(16) If an LCP license cannot be obtained in a reasonable time, likely by December 31st, 2013, the partners may decide to wind down the partnership, in which case all outstanding assets including the full 90% of the investors capital held in trust would be returned to investors. The General Partner feels that delays in the initial timelines for interim licensing as well as delays from Health Canada in implementation of the MMPR that have prevented the Partnership thus far from securing a license has been the major source of reluctance from prospective investors.

(17) The Partnership expects to be licensed in the fall of 2013, and in spite of government delays to the project, has been able to generate significant interest from prospective investors with the acquisition of the final license being the contingent factor for the completion of subscriptions for many investors. Health Canada will not provide exact timelines for licensing this fall however Delta 9 feels that an extension until December 31st, 2013, which coincides with the implementation of the MMPR, and would allow for the acquisition of all remaining licenses and would allow Delta 9 to secure the remaining balance of capital required for startup. Delta 9 has a list of qualified investors who have expressed interest in investing once an LCP license has been acquired.

(18) If the Offering does not continue, the project may not be able to continue.

(C) The Commission is of the opinion that it would not be prejudicial to the public interest to grant the order requested.

IT IS ORDERED:

1. THAT, pursuant to subsection 20(1) of the Act trades made pursuant to the Offering will be exempt from the requirements in clause 91(a)(ii) of the Regulation to the Act subject to the following conditions;

(a) All trades pursuant to the Offering are completed on or before December 31st, 2013.

(b) The Partnership file a report in Form 27 together with all the necessary attachments thereto by January 15th, 2014.

(c) A copy of this order is provided to the current purchasers and to any purchaser prior to their subscribing for units under the offering.

(d) Current purchasers will have 21 days from the date that they receive this order to confirm or rescind their purchase.

2. THAT the fee for this order shall be \$1,000.00.

BY ORDER OF THE COMMISSION

Deputy Director