TETRA BIO-PHARMA INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the six months ended May 31, 2017

This Management's Discussion and Analysis ("**MD&A**") for Tetra Bio-Pharma Inc. (the "**Company**" or "**Tetra**") should be read in conjunction with the condensed consolidated interim financial statements for the six months ended May 31, 2017, as well as the consolidated annual financial statements for the year ended November 30, 2016, and the notes thereto.

The financial information in this MD&A is derived from the Company's condensed consolidated interim financial statements for the six months ended May 31, 2017, to July 26, 2017, prepared in accordance with IFRS (International Financial Reporting Standards). The effective date of this MD&A is July 26, 2017.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain of the information contained in this document may contain "forward-looking statements". Forward-looking statements may include, among others, statements regarding the Company's future plans, costs, objectives or economic performance, or the assumptions underlying any of the foregoing. In this document, words such as "may", "would", "could", "will", "likely", "believe", "expect", "anticipate", "intend", "plan", "estimate" and similar words and the negative form thereof are used to identify forward-looking statements. Forward-looking statements should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether such future performance will be achieved. Forward-looking statements are based on information available at the time and/or management's good faith belief with respect to future events and are subject to known or unknown risks, uncertainties and other unpredictable factors, many of which are beyond the Company's control. These risks and uncertainties include, but are not limited to, those described under the headings "Financial Instruments and Risk Management" and "Inherent Risk Factors" in this MD&A and could cause actual events or results to differ materially from those projected in any forward-looking statements. The Company does not intend, nor does it undertake any obligation, to update or revise any forward-looking statements contained in this MD&A to reflect subsequent information, events or circumstances or otherwise, except if required by applicable law.

COMPANY OVERVIEW

On September 28, 2016, the Company formally changed its name from GrowPros Cannabis Ventures Inc. to Tetra Bio-Pharma Inc. The Company's common shares are listed for trading on the Canadian Securities Exchange ("CSE"') under the symbol "TBP" and on the OTCQB under the symbol "TBPMF".

The principal business of the Company is that of cannabinoid drug development including medical marijuana, consultations and acquisitions, with an ongoing license application to become a producer of medical marijuana in Canada pursuant to Health Canada's Access to Cannabis for Medical Purposes Regulations ("ACMPR"). The Company's head office is located at 200-2742 St. Joseph Blvd., Orleans, Ontario, K1C1G5. Tetra completed the Phase I study protocol for the single dose escalation, pharmacokinetic and pharmacodynamic evaluation of PPP001, pursued the clinical investigation of cannabis-related adverse effects with a special assessment to ensure drug to drug safety when used in combination with opioids, and has commenced plans to start Phase III in the third quarter 2017. Tetra is not yet a licensed producer under the ACMPR as of the date of the approval of this Management Discussion and Analysis.

Tetra Bio-Pharma Inc. ("Tetra" or the "Company"), was incorporated under the name Mazorro Resources Inc. ("Mazorro") under the Canada Business Corporations Act on May 17, 2007. On December 29, 2014, GrowProsMMP Inc. ("GrowProsMMP") completed an amalgamation agreement with Mazorro and 9048073 Canada Inc., a newly-incorporated subsidiary of Mazorro, in order to effect the November 1, 2014 definitive

agreement. Legally, Mazorro is the parent of GrowProsMMP; however, as a result of the share exchange, control of the combined companies passed to the former shareholders of GrowProsMMP, which for accounting purposes is deemed to be the acquirer. For financial reporting purposes the transaction has been accounted for as an acquisition of Mazorro by GrowProsMMP under IFRS 2 Share Based Payment and therefore the financial statements have been prepared as a continuation of GrowProsMMP. As part of the amalgamation agreement Mazorro changed its name to GrowPros Cannabis Ventures Inc.

Definitive Agreement for the Development and Commercialization of a Dronabinol XL Tablet

On April 3, 2017, Tetra announced the signing of a definitive agreement with IntelGenx for the development and commercialization of a drug product containing the cannabinoid Dronabinol (the "Product") for the management of anorexia and cancer chemotherapy-related pain. The U.S. cancer pain market is expected to reach $5 billion in 2018. This definitive agreement follows the binding term sheet between the two companies that was announced on February 9, 2017.

Pursuant to the definitive agreement, Tetra has exclusive rights to sell the Product in North America, with a right of first negotiation for territories outside of the United States and Canada. Tetra will make an upfront payment to IntelGenx, in addition to set future milestone and royalty payments, based on the completion of an efficacy study, approvals from the U.S. Food and Drug Association ("FDA") and Health Canada, and the commercial launch of the Product. IntelGenx will be responsible for the research and development of the Product, including clinical studies, and will develop the product as an oral mucoadhesive tablet based on its proprietary AdVersa® controlled-release technology. Tetra will be responsible for funding the product development, and will own and control all regulatory approvals, including the related applications, and any other marketing authorizations. Tetra will also be responsible for all aspects of commercializing the Product.

Tetra Bio-Pharma & Aphria Announce Plans for the Joint Distribution of Dried Medical Cannabis in the Maritime Provinces & Quebec

On April 19, 2017, Tetra announced plans for the joint distribution of dried medical cannabis in the maritime provinces and Quebec.

Tetra and Aphria will enter into a joint supply agreement, with Aphria supplying dried medical cannabis under its ACMPR license, and Tetra packaging the product using the manufacturing process developed for its in-progress clinical drug trial for PPP001. The formulation and packaging will be completed by Tetra, under its CDSA dealer's licence, at its New Brunswick facility. Based on the success of the venture, Tetra and Aphria may expand into other provinces. The venture is preparing to initiate its commercial operations early summer 2017 with revenues commencing in Tetra's third quarter of 2017 and Aphria's first quarter of 2018.

Tetra and Aphria have invested in the development of its PPP001 drug and will continue to invest to bring PPP001 to market in both Canada and USA as the first prescription drug using dried cannabis. The corporations have developed a high quality dried cannabis product and would like to make it available to physicians under the current ACMPR program. The quality and clinical research studies completed to date would be integrated into a joint Continuing Medical Education program for physicians and pharmacists. Tetra and Aphria have concluded that there is demand for an evidence-based approach in medical cannabis and the two companies intend on using their pharmaceutical approach to help patients. The venture will also be commercializing devices for the inhalation of medical cannabis.

CORPORATE STRUCTURE AND BUSINESS ACTIVITY

Name of subsidiary	Place of incorporation	Ownership interest	Principal activity
PhytoPain Pharma Inc.	Canada	80%	Marijuana related clinical trials
GrowPros Agro-Tek Inc.	Canada	100%	Development of health products
Grow Pros MMP Inc.	Canada	100%	Medical Marijuana
Minera Mazorro, S. de R.L. de C.V.	Mexico	100%	Inactive

PhytoPain Pharma was incorporated on May 11, 2016, and owned 80% by Tetra and 20% owned by 9315-4466 Quebec Inc and 9206-8618 Quebec Inc as co-founders. The mission of PPP is the development and commercialization of botanical sourced cannabinoid-based pharmaceuticals. PPP is a clinical stage drug development company engaged in the development of medication to alleviate symptoms related to pain, insomnia and anxiety disorders in patients suffering from cancer and other chronic and terminal diseases that cause uncontrolled pain and or insomnia.

As of July 26, 2017, the Company has diversified its operations into two core business and one secondary business:

Core business

1) the development and commercialization of cannabis-derived pharmaceuticals,

2) the distribution of Natural Health Products ("NHPs") and cosmetics, and

Secondary business

1) Medical Marijuana Consultation and Acquisition Firm

(1) Development and Commercialization of Cannabis-derived Pharmaceuticals

The Company's first core business is the development and commercialization of cannabis-derived pharmaceuticals. The Company is a clinical stage drug development company engaged in the development of medication to alleviate symptoms related to pain, insomnia and anxiety disorders in patients suffering from cancer and other chronic and terminal diseases that cause uncontrolled pain and or insomnia.

On June 15, 2016, the Company announced that it has filed a Clinical Trial Application ("**CTA**") with Health Canada for PhytoPain Topical Gel Relief ("**PPTGR**"), a locally administered therapeutic for the treatment of chemotherapy-induced neuropathic pain. The company obtained approval for the trial but has decided to: 1) commercialize PPTGR gel according to Health Canada's counter-irritant product monograph; and 2) focus its topical drug development on a THC containing cream in the same indication using an innovative formulation that the company recently licensed from Panag Pharma.

As a result of the filing the first milestone in the clinical trial acquisition has been achieved and the Company has issued the 2,500,000 options at $0.05 for five years and 1,500,000 common share warrants at $0.05 for one year.

In summer 2016, the Company submitted two Orphan Drug Designation applications. The Company received questions from FDA in late December 2016 and has 1 year to respond to the information requested.

In summer 2016, the Company submitted a pre-CTA information package to Health Canada and an equivalent information package to the USA FDA. The Company obtained guidance from TPD later that summer that led to the preparation of a Phase I clinical protocol and in December 2016, the Company filed a CTA with Health Canada for PPP001, PhytoPain's dried cannabis inhalation drug and received the approval letter in February 2017. The study involves a complete safety assessment, pharmacokientics and cognitive function evaluations in healthy volunteers, as well as a dose-escalation and repeat dosing component to the study design. Company contracted the conduct of the study to Algorithm Pharma. The study began in March 2017 and the Company presented the data from the dose-escalation cohorts, pharmacokinetics and cognitive function to TPD in May 2017. Subsequent to the meeting with TPD, the company amended the study protocol to further investigate potential cannabinoid-opioid drug cardiovascular interactions (referred to as a Cardiovascular safety study). In addition, the Company discussed its plans for the Phase III trial and the requirements for an NOC/c (i.e., conditional Notice of Compliance). The Phase I study gave TBP an in-depth understanding of the safety and cognitive function as a function of dose. The Company identified dose-limiting toxicities and is currently investigating how to minimize the occurrence of these. The Phase I study demonstrated that therapeutic plasma levels of THC are achieved by inhaling PPP001. This Phase I study resulted in significantly higher levels of systemic exposure to THC than Dronabinol or Marinol. The Company will be able to leverage this safety data to support CTA and NOC-DIN applications of other Cannabis-product development programs (i.e., side effects linked to blood levels of THC and CBD).

In September 2016, the Company filed a Request for Designation (RFD) with the Office of the Ombudsman, USA FDA, to obtain the jurisdiction for the PPP001- kit, a drug-device combination product (drug = PPP001 cannabis pellet; device = titanium pipe). In November, 2016, the FDA granted the TBP's RFD making PPP001-kit regulated as a drug.

In January 2017, TBP had a Type B pre-IND meeting with the USA FDA to discuss the regulatory requirements for early phase (Phase I), late phase and marketing authorization.

Clinical trials

Notice to the reader: The term drug will be used to refer to a synthetic molecule, natural health ingredient, biologic, vaccine, gene therapy or any other type of product developed with the intent of selling for the prevention or treatment of a medical condition.

Clinical trials or clinical studies are performed to evaluate the safety and efficacy of new products (drug or medical devices) or for a new intended use of an already approved product. In general, Health Canada and the FDA are not involved in conducting clinical trials. However, they are involved in the regulation of the sale (distribution) and importation of unapproved drugs for use in human clinical trials. The laws and regulations are slightly different in Canada and the US but fundamentally both are similar in that their main goal is the protection of the consumer.

Clinical trials fall under the responsibility of:

Health Canada:

- Synthetic drugs: the Therapeutic Products Directorate (TPD),
- Vaccine, gene therapies & biologics: the Biologics and Genetic Therapies Directorate,
- NHPs: Natural and Non-Prescription Health Products Directorate,
- Medical devices: Medical Device Bureau.

FDA:

- Synthetic drugs: the Center for Drug Evaluation and Research,
- Vaccine, gene therapies & biologics: the Center for Biologics Evaluation and Research,
- NHPs: in the US, these products are regulated as foods and cannot make prevention or treatment health claims,
- Medical devices: Center for Devices and Radiological Health.

The science of drug and medical device development is well established. Most modern countries generally agree on the scientific and technical requirements to initiate a clinical trial in humans, for intermediate phases of clinical testing, and for marketing approval. These requirements are defined by the International Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use ("**ICH**"). The ICH requirements were established by experts from both industry and government. The main countries involved were Europe, Japan and the US. Canada was an observer and has adopted ICH requirements. The ICH also addresses the international ethical and scientific quality standard for designing, conducting, recording and reporting clinical trials.

Basically, to be able to initiate a clinical trial in humans, the investigational product must conform to the requirements defined by the ICH. In other words, to initiate a first-in-human clinical trial, the product must have undergone testing in animals in accordance with the ICH requirements, the product must also conform to a minimal level of quality, and there must be a reasonable scientific rationale to justify exposing human subjects to the product. The latter is usually achieved by demonstrating the potential efficacy in recognized animal models. In general, there are very few animal models that have a good predictive value of the potential outcome in patients. Hence, the company basically performs research to understand the dose response and frequency of administration as well as the pharmacodynamic response. This data, along with the safety data, is used to define the dose range that can be tested in humans.

The general phases of drug development are:

- Discovery and Lead selection.
- Preclinical (nonclinical) pharmacology and toxicology.
- Phase I: safety testing in healthy human volunteers (can be in patients when the risk is unacceptable for volunteers). Phase I is used to determine the drug's potential side effects and it usually involves 20 to 80 participants.
- Phase II: dose finding to define the potential efficacious dose and frequency of administration. This phase of testing can begin if Phase I studies don't reveal unacceptable side effects. For a company, this phase aims to obtain preliminary data that lets it know if the drug works or not in people who have the disease or medical condition. There are various study designs used in this phase and can involve comparison to a placebo or active-comparator or both. Safety is always part of the Phase II and these types of studies usually involve about 12 to 300 participants.
- Phase III: trials performed to demonstrate the safety and efficacy of the product in the intended patient population and usually involve several hundred to several thousand participants. These trials are the key studies used to obtain marketing approval. For a non-life-threatening indication, regulators usually require two well-designed Phase III trials for marketing approval. In a life-threatening indication, regulators can accept a single Phase III trial under the condition that the company performs a Phase IV trial as a post-marketing requirement.
- Expanded Access Program: trial designed to treat patients not eligible for the Phase III trials. This type of study is used to collect dose and dose frequency use data and longer-term safety data.

- Phase IV: also known as post-marketing trials. Trials are performed either as a commitment for marketing approval, as part of the pharmacovigilence for a product, or as part of the marketing promotion for a new drug.

There are many other types of trials performed for product approval, such as pharmacokinetics, but the above three phases (I, II and III) is a good representation of the clinical development process leading to marketing approval.

Regulatory Process and Industry Interactions:

Although the ICH and country-specific regulatory agency guidance documents describe the requirements, many companies seek guidance from regulators to help define the requirements for a specific drug. There is no obligation to seek input from regulators in the early stages but this process can help minimize the risk of a rejection. Industry refers to these interactions as pre-Clinical Trial Application ("**pre-CTA**") meetings for Canada or pre-Investigational New Drug application ("**pre-IND**") meetings for US. These meetings or interactions can be done face-to-face, by teleconference or simply via written feedback. When there are no critical issues, the teleconference or written approach is preferred by both regulators and industry.

Note: At the end of Phase II, the company has a consultation meeting with Health Canada and/or the FDA to discuss and agree on the type of Phase III design, measures of efficacy, duration of treatment, and level of statistical significance required to demonstrate that the drug works. These meetings are critical as the primary study endpoints determine if the product will be approved or not.

Companies will submit a document entitled "Information Package" that contains summaries of the animal testing, chemistry and manufacturing aspects of the product and planned clinical study. The regulators assign a project team to review this information and the regulator completes their assessment before meeting with the company. This is because companies seek guidance from the regulator and expects the answer to their issue at the pre-CTA (pre-IND) meeting. Generally, the questions to the regulator must be very specific. General questions are addressed by the ICH or the country-specific guidance documents and not via the consultation process. The objective of these consultation meetings is to determine whether the company can proceed and submit the CTA or Investigational New Drug application to the agency and whether there are issues that the company has not addressed that could lead to a delay or rejection of the application.

Some companies state that Health Canada or the FDA has approved the clinical trial. From a legal and regulatory point of view, these agencies do not approve the trial, they simply do not object to its conduct. Prior to launching the trial, the company must ensure that it has received approval from the Ethics Review Board ("**ERB**") or Institutional Review Board ("**IRB**"). In the case of a controlled drug, the company must also obtain exemption from Health Canada. The application for an exemption is submitted in parallel to the CTA and generally takes three to four weeks to obtain.

Both the regulator (Health Canada and the FDA) and ERB/IRB assess the protocol and information communicated to the human subject or patient. In the case of the ERB/IRB, the ethics review does lead to approval of the clinical trial protocol. One critical document that the ERB/IRB assesses is the "Informed Consent". This document is very important as it is used to obtain consent from the trial participants and it must objectively describe the study procedures, not make false promises of a cure or mislead someone to enroll with the hope of efficacy, ensure that the subject understands what the alternative treatments are and what the potential risks are with the proposed study product.

Tetra Clinical Trials in 2016-2017:

PPP plans to perform two to three clinical trials during the period 2016-2017. One trial is planned for the topical THC product licensed from Panag Pharma, and the other two are planned for the PPP0001 cannabis product.

The table below provides a summary comparison of the planned trials versus the general drug development phases.

Development Phase	THC topical cream (Panag Pharma)	PPP0001	Dronabinol sustained release (IntelGenx)	Ocular formulation (Panag Pharma)
Discovery and Lead selection	Not required; formulation based on THC pharmacology.	Not required; formulation based on body of public scientific data.	Not required; formulation based on THC pharmacology.	Not required; formulation based on THC pharmacology.
Preclinical pharmacology and toxicology	Not required; formulation based on scientific literature.	Not required; formulation based on body of public scientific data.	Not required; formulation based on scientific literature.	Not required; formulation based on scientific literature.
Phase I: safety testing in healthy human volunteers.	Not required; formulation to be tested in patients with chronic pain.	Planned study is in health volunteers (male and female) to assess the safety, pharmacokientics and define side effects including the influence on cognitive function.	Completed by IntelGenx	Ocular safety in patients.
Phase II: dose finding to define the potential efficacious dose and frequency of administration.	Will be part of a Phase I/II first in human study with the cream.	A safety study is being performed to assess the cardiovascular safety of consuming PPP001 with opioid drugs and to assess a dosing strategy to minimize moderate-to-severe adverse effects associated with the consumption of THC.	Will be part of a Phase I/II in patients (proof-of-concept).	Dose finding study to determine effective dose.
Phase III: trials performed to demonstrate the safety and efficacy of the product in the intended patient population. These trials are the key studies used to obtain marketing approval.	PPP intends on demonstrating that the cream is safe and efficacious for the temporary relief of general neuropathic pain.	To be performed in cancer patients if Phase II successful.	Trial designed to bring product to market under the 505(b)(2) NDA pathway in the USA. Additional Phase III trial to expand indication.	Two Phase III trials to support marketing approval.
Expanded Access Program	Not applicable	To be initiated in parallel to Phase II-III trial. Will enroll patients from other chronic pain conditions and cancer patients not eligible for the Phase II-III trial.	N/A	N/A

Development Phase	THC topical cream (Panag Pharma)	PPP0001	Dronabinol sustained release (IntelGenx)	Ocular formulation (Panag Pharma)
Phase IV: also known as post-marketing trials.	-	-	N/A	N/A

Below is a more detailed description of the planned clinical development program for these two products.

Topical cream - Target Intended Uses (co-development with Panag Pharma):

A locally administered therapeutic for the treatment of General Neuropathic Pain ("**GNP**"). The clinical program to support this intended use involves the conduct of two well-designed Phase III trials:

- one double-blind, randomized, cross-over, placebo-controlled clinical study in late 2018 to demonstrate safety and efficacy in patients with GNP, and
- one double-blind, randomized, placebo-controlled clinical study in 2019 to demonstrate safety and efficacy in patients with GNP.

The Company intends on using the PPP001 Phase I data to support safety of THC and CBD in humans. Tetra intends on working with key opinion leaders to integrate this product into the practice of pain management.

PPP0001 - Target Intended Uses:

As an adjunct to standard of care, helps to reduce the pain and improve the quality of life of patients a malignant cancer with uncontrolled pain in adults. In accordance with Health Canada's policy, TBP will seek an conditional Notice of Compliance for this indication.

Canada and US clinical program to support this first intended use involves the conduct of two well-designed clinical trials: Phase I and a Phase II/III. Since the target population involves terminal cancer patients with uncontrolled pain, Tetra plans on submitting a marketing approval for conditional approval with a commitment to perform a Phase IV clinical trial to obtain unconditional approval.

The Phase I trial was performed in healthy volunteers. It included a classical pharmaceutical industry Phase I trial with the following assessments:

- dose-escalation safety with pharmacokinetics,
- safety parameters include assessment of cognitive function (memory, attention, etc.), and
- pharmacodynamic assessments for potential efficacy in reducing pain.

The Phase I study will allow Tetra to initiate a Phase II/III in the first target population. The outcome of the Phase I trial will allow Tetra to plan launching clinical trials in non-life-threatening indications. Subsequent to a meeting with TPD, the Company modified its clinical protocol to initiate a cardiovascular safety assessment of consuming PPP001 with opioid drugs (i.e., QTc prolongation at Tmax) and to assess a dosing strategy to minimize moderate-to-severe adverse effects associated with the consumption of THC

The Phase II/III will be a multi-site study in Canada and US performed subsequent to No-Objection from Health Canada and the FDA. The Phase III study will begin in Canada and expand to the USA once the import licenses are obtained. Assuming a successful outcome, Tetra will seek conditional approval for the

first target intended use and will subsequently begin submitting for coverage by provincial public insurers. In parallel, the company intends on launching an Expanded Access Program to allow the treatment of patients that are not eligible for the Phase III trial.

In early 2017, the Company received a request from the New Brunswick Health Research Foundation (NBHRF) to co-develop PPP001 for the treatment of PTSD. The Company is actively working with the NBHRF to finalize a study protocol.

In parallel to the Phase I and II/III trials, Tetra will support investigator sponsored clinical studies that are designed to help integrate PPP0001 in the practice of medicine. The type of support will involve supplying the investigational drug product PPP0001 at no cost to patients and providing regulatory support for the investigator to obtain a "No-Objection" from Health Canada or the FDA.

Slow Release formulation of Dronabinol (co-development with IntelGenx):

Buccal administration of THC is possible using the mucoadhesive technology of IntelGenx. There is no first pass metabolism using this route of administration. In addition, the sustained release reduces the Cmax thereby reducing the adverse effects associated with high plasma levels of THC. The pharmacokinetic properties of this mucoadhesive tablet were shown in healthy volunteers.

Canada and US clinical program to support this first intended use (identical claim to that of Dronabinol) involves the conduct of one well-designed clinical trial. A proof-of-concept study in patients will be performed to minimize the risk associated with bringing this product to the market (i.e., confirm the safety benefits in patients and determine the group sizes). The Company intends on using the PPP001 Phase I data to support safety of THC and CBD in humans. In the USA, the Company intends on submitting a 505(b)(2) marketing application since Dronabinol is already an approved drug. This regulatory pathway will give the Company at least 3 years of market exclusivity.

Ocular formulation of cannibinoids:

Panag Pharma has a formulation and use patent for cannabinoids in the treatment of ocular conditions. The Company is co-developing an eye formulation for the ocular pain market. The project team is finalizing the formulation and will be completing nonclinical safety studies prior to submitting the CTA to perform a safety study in healthy subjects. The Company intends on using the PPP001 Phase I data to support safety of THC and CBD in humans.

Canada and US clinical program to support this first intended use involves the conduct of Phase I, II and III clinical trials. These regulatory pathways will give the Company at least 5 years of market exclusivity in the USA.

(2) ***Distribution of Natural Health Products and Cosmetics***

There has been no significant activity in this division during the three months ended May 31, 2017 up to July 26, 2017.

Secondary businesses

Medical Marijuana Consultation and Acquisition Firm

The Company's secondary business is a medical Marijuana consultation and acquisition firm that is pursuing a license as a producer of medical Marijuana in Canada. The Company currently has its own application with Health Canada,

As of July 26, 2017, GrowProsMMP, has not yet been awarded a license to produce medical Marijuana from Health Canada. The Company is still in its development stages.

The Company has not yet determined whether it will be awarded a license to produce medical Marijuana from Health Canada and has not generated any income or cash flows from its operations from inception to date.

OVERALL PERFORMANCE

Going concern

As at May 31, 2017, the Company had a working capital surplus of $2,972,436 (November 30, 2016 – $1,180,544), including $2,704,636 (November 30, 2016 - $1,218,639) in cash and current liabilities totalling $219,890 (November 30, 2016 - $191,667). The Company must secure additional financing to be able to fund its ongoing clinical trials and to continue its process for application to obtain a license to produce medical marijuana. Management is evaluating various alternatives to secure the necessary financing so that the Company can continue as a going concern. Nevertheless, there is no assurance that these initiatives will be successful. Therefore, due to the losses incurred and no revenue generating assets, there remains significant doubt regarding the Company's ability to continue as a going concern.

The carrying amount of assets, liabilities and expenses presented in the financial statements and the classification used in the statement of financial position have not been adjusted as would be required if the going concern assumption was not appropriate. Those adjustments could be material.

The following discussion of the Company's financial performance is based on the consolidated financial statements for the six months ended May 31, 2017.

As of May 31, 2017, the Company had cash of $2,704,636 (November 30, 2016 - $1,218,639), accounts receivable of $291,101 (November 30, 2016 - $62,703), and total current assets of $3,192,326 (November 30, 2016 - $1,372,211).

Shareholders' equity is comprised of share capital of $7,442,385 (November 30, 2016 - $2,511,021), warrants of $407,569 (November 30, 2016 - $503,195), contributed surplus of $714,193 (November 30, 2016 - $337,992), and a deficit of $4,657,095 (November 30, 2016 - $1,902,885) for a net surplus of $3,907,052 (November 30, 2016 - $1,449,253). Non-controlling interest as at May 31, 2017 was a deficit of $398,216 (November 30, 2016 - $52,709).

During the six months ended May 31, 2017, the Company reported a net loss of $3,099,717 (2016 – $184,239), of which $2,754,210 (2016 – $184,239) was attributable to equity holders of the parent and $345,507 (2016 - $Nil) was attributable to the non-controlling interest.

As at May 31, 2017, 116,676,888 (November 30, 2016 – 85,013,856) common shares of the Company were issued and outstanding.

RESULTS OF OPERATIONS

For the six months ended May 31, 2017 compared with the six months ended May 31, 2016

	Three months ended		**Six months ended**	
	May 31, 2017	May 31. 2016	**May 31, 2017**	May 31, 2016
	$	$	**$**	$
Operating expenses				
Research and development	**1,444,289**	-	**1,727,534**	-
Stock based compensation	**-**	-	**480,000**	-
General and administrative expenses				
Management fees	**94,610**	55,000	**148,610**	94,200
Payroll and benefits	**50,966**	-	**50,966**	-
Travel and promotion expense	**263,713**	4,265	**419,118**	10,327
Professional fees	**66,020**	41,689	**124,243**	59,642
Exchange and regulatory fees	**54,460**	3,812	**71,227**	14,223
Land lease expense	**-**	-	**11,000**	6,000
Impairment expense	**-**	13,899	**-**	13,899
Depreciation	**1,800**	-	**3,600**	-
Administrative expenses	**27,965**	3,266	**51,498**	13,938
	2,003,823	121,931	**3,087,796**	212,229

Significant variances in expenses from the prior period include:

1) Research and development expenses of $1,727,534 (2016 - $Nil) was due to the Company commencing activities in its clinical trials in Q4 2016 with phase 1 ending in Q3 2017. There were no similar activities in Q2 2016.

2) Stock based compensation, a non-cash expense, increased by $480,000 during the six months ended May 31, 2017, compared to the same period in 2016. There were no stock options issued in Q2 2016.

   On February 23, 2017, 750,000 stock options were granted to directors and officers of the Company. The stock options are exercisable at $0.70 and expire on February 23, 2022. The stock options have been recorded at a value of $480,000 based on the Black Scholes option pricing model using the following assumptions: share price of $0.70, an average exercise price of $0.70, risk free interest rate of 1.16%, expected life of warrants of 5 years, expected volatility rate of 151% (based on the Company's historical volatility for 5 years up to the issuance date) and dividend rate of 0%. This option is included in research and development on the statement of loss and comprehensive loss.

3) An increase in management fees of $54,410 for the six months ended May 31, 2017, compared to the prior period. The increase in fees is due to 1) monthly fees of $5,000 charged by the Chairman of the Company, starting in February 2016. 2) During the period ended May 31, 2017, the Company paid consulting fees totaling $72,500 to Companies managing the operations of its newly

incorporated subsidiary GrowPros Agro-tek Inc. 3) Starting in January 2017, the CEO, CFO and CSO's monthly fees were increased.

4) An increase in travel and promotion expenses of $408,791 for the six months ended May 31, 2017, compared to the prior period. The increase in Q2 2017 is due to the additional marketing and promotion required when the Company shifted its principal focus form being a medical marijuana license application company to a biotech clinical trials company.

5) Professional fees increased by $64,601 during the six months ended May 31, 2017, compared to the prior period due to the increased legal fees required for preparing a listing application for the TSX Venture and OTCQB.

SELECTED QUARTERLY INFORMATION

The following summarized financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's annual and interim consolidated statements for those periods.

Quarter Ended	Revenue	Net (Loss) Income	Basic and Diluted Earnings (Loss) per Common Share
	$	$	$
31/05/2017	-	(2,004,760)	(0.02)
28/02/2017	-	(1,094,957)	(0.01)
30/11/2016	-	(611,875)	-
31/08/2016	-	(206,852)	-
31/05/2016	-	(121,988)	-
29/02/2016	-	(56,251)	-
30/11/2015	-	(348,193)	(0.01)
31/08/2015	-	145,298	-

OFF BALANCE SHEET TRANSACTIONS

The Company does not have any off-balance sheet arrangements other than as discussed in this MD&A in the commitments and contingencies section below.

COMMITMENTS AND CONTINGENCIES

Management agreement

The Company is party to a management contract. The contract requires that additional payments of $30,000 be made upon termination. As a triggering event has not taken place, the contingent payments have not been reflected in these financial statements.

During the six months ended May 31, 2017, the Company received notice that this contingent payment clause was no longer in effect.

Delta 9 Strategic Cooperation Agreement

On March 11, 2016, the Company entered into a Strategic Cooperation Agreement ("Agreement") with Delta-9 Bio Tech Inc. ("DELTA 9") a licensed producer under Canada's Access to Cannabis for Medical Purposes Regulation ("ACMPR") in which DELTA 9 will i) submit an application for amendment under section 29 of the ACMPR to add a Quebec Facility to its license, ii) including security clearance

applications for critical Tetra employees, iii) collaborate on the design of the Quebec Facility to ensure that it meets with the requirements under the ACMPR, iv) advance all materials provided by Tetra in respect of the facility to Health Canada including but not limited to building site specifications, building specifications, security specifications, security clearance applications, etc. v) send staff to meet with Health Canada inspectors for any pre-license inspection of the facility.

Under the terms of the Agreement Tetra will i) finance 100% of the costs relating to the construction of the Quebec production facility, ii) design, development, construction, fixturing, municipal and provincial licensing, and any other services required to prepare the facility for inspection by Health Canada.

In exchange for DELTA 9's services Tetra will make payments in cash or common shares to DELTA 9 based on an aggregate valuation at the time of issuance of $2,000,000, based on the greater of the (i) closing market price of Tetra shares on the day immediately prior to the day of issuance and (ii) $0.05 per share, over 5 milestones.

Tetra is required to make the following milestone payments: i) upon Health Canada's confirmation of the submission of Tetra's complete application: $400,000 payable in Tetra's common shares; ii) upon Health Canada's notification of its pre-license inspection: $400,000 payable in cash or shares; iii) upon Health Canada's issuance of cultivation license: $400,000 payable in cash or shares; iv) upon Health Canada's issuance of sales license: $400,000 payable in cash or shares; and e) upon first sale of product from the Quebec Facility (the final milestone): $400,000 payable in cash or shares.

In the event DELTA 9 elects to receive cash in lieu of shares for successful completions of each milestone, such cash shall only be payable on the completion of the final milestone.

Upon the final milestone being achieved and provided all the payments to DELTA 9 have been made by Tetra, DELTA 9 will transfer the license to Tetra.

Tetra will provide DELTA 9 with a right of first refusal to purchase all dried marijuana product which is produced at the Quebec Facility for a period of two years from the date of acquisition of the production license.

Contingent stock options and warrants

On May 17, 2016, the Company entered into a service agreement with two private companies for the acquisition of a pre-Health Canada approved clinical trial for the inhalation of cannabis drug products for management of chronic pain.

As consideration for the acquisition of the clinical trial Tetra is required to make the following milestone payments: a) upon submission of pre-CTA information package: 2,500,000 options at $0.05 for 5 years and 1,500,000 common shares warrants at $0.05 for 1 year; b) upon commencement of Phase 1 clinical trials of ("PPP0001"): 4,000,000 common shares warrants at $0.05 for 2 years; and c) upon successful completion of Phase 1 clinical trials of: 4,000,000 common shares warrants at $0.05 for 3 years.

As at November 30, 2016, only the first milestone had been reached and as a result 1,500,000 common share warrants and 2,500,000 stock options have been issued.

On February 16, 2017, the Company received notification from Health Canada that it had no objections to the commencement of the phase 1 clinical trials. As a result of obtaining the acceptance letter the Company had effectively reached the second milestone and issued 4,000,000 common shares warrants at $0.05 for 2 years.

On June 7, 2017, the Company completed the phase 1 clinical trials. As a result, the Company had effectively reached the final milestone and issued 4,000,000 common shares warrants at $0.05 for 2 years.

Health Research Chair in Cannabis at the University of New Brunswick (UNB)

On June 13, 2017, the Company and The New Brunswick Health Research Foundation are investing a combined $1 million, $500,000 each over five years to establish a Health Research Chair in Cannabis at the University of New Brunswick (UNB).

The chair will focus on the study of biochemistry, medicinal use and pharmacology of cannabis. This research will expand UNB's commitment to research and innovation in the field of natural product and biomedical, health and life sciences - adding to its reputation as a leader in natural products' research.

This research will expand the university's capacity to train, mentor and prepare undergraduate and graduate students to work effectively in botanical product research.

As at July 26, 2017, the Company has not made its initial contribution of $100,000.

LIQUIDITY AND CAPITAL RESOURCES

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to achieve optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition of a medical marijuana production license. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business. The Company considers its capital to be equity attributable to equity holders, which is comprised of share capital, reserves and surplus which totalled $3,508,836 as at May 31, 2017 (November 30, 2016 – $1,396,544).

The Company currently has no operating revenues and relies primarily on equity financing. As at May 31, 2017, the Company had assets of $3,728,726 (November 30, 2016 - $1,588,211) and a working capital surplus of $2,972,436 (November 30, 2015–$1,180,544).

Accordingly, as at May 31, 2017, management believes that the cash balance is sufficient to meet its general working capital requirements and contractual obligations for the short-term, however, to complete the subsequent phases of its clinical trials the Company will require additional long-term funding.

INVESTOR RELATIONS ACTIVITY

On March 27, 2017, Tetra announced that it entered into an employment agreement with Edward Miller as Vice President, Investor Relations and Corporate Communications.

Mr. Miller has over a decade of experience in the Biotech/Pharma industry. Most recently, he served as Director, Investor Relations and Corporate Communications at IntelGenx Corp. where he successfully built their shareholder communications program, resulting in substantial growth in their website traffic and social media hits. Mr. Miller joined Paladin Labs in 2001 where he held various positions including Manager, Investor Relations where he successfully built their investor relations program. Following his tenure at Paladin Labs he moved into the role as an investor relations consultant working for Christensen IR, heading their life science practice and as an independent where he has built award winning investor relations programs. Mr. Miller is the Past President of CIRI (Canadian Investor Relations Institute) Quebec Chapter

where he served two terms (2009 – 2012) and (2005 – 2007). Mr. Miller will be contributing to improving the company's visibility in the capital markets and leveraging his international experience at broadening its shareholder base.

On June 20, 2016, the Company announced that it was implementing an online marketing and awareness program through AGORACOM shares for Services Program.

The Company will issue shares for services to AGORACOM in exchange for the online advertising, marketing, and branding services. Pursuant to the terms of the agreement, the Company will be issuing:

- $CDN 44,000 + HST
- $10,000 + HST Shares for services June 15, 2016
- $10,000 + HST Shares For Advertising Services at end of Third Month September 15, 2016
- $10,000 + HST Shares For Advertising Services at end of Sixth Month December 15, 2016
- $10,000 + HST Shares For Advertising Services at end of Ninth Month March 15, 2017
- $4,000 + HST Shares For Advertising Services at end of Twelfth Month June 15, 2017

The number of shares to be issued at the end of each period will be determined by using the closing price of the Shares of Tetra on the CSE on the first trading day following each period for which the advertising services were provided by AGORACOM.

As at May 8, 2017, the Company has issued 501,800 shares to settle the outstanding payments. AGORACOM has also agreed to extend its services for an additional 6 months past June 15, 2017.

On May 8, 2017, the Company entered into a service agreement with MAPH Enterprises, LLC, to broaden U.S. investor awareness. Under the terms of the agreement issued 250,000 shares and was required to make 3 monthly payments of US $25,000.

PROPOSED TRANSACTIONS

In the normal course of business, the Company evaluates potential asset acquisition transactions and, in some cases, makes proposals to acquire such assets. These proposals, which are usually subject to Board and sometimes regulatory and shareholder approvals, may involve future payments, and share issuances. These future obligations are usually contingent in nature and generally the Company is only required to incur the obligation if it wishes to continue with the transaction.

RELATED PARTY TRANSACTIONS

Transactions with key management personnel

	Three months ended		Six months ended	
	May 31, 2017	May 31, 2016	**May 31, 2017**	May 31, 2016
	$	$	$	$
Consulting fees	**119,610**	60,000	**203,610**	99,200
Salary	**20,625**	-	**20,625**	-
Professional fees	**-**	2,500	**-**	10,000
	140,235	62,500	**224,235**	109,200
Stock-based compensation	**-**	-	**480,000**	-
Compensation warrants	**-**	-	**74,000**	-
	140,235	62,500	**778,235**	109,200

As at May 31, 2017, directors and key management personnel were owed $5,094 (November 30, 2015 - $4,328). This amount is included in accounts payable and accrued liabilities. The amount is unsecured, non-interest bearing and due on demand.

OUTSTANDING SHARE DATA

Authorized: the authorized share capital consists of an unlimited number of each of the following classes of shares: Class A Common shares, Class B Common shares, Class C Common shares, Class A Special shares, Class B Special shares, Class C Special shares, Class D Special shares and Class E Special shares, each with no par value.

Currently, there are only Class A Common shares issued and outstanding (the "common shares").

The holders of common shares are entitled to receive dividends (if any) which are declared from time to time, and are entitled to one vote per share at Tetra's shareholder meetings. All shares are ranked equally with regards to the Company's residual assets.

2017 Fiscal year issuances

December 6, 2016, the Company completed a non-brokered private placement with Aphria Inc. of 5,000,000 units at a price of $0.20 per unit for aggregate gross proceeds of $1,000,000.

On December 30, 2016, the Company completed a non-brokered private placement for 2,395,500 units at a price of $0.20 per unit for aggregate gross proceeds of $479,100.

During the period ended May 31, 2017, a total of 19,515,732 common share purchase warrants were exercised for gross proceeds of $2,774,789. The warrants had an average exercise price of $0.14 and expired between December 20, 2016 and September 28, 2018.

During the period ended May 31, 2017, the Company issued a total 751,800 common shares for promotional services. The shares were issued with a deemed average price of $0.28 for an aggregate credit to share capital of $210,920. During the period ended May 31, 2017, a total of 4,000,0000 stock options were exercised for gross proceeds of $200,000. The stock options had an exercise price of $0.05 and expired between November 5, 2017 and June 15, 2021.

Subsequent to May 31, 2017, a total of 465,000 common share purchase warrants were exercised for gross proceeds of $95,300. The warrants had an average exercise price of $0.20 and expired between November 4, 2017 and December 5, 2019.

Subsequent to May 31, 2017, a total of 650,000 stock options were exercised for gross proceeds of $84,500. The stock options had an exercise price of $0.13 and expired on November 5, 2017.

Common shares and convertible securities outstanding at July 26, 2017, consist of:

Securities	Expiry Date	Range of Exercise Price	Number of Securities Outstanding
Common shares	-	-	117,607,888
Options	Up to February 23, 2022	$0.05 to $0.70	3,150,000
Warrants	Up to December 5, 2019	$0.07 to $0.26	7,676,870
Compensation warrants	Up to June 7, 2020	$0.05	8,000,000
Finders' warrants	Up to September 28, 2018	$0.07 to $0.20	203,520

On March 20, 2017, the Company announced that Aphria Inc. (TSX-V: APH and USOTCQB: APHQF) had exercised their 5,000,000 warrants for aggregate gross proceeds of $1,300,000. The proceeds from the warrant exercise will be used to advance the clinical trials being developed in PhytoPain Pharma Inc., a subsidiary of Tetra.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value

The carrying values of cash and cash equivalents, short-term investments, accrued interest receivable, sales taxes refundable, and accrued liabilities approximate their fair values due to the immediate or short-term maturity of these financial instruments.

As at May 31, 2017, and November 30, 2016, the Company does not have any financial instruments recorded at fair value that require classification in the fair value hierarchy.

Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and accounts receivable. Cash is held with reputable Canadian chartered banks, from which management believes the risk of loss to be minimal. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered bank.

The Company's management considers that all the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

None of the Company's financial assets are secured by collateral or other credit enhancements.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its

access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at May 31, 2017, the Company had cash of $2,704,636 (November 30, 2016 - $1,218,639) and current liabilities of $219,890 (November 30, 2016 - $191,667). All of the Company's financial liabilities have contractual maturities of less than 30 days, and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

CHANGE IN ACCOUNTING POLICIES

The Company has not had any changes in accounting policies, other than the adoption of new mandatory standards under IFRS as well as amendments to existing standards, for the six months ended May 31, 2017.

INHERENT RISK FACTORS

You should carefully consider the following risks and uncertainties in addition to other information in this MD&A in evaluating the Company and its business before making any investment decision in regards to the common shares of the Company. The Company's operating and financial condition could be harmed due to any of the following risks.

These risks reflect the company's involvement in Scientific Research and drug development as well as production of medical marijuana.

Scientific Research and drug development

Competition

The market for the Company's research and development is highly competitive. The Company competes with other research companies who are also examining potential drug development for treating and managing pain. Many of its competitors have greater financial and operational resources.

These and other companies may have developed or could in the future develop new drugs and or technologies that compete with the Company's current research and development plans or even render its research obsolete. Competition in the Company's markets is primarily driven by:

- timing of drugs and technological introductions;
- ability to develop, maintain and protect proprietary products and technologies; and
- expertise of research and development team.

Litigation to Protect Company's Intellectual Property

The Company's future success and competitive position depends in part upon its ability to maintain its intellectual property portfolio. There can be no assurance that any patents will be issued on any existing or future patent applications. Even if such patents are issued, there can be no assurance that any patents issued or licensed to the Company will not be challenged. The Company's ability to establish and maintain a competitive position may be achieved in part by prosecuting claims against others who it believes to be infringing its rights. In addition, enforcement of the Company's patents in foreign jurisdictions will depend on the legal procedures in those jurisdictions. Even if such claims are found to be invalid, the Company's involvement in intellectual property litigation could have a material adverse effect on its ability to distribute any products that are the subject of such litigation. In addition, the Company's involvement in intellectual

property litigation could result in significant expense, which could materially adversely affect the use responsibilities, whether or not such litigation is resolved in the Company's favour.

Clinical testing and Regulatory approval

Since the Company's success is dependent on the successful completion of clinical trials, regulatory approval and introduction of its products and technology into the market, and since the Company has completed none of the tasks at this time, the Company does not know if it will be able to complete them. The actual timing of these events can vary dramatically due to factors such as delays or failures in the Company's clinical trials and the uncertainties inherent in the regulatory approval process. The Company might not be able to obtain the necessary results from its clinical trials or to gain regulatory approval necessary for licensing its products and technology. The Company's failure to achieve these objectives will mean that an investor will not be able to recoup their investment or to receive a profit on their investment.

Intellectual Property

The Company's success depends to a significant degree upon its ability to develop, maintain and protect proprietary products and technologies. The Company may file patent applications in the United States, Canada, Europe, and selectively in other foreign countries as part of its strategy to protect its proprietary products and technologies. However, patents provide only limited protection of the Company's intellectual property. The assertion of patent protection involves complex legal and factual determinations and is therefore uncertain and expensive. The Company cannot provide assurances that patents will be granted with respect to any of its pending patent applications, that the scope of any of its patents will be sufficiently broad to offer meaningful protection, or that it will develop additional proprietary technologies that are patentable. This could result in the Company's patent rights failing to create an effective competitive barrier. Losing a significant patent or failing to get a patent to issue from a pending patent application that the Company considers significant could have a material adverse effect on its business. The laws governing the scope of patent coverage in various countries continue to evolve. The laws of some foreign countries may not protect the Company's intellectual property rights to the same extent as the laws of Canada and the United States. The Company holds patents only in selected countries. Therefore, third parties may be able to replicate technologies covered by the Company's patents in countries in which it does not have patent protection.

Legal Proceedings

In the course of the Company's business, the Company may from time to time have access to confidential or proprietary information of third parties, and these parties could bring a claim against the Company asserting that it has misappropriated their technologies and had improperly incorporated such technologies into its products. Due to these factors, there remains a constant risk of intellectual property litigation affecting the Company's business. In the future, the Company may be made a party to litigation involving intellectual property matters and such actions, if determined adversely, could have a material adverse effect on the Company.

Dependence upon Management

Although the Company Issuer is expected to have experienced senior management and personnel, it will be substantially dependent upon the services of a few key personnel, particularly Dr. Guy Chamberland for the successful operation of its business. The loss of the services of any of these persons could have a material adverse effect on the business of the Company. The Company may not be able to attract and retain personnel on acceptable terms given the intense competition for such personnel among high technology enterprises, including biotechnology, and healthcare companies, universities and non-profit research institutions. If it loses any of these persons, or is unable to attract and retain qualified personnel, its business, financial condition and results of operations may be materially and adversely affected.

Going Concern

The ability of the Company to continue as a going concern is dependent on its ability to generate future profitable operations and to obtain additional debt or equity financing. There can be no assurance that the Company's operations will achieve profitability in the future or that the Company will be able to successfully obtain financing on commercially reasonable terms or at all.

Substantial Capital Requirements and Liquidity

Substantial additional funds for the Company's research and development programs will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations, or even cease its operations.

Reliance on Third Parties

The Company is relying on a third party to assist it in conducting its clinical trials. If this third party does not successfully carry out their contractual duties or meet expected deadlines, the Company may not be able to obtain regulatory approval for or commercialize its products or technology.

Unproven market

The Company believes that there will be many different applications for its products and technologies and that the anticipated market for these products and technologies will continue to expand. However, no assurance can be given that these beliefs will be correct owing, in particular, to competition from existing products and technologies or new products and technologies.

Medical Marijuana

Competition

If Tetra is successful in securing a ACMPR license, there is potential that Tetra will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than Tetra. Increased competition by larger and better financed competitors could materially and adversely affect the proposed business, financial condition and results of operations of Tetra.

In addition, the government has only issued to date a small number of licenses under the ACMPR to produce and sell medical marijuana. There are, however, several hundred applicants for licenses. The number of licenses granted could have an impact on the operations of Tetra. Because of the early stage of the industry in which Tetra operates, Tetra expects to face additional competition from new entrants. If the number of users of medical marijuana in Canada increases, the demand for products will increase and Tetra expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, Tetra will require a continued high level of investment in research and development, marketing, sales and client support. The Corporation may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of Tetra.

Requirements under the ACMPR

Production of medicinal marijuana in Canada is regulated pursuant to the ACMPR. Any applicant seeking to become such a producer is subject to the stringent licensing requirements of Health Canada, which would be

applicable in the event that either the Company, or any other entity the Company may invest in applies for or acquires a license. These licensing requirements include the significant infrastructural requirements of attaining and maintaining a license such as an indoor growing facility with physical barriers, visual monitoring, recording devices, intrusion detection, air filtration systems, as well as other important controls around distribution and access, among others. In addition, and as specified in the ACMPR, once a license is issued, a holder of a producer license must comply with a number of ongoing requirements, including (i) physical security and storage measures, (ii) good production practices, and (iii) proper packaging, labelling and shipping practices. Furthermore, in order to obtain and maintain a license, a licensee must ensure that it complies with the terms of its other permits and ancillary licenses such as the import or export permit from the Minister of Health, as well as ensuring that all of its management and designated personnel have passed the security clearance provided for under ACMPR.

Tetra is not a licensed producer under the ACMPR

Tetra is not a licensed producer under the ACMPR and is in the early stage of the application review process to obtain a license to produce and supply medical marijuana under ACMPR from Health Canada. Tetra's ability to grow, store and sell medical marijuana in Canada is dependent on obtaining a license from Health Canada and there can be no assurance that Tetra will obtain such a license.

Even if Tetra is successful in obtaining a license, such license will be subject to ongoing compliance and reporting requirements. Failure to comply with the requirements of the license or any failure to maintain the license would have a material adverse impact on the business, financial condition and operating results of Tetra.

Timeframes and cost to obtain a license under the ACMPR

The timeframes and costs required for Tetra or any ACMPR applicant to build the infrastructure required to apply for, and to receive, an ACMPR license can be significant. Estimates of the timeframe and costs cannot be reliably determined at this time given that Tetra is at the preliminary stage in the license application review process. The current backlog of applications from other licensees with Health Canada and the anticipated timeframe for processing and approval of any application cannot be reliably determined at this time.

Ultimately, in the process of meeting all licensing requirements, a facility meeting the rigorous requirements of Health Canada must be available for inspection by Health Canada before any license can be granted.

Regulatory Risks

The proposed activities of Tetra are subject to regulation by governmental authorities, particularly Health Canada. Achievement of the business objectives of Tetra are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. Tetra cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of Tetra.

Change in Laws, Regulations and Guidelines

Tetra's proposed operations are subject to a variety of laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of medical marijuana but also including laws and regulations relating to health and safety, the conduct of operations and the protection of the environment.

The ACMPR is a new regulatory regime that came into force on August 24, 2016. As such, revisions to the regime could be implemented which could have an impact on the operations of Tetra. There is also some uncertainty regarding the likely interpretation of certain regulatory provisions by the regulator. Changes in legislation or regulator interpretation could negatively impact the operations of Tetra. Similarly, a change in government could result in meaningful changes to the regulatory regime under which Tetra proposes to operate, which could negatively impact its operations.

On March 21, 2014 the Federal Court of Canada issued an order affecting the repeal of the *Marijuana Medical Access Regulations* (Canada) ("**MMAR**") issued pursuant to the *Controlled Drugs and Substances Act* (Canada) and the application of certain portions of the ACMPR which are inconsistent with the MMAR in response to a motion brought by four individuals. As of the date of this listing statement, the Government of Canada has indicated its intention to appeal the order but it is unclear whether this will be successful or how the Federal Court of Canada might ultimately decide the case to which the order relates. The risks to the proposed business of Tetra represented by this or similar actions are that they might lead to court rulings or legislative changes that allow those with existing licenses to possess and/or grow medical marijuana and perhaps others to opt out of the regulated supply system implemented through the ACMPR. This could significantly reduce the addressable market for Tetra's proposed products and could materially and adversely affect the business, financial condition and results of operations of Tetra.

While the impact of such changes are uncertain and are highly dependent on which specific laws, regulations or guidelines are changed and on the outcome of any such court actions, it is not expected that any such changes would have an effect on Tetra's proposed operations that is materially different than the effect on similar-sized companies in the same business as Tetra.

Risks Inherent in an Agricultural Business

The Company's proposed business involves the growing of medical marijuana, an agricultural product. As such, the business is subject to the risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks. Although Tetra intends to grow its products indoors under climate controlled conditions, and carefully monitoring the growing conditions with trained personnel, there can be no assurance that natural elements will not have a material adverse effect on the proposed production of its products.

Environmental and Employee Health and Safety Regulations

Medical marijuana operations are subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land, the handling and disposal of hazardous and non-hazardous materials and wastes, and employee health and safety. Failure to comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions in manufacturing operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations or give rise to material liabilities, which could have a material adverse effect on the proposed business, results of operations and financial condition of Tetra.

Difficult to Forecast

Detailed sales forecasts are not generally obtainable from sources at this early stage of the medical marijuana industry in Canada. A failure in the demand for products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the proposed business, results of operations and financial condition of Tetra.

Dependence on Suppliers and Skilled Labour

The ability of Tetra to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that Tetra will be successful in maintaining its required supply of skilled labour, equipment, parts and components. It is also possible that the final costs of any major equipment that may be contemplated by Tetra's capital expenditure program may be significantly greater than anticipated by management, and may be greater than funds available to Tetra, in which circumstance Tetra may curtail, or extend the timeframes for completing, its capital expenditure plans. This could have an adverse effect on the financial results of Tetra.

Reliance on Key Inputs

The proposed business is dependent on a number of key inputs and their related costs including raw materials and supplies related to growing operations, as well as electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition and operating results of Tetra. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the proposed business, financial condition and operating results of Tetra.

Unfavourable Publicity or Consumer Perception

Management of Tetra believes the medical marijuana industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the medical marijuana produced. Consumer perception of Tetra's proposed products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medical marijuana products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the medical marijuana market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for Tetra's proposed products and the business, results of operations, financial condition and cash flows of Tetra. The Corporation's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on Tetra, the demand for its proposed products, and the business, results of operations, financial condition and cash flows of Tetra. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of medical marijuana in general, or Tetra's proposed products specifically, or associating the consumption of medical marijuana with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed.

Product Liability

If licensed as a manufacturer and distributor of products designed to be ingested by humans, Tetra faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of Tetra's products involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of its products alone or in combination with other medications or substances could occur. The Corporation may be subject to various product liability claims, including, among others, that its products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against Tetra could result in increased costs, could adversely affect Tetra's reputation with its clients and consumers generally, and could have a material adverse effect on our results of operations and financial condition of Tetra. There can be no

assurances that Tetra will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of Tetra's potential products.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of Tetra's products are recalled due to an alleged product defect or for any other reason, Tetra could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Corporation may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although Tetra intends to implement detailed procedures for testing finished products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of Tetra's significant brands were subject to recall, the image of that brand and Tetra could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for Tetra's products and could have a material adverse effect on the results of operations and financial condition of Tetra. Additionally, product recalls may lead to increased scrutiny of Tetra's operations by Health Canada or other regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Land Ownership

Under Quebec Agricultural Law, public companies are prohibited from acquiring direct ownership in agricultural land. Currently the land under lease by the Company is zoned agricultural. Although the Company has entered into a lease on the land there is no guarantee that the land will ultimately remain available to the Company. Should the Company be unsuccessful in securing access to the land then current application with Health Canada would be terminated and the Company would be required to submit a new application based on securing new land for its facility.

APPROVAL

The Board of Directors of Tetra Bio-Pharma Inc. approved the disclosure contained in this MD&A on July 26, 2017. A copy of this MD&A will be provided to anyone who requests it from the Company.

ADDITIONAL INFORMATION

Officers and Directors:
Andre Audet, Chairman, and Director
Andre Rancourt, CEO and Director
Guy Chamberland, Chief Scientific Officer and Regulatory Affairs of PhytoPain Pharma
Sabino Di Paola, Chief Financial Officer and Corporate Secretary
Edward Miller, VP of Investor Relations and Corporate Communication

Independent Directors:
Dr. W. M. (Bill) Cheliak, Director
Carl Merton, Director
Robert Brouillette, Director

Legal Counsel and Auditors
McMillan LLP, Canadian Legal Counsel
UHY McGovern Hurley, Auditors

DISCLAIMER

The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. It should be read in conjunction and in context with all other disclosure documents of the Company. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. No securities commission or regulatory authority has reviewed the accuracy of the information presented.

ADDITIONAL INFORMATION AND CONTINUOUS DISCLOSURE

This Management's Discussion and Analysis has been prepared as of July 26, 2017. Additional information on the Company is available through regular filings of news releases and financial statements on SEDAR (www.sedar.com).

(s) Andre Rancourt	*(s) Sabino Di Paola*
Chief Executive Officer	Chief Financial Officer