



TETRA BIO-PHARMA INC.

Annual Information Form

For the year ended November 30, 2018

June 18, 2019

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MEANINGS OF CERTAIN REFERENCES

In this annual information form, or AIF, references to the "Corporation", "Tetra", "we", "us", "our" or "its" are references to Tetra Bio-Pharma Inc. References to "management" in this AIF mean the persons acting in the capacities of Tetra's President and Chief Executive Officer, Chief Financial Officer, Chief Scientific Officer, Executive Vice President – Development and Licensing, Senior Vice President – Marketing and Medical Affairs and Vice President – Sales. Any statements in this AIF made by or on behalf of management are made in such persons' capacities as officers of Tetra and not in their personal capacities. In this AIF, unless the context suggests otherwise, the term "Corporation" includes the Corporation's predecessors.

FORWARD-LOOKING STATEMENTS

Certain statements in this AIF may constitute "forward-looking information" or "forward-looking statements" within the meaning of applicable securities laws (collectively, "**forward-looking statements**"), which are based upon the Corporation's current internal expectations, estimates, projections, assumptions and beliefs. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements or industry results to be materially different from any future results, performance or achievements or industry results expressed or implied by such forward-looking information or financial outlook. Forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would", and similar terms and phrases, including references to assumptions. Such information may involve, but is not limited to, comments with respect to strategies, expectations, planned operations or future actions.

The forecasts and projections that make up the forward-looking statements in this AIF are based on assumptions which include, but are not limited to: additional financing being available; Tetra's clinical development not being stalled; the general state of the economy not worsening; Tetra not losing any key personnel; Tetra being able to grow its business long term and to manage its growth; Tetra complying with existing regulations and not becoming subject to more stringent regulations; no material product liability claims; Tetra successfully completing its various patent applications; Tetra successfully protecting its intellectual property; Tetra's management information systems upon which it is dependent are not impaired; Tetra's insurance being sufficient to cover losses that may occur as a result of its operations; there are no changes to tax laws other than the specific amendments, in their currently proposed form, which are already known; the availability of resources; Tetra's ability to find funding partners; and applicable laws not changing in a manner that is unfavorable to Tetra.

The forward-looking statements in this AIF are subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical results or results anticipated by the forward-looking statements. The factors which could cause results to differ from current expectations include, but are not limited to: our recurring operating losses and negative cash flows; our lack of expectations of generating revenues for several years; any difficulties enrolling patients in clinical trials; any quality, cost or delivery issues with manufacturers; any failure to maintain or establish satisfactory supply or manufacturing arrangements; any failure to demonstrate safety and efficacy of our product candidates to the satisfaction of regulatory authorities; any delays in clinical testing and commercialization; the adverse impact on future commercialization efforts from negative results from clinical trials or studies of others and adverse safety events involving the targets of our products; any difficulties commercializing our new hemp energy drinks; intense competition from corporations with greater resources and experience; any misconduct or improper activities of our employees; our dependence on key personnel; any failure of our collaboration agreements; any failure to protect our intellectual property; any failure of clinical development to proceed as intended, or at all; any insufficiency of insurance coverage; any public controversy from our product; any changes in laws, regulations and guidelines; delisting reviews for companies with U.S. assets by the TSXV; any deficiencies in disclosure controls and procedures and internal controls over financial reporting; any cyber-security breaches; any failure of our information

technology systems; product and clinical trial liability; products recalls; any unfavourable publicity or consumer perception; the unknown effects of the legalization of adult-use cannabis in Canada on the medical cannabis; the volatility and fluctuation of the market price for the Common Shares; additional capital raises by us; the subordination of common shareholders to our lenders; the negative impact of future sales of Common Shares by officers and directors on the market price for the Common Shares; the limited market for our securities; our unlisted warrants; the fact that we do not currently pay dividends. For additional information with respect to risks and uncertainties, readers should carefully review and consider the risk factors described under the section "Risk Factors" and elsewhere in this AIF. The information contained in this AIF identifies additional factors that could affect the operating results and performance of Tetra. Shareholders and prospective investors are urged to carefully consider those factors.

Readers are cautioned that the preparation of financial statements in accordance with International Financial Reporting Standards ("IFRS") requires Tetra's management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. Forward-looking statements reflect management's current beliefs and are based on information currently available to Tetra. The forward-looking statements are made as of the date of this AIF (or in the case of information contained in a document incorporated by reference herein, as of the date of such document), and Tetra assumes no obligation to publicly update or revise such forward-looking information to reflect new information, subsequent or otherwise, except as may be required by applicable securities law.

DATE OF INFORMATION

The information in this AIF is presented as of June 18, 2019, unless otherwise indicated.

PRESENTATION OF FINANCIAL INFORMATION

Unless otherwise indicated, all references to "\$" or "dollars" are to Canadian dollars, which is Tetra's functional currency. The fiscal year end of all entities within Tetra's corporate structure is November 30. Tetra's financial statements are prepared in accordance with IFRS.

THIRD PARTY INFORMATION

This AIF includes industry and market data and forecasts obtained from independent publications, market research and analyst reports, surveys and other publicly available sources. Although Tetra believes these sources to be generally reliable, market and industry data is subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. Accordingly, the accuracy and completeness of this data is not guaranteed. Tetra has not independently verified any of the data from third party sources referred to in this AIF nor ascertained the underlying assumptions relied upon by such sources.

CORPORATE STRUCTURE

Tetra Bio-Pharma Inc.

Tetra was incorporated under the name Mazorro Resources Inc. ("**Mazorro**") under the Canada Business Corporations Act (the "**CBCA**") on May 17, 2007. On December 29, 2014, GrowPros MMP Inc. completed an amalgamation transaction with Mazorro and 9048073 Canada Inc., a wholly-owned subsidiary of Mazorro incorporated, to effect the amalgamation. As a result of a share exchange in

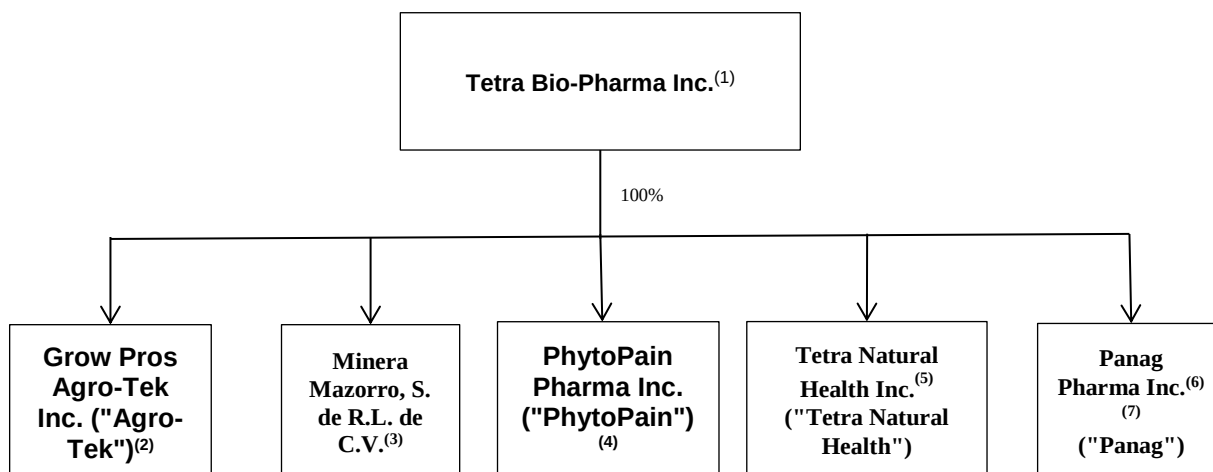
connection with the amalgamation, control of the combined companies passed to the former shareholders of GrowPros MMP Inc., which for accounting purposes was deemed to be the acquirer. As part of the amalgamation agreement, Mazorro changed its name to "GrowPros Cannabis Ventures Inc."

On September 28, 2016, the Corporation formally changed its name from GrowPros Cannabis Ventures Inc. to Tetra's current name. The Common Shares were listed for trading on the Canadian Securities Exchange ("CSE") under the symbol "TBP" and the OTCQB under the symbol "TBPMF".

On August 16, 2017, the Corporation's Common Shares were delisted from the CSE and were listed for trading on the TSXV under the symbol "TBP" and the OTCQB under the symbol "TBPMF".

The Corporation has three active subsidiaries: PhytoPain Pharma Inc., Tetra Natural Health Inc. and Panag Pharma Inc. On November 27, 2018, an inactive subsidiary of the Corporation named 9342-6112 Québec Inc. was dissolved. As at the date of this Annual Information Form, Grow Pros Agro-Tek Inc. and Minerra Mazorro s.r.l. de c.v. remain the only inactive subsidiaries of the Corporation, which the Corporation intends to dissolve in the future.

The following chart illustrates, as of the date of this Annual Information Form, the Corporation's corporate structure, describing the Corporation's subsidiaries:



(1) Incorporated under the CBCA.

(2) Incorporated in Ontario and currently inactive.

(3) Incorporated in Mexico and currently inactive.

(4) Incorporated in Canada and whose principal activity is cannabis and cannabinoid drug development and related clinical trials.

(5) Incorporated under the CBCA and whose principal activity is commercialization of natural health and self-care products as well as the sale of its hemp energy drinks.

(6) Incorporated in Nova Scotia.

(7) Panag was acquired on May 1, 2019. See "Recent Acquisitions and Dispositions" *Erreur ! Source du renvoi introuvable.*

GENERAL DEVELOPMENT OF THE BUSINESS

Three-year History

2016

On February 25, 2016, the Corporation completed a non-brokered private placement of 5,000,000 units at a price of \$0.05 per unit for aggregate gross proceeds of \$250,000. Each unit consisted of one Common Share and one non-transferable warrant, with each whole warrant entitling the holder to purchase one Common Share at a price of \$0.07 for a period of 12 months following the closing date.

On May 11, 2016, the Corporation incorporated its subsidiary PhytoPain, a clinical stage research and development Corporation focused on the development of pharmaceutical products containing plant-based cannabinoids.

On August 15, 2016, the Corporation completed a non-brokered private placement of 2,160,000 units at a price of \$0.05 per unit for aggregate gross proceeds of \$108,000. Each unit consisted of one Common Share and one transferable warrant, with a whole warrant entitling the holder to purchase one Common Share at a price of \$0.07 for a period of twenty-four months expiring August 15, 2018.

On September 19, 2016, the Corporation filed articles of amendment and changed its name from "GrowPros Cannabis Ventures Inc." to "Tetra Bio-Pharma Inc.". The Common Shares became listed for trading on the CSE under the symbol "TBP".

On November 4, 2016, Tetra completed a non-brokered private placement of 6,096,369 units at a price of \$0.15 per unit for aggregate gross proceeds of \$914,456. Each unit consisted of one Common Share and one non-transferable warrant, with a whole warrant entitling the holder to purchase one Common Share at a price of \$0.20 for a period of 12 months following the closing date.

On December 6, 2016, Tetra completed a non-brokered private placement with Aphria Inc. ("**Aphria**") of 5,000,000 units at a price of \$0.20 per unit for aggregate gross proceeds of \$1,000,000. Each unit consisted of one Common Share and one non-transferable warrant, with a whole warrant entitling the holder to purchase one Common Share of the Corporation at a price of \$0.26 per share for a period of 3 years following the closing date.

2017

On January 10, 2017, Tetra entered into a binding letter of intent to form a joint venture with Ford's Family Pharmacy and Wellness Center in Moncton, New Brunswick. The primary objective of this venture was the development and commercialization of cannabinoid-based products for the Canadian health care market with a special focus on cannabidiol ("**CBD**") and tetrahydrocannabinol ("**THC**") free cannabis products for the United States ("**US**") cosmetic and supplement market.

On January 23, 2017, PhytoPain entered into a clinical research partnership with Santé Cannabis. Under the partnership, Santé Cannabis agreed to work with PhytoPain to develop the late phase clinical trial protocols to be used to obtain substantial evidence of the safety and efficacy of PPP001 required for a new prescription drug approval from Health Canada and the US Food and Drug Administration (the "**FDA**"). These trials seek to receive the first approval for a Canadian-manufactured cannabis-based prescription medication.

On February 9, 2017, Tetra and IntelGenx Corp. entered into a binding term sheet for the development and commercialization of a drug product containing dronabinol. Under the binding term sheet, Tetra was provided with exclusive rights to sell the product in North America with a right of first negotiation for outside the U.S. and Canada.

On May 23, 2017, Tetra entered into an agreement with Panag for the development and commercialization of novel cannabinoid based formulations for the treatment of pain and inflammation.

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

On August 16, 2017, the Common Shares were voluntarily delisted from the CSE and were approved for trading on the TSXV. Tetra commenced trading on the TSXV on the opening of markets on Wednesday, August 16, 2017, under the symbol "TBP".

On December 13, 2017, Tetra signed an exclusive research and development (R&D) agreement with Constance Therapeutics, Inc. for the pharmaceutical drug development, and eventual commercialization in Canada, of their standardized patent-pending, medicinal cannabis extract products.

2018

On February 8, 2018, Tetra and Neptune Technologies & Bioresources Inc. entered into an agreement for the co-development, commercialization and marketing of purified cannabinoid oil-based products to address pain and inflammation relief applications for the natural health products and pet veterinary markets. This agreement will remain in force until the later of (a) the date when products developed under the agreement can no longer be legally or profitably marketed, and (b) ten years following the commercial launch of any product launched commercially under the terms of the agreement; and is renewed automatically for up to two additional five-year terms unless a party notifies the other party of its intention not to renew the agreement upon 180-day prior notice.

On March 5, 2018, Tetra completed a bought deal financing with Echelon Wealth Partners Inc. pursuant to which it sold 11,500,000 units of the Corporation at a price of \$1.00 per unit for gross proceeds of \$11,500,000. Each unit consisted of one Common Share and one warrant. Each warrant entitles the holder thereof to acquire one Common Share at a price of \$1.30, for a period of 36 months following the closing of the bought deal financing.

On March 29, 2018, Tetra completed a non-brokered private placement of 4,292,000 units at a price of \$1.00 per unit for aggregate gross proceeds of \$4,292,000. Each unit consisted of one Common Share and one non-transferable warrant. Each warrant entitling the holder thereof to acquire one Common Share at a price of \$1.30 per share for a period of 36 months following the closing date.

On April 3, 2018, Mr. Guy Chamberland, M.Sc., Ph.D., an accomplished drug developer and the then Chief Scientific Officer of Tetra, was appointed Chief Executive Officer of Tetra.

On June 1, 2018, Tetra completed the listing of its previously issued 11,500,000 Common Share purchase warrants on the TSXV.

On June 5, 2018, Mr. Ofer Yifrach-Stav was hired as Vice President Pharmaceutical Compliance and Quality.

On June 19, 2018, Mr. Richard Giguere was hired as Executive Vice-President, Commercial Operations. He is responsible for the commercial sales and operations of Tetra Natural Health.

On July 16, 2018, Tetra entered into a co-development agreement with Storz & Bickel to use a specialized medical device known as the Mighty Medic, in combination with its PPP001 prescription drug. The agreement allows Tetra to effectively bring PPP001 to patients suffering from fibromyalgia and other chronic pain conditions, significantly expanding the market potential for PPP001.

On September 13, 2018, Health Canada re-classified the inhalation pipe device used in the delivery of its PPP001 cannabis drug to a Class 2 Medical Device with the impact that, if PPP001 is approved by Health Canada, the Corporation expects that both the prescription drug and the inhalation device will be covered by private and provincial public insurance plans.

On October 8, 2018, Tetra signed a CBD supply agreement with True North Cannabis Inc. ("True North") in Alberta, Canada, to develop a cannabinoid derived oral capsule and a topical cream for treating joint pain and inflammation to be commercialized under the previously announced partnership with Genacol.

On October 24, 2018, Mr. Richard Giguere was promoted and appointed as Chief Executive Officer of Tetra Natural Health a newly created, wholly owned subsidiary of Tetra.

On November 20, 2018, Tetra signed a binding proposal for exclusive access to a Health Canada licensed facility (i.e., Drug Establishment License; DEL) that enables the Corporation to produce cannabis and cannabinoid drug products for Tetra's and Panag's development activities including the ocular drug formulations. Quantum Pharma owned by Dr. Peter Ford was the GMP manufacturing division of Ford's Family Pharmacy and Wellness Centre. Their formulation expertise will enable Tetra to develop innovative products for future clinical trials.

On November 30, 2018, Tetra completed a private placement of units with Aphria for 6,900,000 units, with each unit being comprised of one Common Share of Tetra and one Common Share purchase warrant, at a price of \$1.03 per unit for gross proceeds of \$7,107,000. Each warrant entitles Aphria to purchase one full Common Share at a price of \$1.29 per Common Share for a period of 36 months following the closing of such private placement.

On December 11, 2018, Tetra entered into a non-exclusive supply agreement for GMP-Grade THC with U.S.-based Rhodes Technologies Inc. in connection with several drug development activities including Tetra's cannabinoid-derived products PPP002, PPP003, and PPP004, as well as for discovery phase projects.

2019

On January 14, 2019, Mr. Derek Theriault was hired as National Sales Director of Tetra Natural Health and Michael Olders was hired as Director Operations and Logistics of Tetra Natural Health.

On January 28, 2019, Tetra filed a patent application for its PPP0001 drug product. The patent application covers methods of fabrication and composition of matter.

On February 4, 2019, Tetra Natural Health and Crescita Therapeutics Inc. ("**Crescita**"), a Canadian commercial dermatology company entered into an agreement to develop an enhanced version of Tetra's dermatology portfolio using Crescita's patented transdermal delivery technologies: Multiplexed Molecular Penetration Enhancer ("**MMPE**[™]") and DuraPeel[™]. The primary active ingredient contained in the product portfolio to be reformulated is beta-caryophyllene ("**Beta-C**"), which is known to work on CBD 2 receptors. Management expects that the testing methodology and the clinical development made possible by the collaboration will help optimize the delivery of Beta-C and several other active ingredients into the skin and local tissues.

On February 12, 2019, Tetra accelerated the development of its second-generation drug inhalation program for fibromyalgia and uncontrolled pain over the last months.

On February 20, 2019, Tetra temporarily suspended its phase III clinical program due to impurities found in its PPP001 investigational drug being administered to patients. The suspension is not expected to affect the timing of the European application nor the development of the second-generation inhalation products.

On March 4, 2019, Tetra completed the first double-blind, randomized and placebo-controlled phase II clinical trial of cannabis oil capsules. The trial evaluated the safety and efficacy of different doses and ratios of medical cannabis oil, for the treatment of uncontrolled chronic pain in cancer and non-cancer patients.

On April 9, 2019, Tetra resumed its phase III clinical program in advanced cancer pain patients. The expansion of clinical trial sites to 20 in both Canada and the United States will accelerate patient recruitment and help expedite Tetra's submission to regulatory agencies.

On April 10, 2019, Tetra signed a joint venture agreement with Altus Formulation Inc. The two companies will work together to develop a series of cannabinoid-receptor targeted therapeutics addressing multiple areas of high unmet need.

On April 11, 2019, Tetra entered into a collaboration with Ovensa Inc. to evaluate TRIOZAN, a proprietary nanomedicine platform for targeted delivery of cannabinoids to brain tumor cells.

On May 1, 2019, Tetra acquired 100% of the issued and outstanding common shares of Panag, a Canadian-based bio-tech company focused on the development of novel cannabinoid-based formulations for the treatment of pain and inflammation. See *"Recent Acquisitions and Dispositions – Panag Pharma Inc."*

On May 2, 2019, Panag was authorized by the Veterinary Drugs Directorate, Health Canada, to conduct a pilot clinical study to evaluate the tolerability and potential efficacy of its PPP003 ophthalmic drug in the treatment of indolent corneal ulcers in companion animals.

On May 14, 2019, Tetra, following the retirement of Bernard Lessard as Chief Financial Officer, appointed Sabino Di Paola as his replacement.

On May 14, 2019, Tetra Natural Health appointed Andre Rancourt, Greg Drohan, Guy Chamberland and Richard Giguère to its new board of directors. Mr. Rancourt is named as chairman of the board of directors of Tetra Natural Health. Chris MacLean was appointed as Chief Operating Officer of Tetra Natural Health.

On June 11, 2019, Panag completed Panag 001, its phase III clinical trial evaluating the safety and efficacy of Topical-A, now branded as Awaye, for the treatment of pain caused by osteoarthritis of the knee.

On June 14, 2019 Mr. Benoit Chotard tendered his resignation as director of the Corporation, effective immediately. Mr. Chotard advised the Corporation that he will not stand for re-election to the board of directors of the Corporation.

Recent Acquisitions and Dispositions

Panag Pharma Inc.

On May 1, 2019, Tetra completed the acquisition of Panag, pursuant to the share purchase agreement dated January 30, 2019 (the "**Panag Agreement**") between the Corporation and the shareholders of Panag (the "**Vendors**").

Pursuant to the Panag Agreement, Tetra acquired 100% of the issued and outstanding common shares of Panag held by the Vendors in consideration for, in aggregate (the "**Panag Transaction**"),

- a) \$3,000,000 in cash; and
- b) the issuance of 16,304,348 class A common shares of Tetra ("Common Shares") at a price of \$0.552 per Common Share.

The terms of the Panag Transaction also provide for the payment by Tetra to the Vendors of an aggregate amount of up to \$15,000,000 in cash in milestone payments upon the achievement of operational targets associated with marketing approvals and commercialization of both human and

veterinary drug products by the FDA and the European Medicines Agency (the "**EMA**"). Tetra has also committed itself to fund Panag's research in an amount no less than \$1,200,000 annually for a period of ten years after the closing date of the Panag Transaction, all as more fully described in the management proxy and information circular of the Corporation dated March 20, 2019.

Two of the Vendors, W.M. (Bill) Cheliak and Gregory Drohan, were non-arm's length parties to Tetra within the meaning of the rules of the TSXV. Dr. Cheliak is the Chairman of the board of directors of the Corporation (the "**Board**") and Mr. Drohan is a director of the Corporation. The Panag Transaction did not result in the issuance of securities to non-arm's length parties as a group as payment of the purchase price exceeding 10% of the number of outstanding shares of the Corporation on a non-diluted basis. The Panag Transaction constituted a "related party transaction" within the meaning of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Corporation relied upon the exemptions from valuation and minority approval set out in Sections 5.5(a) and 5.7(1)(a), respectively, of Part 5 of MI 61-101. The facts supporting reliance on the formal valuation exemption stated in Sections 5.5(a) and 5.7(1)(a) of MI 61-101 were as follows: at the time the Panag Transaction was agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Panag Transaction, insofar as it involves interested parties, exceeded 25% of the Corporation's market capitalization.

The Panag Transaction did not constitute a "Significant Acquisition" for the Corporation pursuant to Part 8 of National Instrument 51-102- Continuous Disclosure Obligations.

A complete and detailed description of the Panag Transaction is contained in the material change report of the Corporation dated February 11, 2019 and in the management proxy and information circular of the Corporation dated March 20, 2019, copies of which are available on SEDAR (www.sedar.com) under the Corporation's profile.

PhytoPain Pharma Inc.

On March 19, 2018, Tetra completed the acquisition of the remaining 20% interest in PhytoPain from entities controlled by André Rancourt, former Chairman of the board of directors of the Corporation, and Guy Chamberland, who is currently Chief Executive Officer and Chief Scientific Officer of the Corporation (collectively, the "**Sellers**"), whereby Tetra acquired from the Sellers all of the issued and outstanding common shares of PhytoPain currently held by the Sellers (representing 20% of the issued and outstanding shares of Phytopain) (the "**PPP Acquisition**") for an aggregate purchase price of \$12,425,089 composed of:

- a) a cash payment of \$248,000;
- b) promissory notes in the principal aggregate amount of \$2,236,696 payable to the Sellers in accordance with the terms of the PhytoPain Purchase Agreement (the "**Promissory Notes**");
- c) the issuance of 2,485,218 Common Shares at the closing of the PhytoPain Transaction (the "**Consideration Shares**"); and
- d) the issuance of 7,455,653 Common Shares to an escrow agent designated by the parties, to be held in escrow and released in accordance with a specified milestone schedule based on corporate objectives (the "**Escrow Shares**"). 1,863,912 Common Shares were released from escrow on July 18, 2018 and distributed to the Sellers.

The PhytoPain Transaction constituted a "related party transaction" within the meaning of MI 61-101. Upon completion of the PhytoPain Transaction, PhytoPain became a wholly-owned subsidiary of Tetra.

A complete and detailed description of the PhytoPain Transaction is contained in the material change report of the Corporation dated March 29, 2018, a copy of which is available on SEDAR (www.sedar.com) under the Corporation's profile.

GrowPros MMP Inc.

On February 22, 2018, the Corporation entered into an agreement to sell all shares of its subsidiary "GrowPros MMP Inc." to North Bud Farms Inc. ("**North Bud**") for gross proceeds of \$350,000, as well as 15,500,000 common shares of North Bud (the "**GrowPros MMP Transaction**"). This sale was contingent upon North Bud completing a listing transaction and becoming a publicly traded company. As at August 31, 2018, the conditions of the agreement were completed and consequently the sale and transaction were recorded.

The completion of the GrowPros MMP Transaction resulted in the Corporation disposing of its medical marijuana production business division in order to focus its activities on its core business, the drug development and the clinical trials of its pharmaceutical business candidates.

On August 31, 2018, the Board approved the distribution of a dividend-in-kind consisting of the 15,500,000 common shares of North Bud received by Tetra as part of the GrowPros MMP Transaction, on a pro rata basis based on the Corporation's 152,961,631 outstanding Common Shares held on the record date as of August 29, 2018, representing 0.101233 North Bud share per Common Share. 15,500,000 North Bud shares were delivered to shareholders subsequent to August 31, 2018. The dividend-in-kind was paid on or September 12, 2018.

DESCRIPTION OF THE BUSINESS

Description of the Corporation's Business

Tetra is a bio-pharmaceutical multifaceted corporation with its primary focus in cannabinoid-based drug discovery and development with a clinical program aimed at bringing novel drugs and treatments to patients and their healthcare providers. The Corporation operates in two segments of operations which are (i) biopharmaceutical; and (ii) natural health.

PhytoPain's biopharmaceutical segment focuses on the development and commercialization of cannabinoid-derived pharmaceuticals. Tetra Natural Health segment focuses on commercialization of natural health and self-care products as well as the sale of its hemp energy drinks.

Biopharmaceutical Segment

General Description

The Corporation's first segment focuses on the development and commercialization of cannabinoid-derived pharmaceuticals. The Corporation is a clinical stage drug development 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. The Corporation has two products in late phase drug development (PPP011 and PPP002).

Tetra's early drug development program focused on bringing the traditional method of inhaling medicinal cannabis to the market as a prescription drug. Obtaining early phase clinical data (i.e., safety, pharmacokinetic, pharmacodynamic) in healthy subjects was critical to the development of any pharmaceutical product to avoid bringing ineffective therapies into costly late phase clinical trials. The early phase clinical data allows Tetra to bring potentially effective therapies into pivotal safety and efficacy trials required to submit marketing applications and commercialize drug products post regulatory approval. This level of scientific evidence is also required by physicians and insurance companies.

Through its clinical trial data and inhalation research, the Corporation developed intellectual property to create new generations of cannabinoid drugs that are synthetic or isolate based. This research allowed the Corporation to transition from a plant-derived drug (PPP001) to a synthetic drug (PPP011) for advanced cancer patients. The Corporation has prioritized the development of its Caumz (PPP011) inhalation drug for advanced cancer patients.

In parallel, the Corporation acquired Panag as part of its vertical growth strategy and to ensure a pipeline of products for development and commercialization, notably its ophthalmic drug products for which the Corporation met with the FDA to discuss its clinical development program in June 2019. On April 30, 2019, Tetra obtained authorization from Health Canada to perform a clinical trial in dogs suffering from a painful eye disease.

Biopharmaceutical Development in the last three years

2016

On June 15, 2016, the Corporation 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 Corporation obtained approval for the trial but decided to: 1) prepare for the commercialization of 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 licensed from Panag.

In summer 2016, the Corporation submitted a pre-CTA information package to Health Canada and an equivalent information package to the FDA. The Corporation obtained guidance from Health Canada which lead to the preparation of a Phase I clinical protocol and in December 2016, the Corporation filed a CTA with Health Canada for PPP001, PhytoPain's dried cannabis inhalation drug and received the approval letter (No Objection Letter ("**NOL**")) in February 2017. The study involved a complete safety assessment, pharmacokinetics and cognitive function evaluations in healthy volunteers, as well as a dose-escalation and 7-day repeat dosing component to the study design. The Corporation contracted the conduct of the study to Algorithm Pharma. The study began in March 2017 and the Corporation reported initial clinical data from the trial during summer 2017. This study gave Tetra an in-depth understanding of the safety and cognitive function as a function of dose and to allow the Corporation to leverage this data in other Cannabis-product development programs (i.e., side effects linked to blood levels of THC and CBD).

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

2017

In January 2017, Tetra had a Type B pre-IND meeting with the FDA to discuss the regulatory requirements for early phase (Phase I), late phase and marketing authorization. In 2017 and 2018, Tetra had several meetings with Health Canada to discuss and launch the Phase III clinical trial of PPP001 as well as discuss the expanded use of PPP001 in additional indications. In December 2017, the corporation met with the Veterinary Drugs Directorate to discuss two clinical development programs. In September and October 2018, Tetra completed a Type B and Type C meeting with the FDA to discuss the premarketing requirements for PPP002 under the 505(b)(2) regulatory pathway.

On January 29, 2017, Tetra received the approval by Health Canada of a Phase II clinical trial designed to evaluate the safety and efficacy of different doses and ratios of medical cannabis oil (THC & CBD) to improve uncontrolled chronic pain in cancer and non-cancer patients.

On February 4, 2017, Tetra received a NOL from the therapeutic products directorate ("**TPD**") at Health Canada to its CTA for the Corporation's PPP001 prescription smokable dried cannabis product.

On December 9, 2017, Tetra accepted the suggestion of Health Canada to change the order of its CTA review process. As such, it was agreed that the quality certification for the manufacturing of PPP001 would take place prior to the approval of its clinical trial protocol as Health Canada assesses its partner Aphria's operations for Good Manufacturing Practices ("**GMP**") for pharmaceutical products.

2018

On March 14, 2018, the FDA granted Orphan Drug Designation to the active ingredients of Tetra's PPP001 drug (delta-9-tetrahydrocannabinol 9.5% and cannabidiol 2.5%) for the treatment of complex regional pain syndrome. The Orphan Drug Designation was granted for the active moiety of the drug PPP001 and not the formulation.

On April 4, 2018, Tetra initiated the screening and enrolment activities in the Phase III study of its PPP001 smokable cannabis pellet for advanced cancer patients with uncontrolled pain.

On June 18, 2018, Santé Cannabis finalized the clinical study protocol evaluation of PPP001, being the first time that cannabis is being compared to fentanyl in a clinical trial. The study protocol received approval from the Independent Ethics Board (IRB Services) and was submitted for review to Health Canada.

On July 26, 2018, Tetra received two meeting granted letters from the FDA, for Type B and C meetings, to discuss requirements for obtaining marketing approval under the 505(b)(2) regulatory pathway for its dronabinol AdVersa™ mucoadhesive product, PPP002.

On August 9, 2018, Health Canada approved Tetra's protocol for a clinical trial investigating its PPP001 drug as an alternative to the opioid fentanyl in the management of breakthrough cancer pain.

On August 23, 2018, Tetra submitted multiple applications for Orphan Drug Designation for cannabinoids to the FDA, for the treatment of various forms of rare cancers and ocular diseases.

On September 11, 2018, Tetra announced the acceleration of the submission of a pre-marketing application for the registration of its cannabis drugs PPP001 under Directive 2001/83/EC of the European Parliament and of the Council.

On September 13, 2018, Health Canada re-classified the inhalation pipe device used in the delivery of its PPP001 cannabis drug to a Class 2 Medical Device. Prior to the addition of phytocannabinoids to the prescription drug list, the inhalation pipe was regulated as a Class 1 medical device. A Class 1 device is not eligible for reimbursement by public insurers. The reclassification will now allow Tetra to seek insurance coverage for the medical device.

On September 20, 2018, Tetra's study protocol received approval from the Independent Ethics Board (IRB Services) and was submitted for review to Health Canada. By December 2018, Tetra had completed the identification of every compound in the PPP001 smoke produced by the titanium pipe and vapor generated by the Mighty Medic vaporizer. More importantly, the full composition of cannabinoids and terpenes entering the respiratory system was identified.

On September 27, 2018, Tetra conducted a Type B meeting with the FDA for its dronabinol AdVersa™ mucoadhesive product, PPP002 to obtain confirmation of the eligibility of PPP002 for the 505(b)(2) NDA and the requirements for marketing approval.

On October 3, 2018, Tetra developed and implemented a pharmaceutical quality system for Canada's first botanical-based prescription drug PPP001 with Ford's Family Pharmacy and Wellness Center. The

GMP, Regulatory Operations and Regions Branch, Health Canada completed the inspection of Ford's manufacturing facility. A Drug Establishment License was granted after having inspected and assessed the facility as being in compliance with the requirements of Divisions 2 to 4 of the Food and Drug Regulations thereby allowing Ford's to conduct the fabrication, packaging and labeling of PPP001.

On November 1, 2018, Tetra received a NOL from the Therapeutic Drug Directorate at Health Canada to conduct a Phase I pharmacokinetic (PK) and safety study using a vaporized version of PPP001.

On November 15, 2018, Tetra and Panag submitted a clinical research application to the Veterinary Drugs Directorate at Health Canada to examine the use of a cannabinoid-based drug to treat ocular pain and inflammation in canines. The pilot study will be led by veterinary ocular care specialists.

On December 20, 2018, Tetra successfully completed its Phase I clinical trial in healthy volunteers using vaporized PPP001.

On December 21, 2018, Tetra submitted a safety report to the Office of Clinical Trials, Health Canada after discovering the presence of impurities in an experimental batch of the strains used to manufacture PPP001. As per regulations to protect the health and welfare of human subjects, Tetra voluntarily suspended the Phase III clinical trial and embarked on urgent testing of the clinical lots for the presence of these impurities. In parallel, the Corporation studied the fate of the impurities during the combustion and vaporization processes. All of this data was submitted to Health Canada. On February 5, 2019, after receiving the results of the clinical trial batches, Tetra announced the presence of the impurities in the PPP001 product.

Natural Health Segment

General Description

The Corporation's natural health segment, operated through its Tetra Natural Health subsidiary, is specializing in the commercialization of hemp or non-cannabinoid-based over-the-counter ("OTC") products in Canada as well as the sale of its hemp energy drinks. The Corporation intends to commercialize some of these products with Genacol Corporation Canada. Tetra Natural Health's business objective is also to commercialize the pipeline of topical and oral NHPs developed by Panag that will be aimed towards the pharmacy self-care or OTC market.

The Corporation has two human products at the preclinical stage of development (PPP003 and PPP004).

Natural Health Development in the last three years

2017

On January 16, 2017, Tetra received a NOL from the TPD, Health Canada to evaluate the safety, pharmacokinetics and pharmacodynamics of its cannabis oil PPP005.

2018

On July 19, 2018, Tetra Natural Health started the commercialization of Hemp Energy Drink, a caffeinated energy drink containing hemp, that received a temporary marketing authorization (TMA) by Health Canada.

On August 14, 2018, Tetra concluded a development and commercialization agreement with Genacol Canada Corporation to develop a cannabinoid derived oral capsule and a topical cream for treating joint pain and inflammation. Genacol will be responsible for the promotion and sales of these products throughout their network in Canada and USA.

On August 20, 2018, Mr. Steeve Néron joined Tetra as Vice-President, Marketing with the responsibility of all natural health marketing activities.

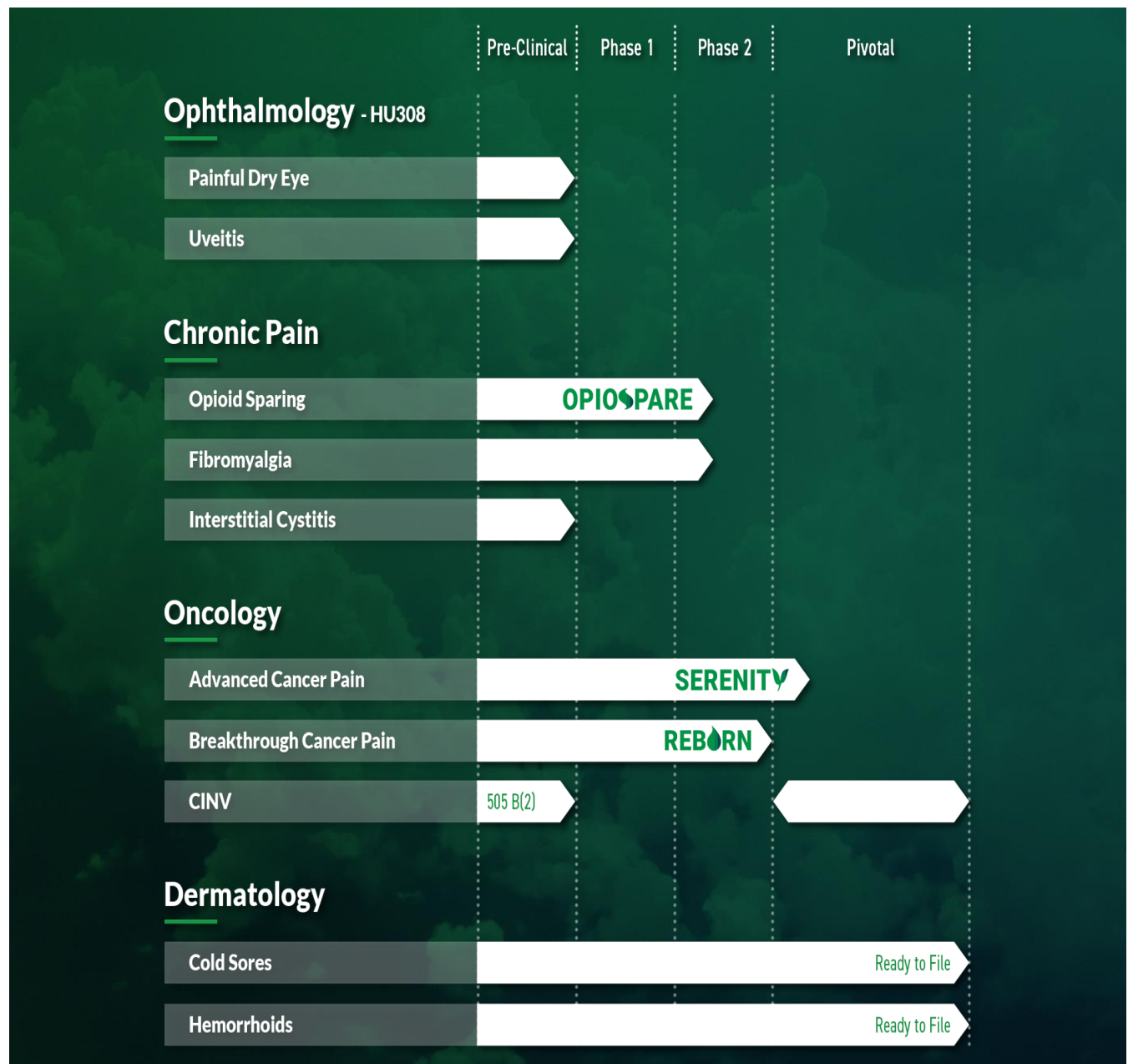
On September 11, 2018, Tetra announced the acceleration of the submission of a pre-marketing application for the registration of its cannabis drugs PPP005 under Directive 2001/83/EC of the European Parliament and of the Council.

On November 1, 2018, Tetra Natural Health signed a distribution agreement with Kombucha Baby Brewing Company and its partners for the exclusive distribution of its Hemp Energy Drink in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, and Ontario as well as California, Washington, Oregon and Hawaii.

On November 13, 2018, Mr. Steeve Néron was promoted and appointed as Senior Vice President, Marketing and Medical Affairs.

Product Pipeline

The table below summarizes all clinical/regulatory works we are currently performing on all our product assets:



Pipeline of Products and Clinical Trials

Five trials are planned, pending regulatory approval, for its cannabinoid drug products: PPP011 in Canada and the USA in patients with advanced cancer, two with the PPP002 mucoadhesive tablet, one with PPP003 in dogs, and another with PPP003 in humans. Two trials are planned under the development program with Tetra Natural Health's cannabis oil product and one trial with the topical product from Panag.

The table below provides a summary comparison of the planned trials versus the general drug development phases for the biopharmaceutical and natural health segments.

Development Phase	Products in Development							
	PPP001	PPP011 (Caumz) (Serenity©) (Reborn©)	PPP002 (IntelGenx)	Local pain (Panag Pharma) TopicalA	PPP003 Ocular (Panag Pharma) veterinary	PPP003 Ocular (Panag Pharma) (HU-308)	PPP004 Topical cream (Panag Pharma)	PPP005 Cannabis oil program
Discovery and Lead selection	Not required. Formulation based on cannabinoid pharmacology.	Bridge to PPP001	Not required. Formulation based on cannabinoid pharmacology.	Not required. Formulation based on pharmacology.	Many years of discovery performed by Panag.	Many years of discovery performed by Panag.	Formulation based on cannabinoid pharmacology.	Formulation based on cannabinoid pharmacology.
Preclinical pharmacology and toxicology	Not required; formulation based on body of public scientific data.	Bridge to PPP001	Not required. Formulation based on scientific literature.	Researched performed by Panag.	Non-clinical safety studies performed in rats and rabbits.	Non-clinical safety studies performed in rats and rabbits.	Not required; formulation based on scientific literature.	Not required. Formulation based on scientific literature.
Phase I: safety testing in healthy human volunteers.	Executed study is in healthy volunteers (male and female) to assess the safety, pharmacokinetics and define side effects including the influence on cognitive function. Phase I trial with titanium pipe and Mighty Medic completed.	Bridge to PPP001	Pharmacokinetic study performed in healthy volunteers. Safety was established with Dronabinol. Planned comparative pharmacokinetic study for 505(b)(2).	Formulation tested on healthy subjects by a clinical research organization for Panag.	Proof of concept and safety trial authorized by Health Canada Q1 2019.	Not required. Formulation to be tested in patients. Type B meeting with FDA in June 2019 to discuss clinical program.	Not required; formulation to be tested in patients with chronic pain.	10mgTHC-10mgCBD study is in healthy volunteers, (male and female) to assess the safety and pharmacokinetics is completed. Second phase to assess safety of 25mgTHC-25mgCBD is suspended pending impurity free source of cannabis oil.
Phase II: dose finding to define the potential efficacious dose and frequency of administration.	Not required. Doses based on medical cannabis use and Phase I data.	Bridge to PPP001	Planned study is proof-of-concept in cancer patients.	A pilot proof of concept study was completed in patients.	A multisite pivotal trial to be performed in North America.	Will be part of a Phase I/II first in human study.	Will be part of a Phase I/II first in human study with the creams (several formulations to be tested).	Phase II dose escalation and safety study in patients with chronic pain, cancer and noncancer, was completed.

Development Phase	Products in Development							
	PPP001	PPP011 (Caumz) (Serenity©) (Reborn©)	PPP002 (IntelGenx)	Local pain (Panag Pharma) TopicalA	PPP003 Ocular (Panag Pharma) veterinary	PPP003 Ocular (Panag Pharma) (HU-308)	PPP004 Topical cream (Panag Pharma)	PPP005 Cannabis oil program
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.	Study terminated early due to impurities in active pharmaceutical ingredient.	Completing bridge and opening clinical sites across Canada and USA.	Demonstrate safety and efficacy if successful Phase II.	Last patient follow up visits week in June 2019. Study completed. Data analysis phase ongoing.	Requirement for second pivotal to be discussed with Health Canada and FDA.	Demonstrate safety and efficacy if successful Phase II.	Tetra intends on demonstrating that the cream is safe and efficacious for the temporary relief of general neuropathic pain.	Phase II data analysis not completed. Outcomes will determine THC-CBD ratio to be selected for future development.
Expanded Access Program		Right to Try access in USA is planned. To be re-initiated in parallel to Phase II-III trial; PPP011 as an alternative to fentanyl for breakthrough pain; fibromyalgia with PPP011.	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Phase IV: also known as post-marketing trials.	European submission under medicinal herbal drug regulations is ongoing.	Product launch: Post-marketing trials with USA oncology centres and KOLs.	Not applicable	Will be assessed as part of a global launch strategy	Not applicable	Not applicable	Not applicable	Not applicable

Biopharmaceutical Segment

PPP001: Target Intended Uses

As an adjunct to standard of palliative care, PPP001 aims to improve quality of life and help reduce the pain of terminal cancer patients in adults.

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 a malignant cancer and 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 was performed as a classical pharmaceutical industry Phase I (a) and (b) trial and will include the following assessments:

- dose-escalation safety with pharmacokinetics;
- single dose versus 7-days repeat dosing;
- safety parameters include assessment of cognitive function (memory, attention, etc.); and
- pharmacodynamic assessments for potential efficacy in reducing pain.

The Phase I study allowed Tetra to initiate a Phase II/III in the first target population. The outcome of the Phase I (a) and (b) trial will allow Tetra to launch clinical trials in non-life threatening indications.

The Phase II/III is a multi-site study in Canada performed subsequent to a NOL from Health Canada. This study was suspended on December 24, 2018 after discovery of an impurity in a research batch of the active ingredients used to manufacture PPP001. In February 2019, the Corporation identified these impurities in the clinical trial batches and terminated the study.

As of the date hereof, the Corporation had completed a significant amount of research on the composition of smoke and vapor inhaled by patients. These composition studies were designed to understand how smoked cannabis works and subsequently develop a second-generation therapeutic drug called Caumz (PPP011). Based on the impurities in PPP001, and potential for future similar impurities, the Corporation accelerated the development of Caumz and then proceeded to the re-initiation of the Phase II/III clinical trial using Caumz instead of PPP001. The Corporation intends on performing this trial in Canada and the USA to accelerate enrolment. 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 Corporation intends on launching an expanded access program to allow the treatment of patients that are not eligible for the Phase III trial. The first study will be aimed at patients suffering from fibromyalgia and the investigational drug will be administered using the Mighty Medic vaporizer. Tetra will also re-initiate a Phase II trial in breakthrough pain comparing the safety and efficacy of PPP011 versus sublingual fentanyl. The Corporation also intends to target other indications to expand the market size for PPP011.

The Corporation is completing the preparation of marketing application for PPP001 under the European drug directives.

PPP002 - OpioSpare©: Slow Release formulation of Dronabinol (co-development with IntelGenx)

Buccal mucosal 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 C_{max}, thereby reducing the adverse effects associated with high plasma levels of THC. The pharmacokinetic properties of this mucoadhesive tablet were shown in healthy volunteers. A proof-of-concept study in patients will be performed to minimize the risk associated with bringing this product to the market for opioid sparing indications. In addition, this latter study will confirm the safety benefits in patients and determine the group sizes for Phase III studies for opioid sparing indications.

In the U.S., the Corporation intends on submitting a 505(b)(2) marketing application, since Dronabinol is already an approved drug. In September 2018, Tetra completed a Type B meeting with the FDA that confirmed the eligibility of the PPP002 program for approval under the 505(b)(2) regulatory path. This U.S. clinical program to support this first intended use (identical claim to that of Dronabinol) involves the conduct of one well-designed comparative pharmacokinetic clinical trial and one trial for drug abuse. The Corporation is currently optimizing the commercial manufacturing process. The Corporation also intends to take PPP002 into a Phase II study for use in opioid reduction in the treatment of chronic pain. This second indication will provide additional years to its market exclusivity.

PPP002 is at the stage of optimizing the commercial manufacturing process and preparation of the premarketing files.

PPP011 (Caumz) - Serenity© and Reborn©: Target Intended Uses

Since early 2017 Tetra has been studying the composition (inhalation research) of smoke and vapor produced by the combustion or heating of the PPP001 drug product. Initially the studies focused on identifying all of chemical compounds in the smoke and then Tetra focused on understanding the cannabinoid and terpene emissions. This research lead Tetra to understand what enters the respiratory tract of a patient when you smoke or vaporize PPP001.

In 2017 and 2018, Tetra performed several clinical trials to elucidate the pharmacokinetic and pharmacodynamic effects of smoked and vaporized cannabis. Based on these two sets of studies, Tetra created a new generation of cannabinoid treatment replacing the PPP001. The new generation product is called PPP011 or Caumz and is composed of pure synthetic THC and CBD. This simple combination results in patients exposed to THC and CBD as well as other cannabinoids.

Tetra's research allowed the Corporation to understand the origins of some minor cannabinoids from a simple THC-CBD blend.

Tetra has bridged the PPP011 to PPP001 through its vast clinical and inhalation research data thereby allowing Tetra to proceed with PPP011 as a replacement for PPP001.

Natural Health Segment

PPP003: Ocular formulation of cannabinoids – HU-08

Panag has a formulation and use patent for cannabinoids in the treatment of ocular conditions and developed several formulations for the treatment of various eye indications. The Corporation is developing an eye formulation for the ocular pain market. The project team has completed the non-clinical safety studies and submitted an Information Package to meeting with the FDA in a Type B meeting. The Corporation met with the FDA in June 2019 and the purpose of this regulatory meeting was to discuss the clinical development program for PPP003 in humans.

The FDA accepted the Corporation's development program in its response to the Type B meeting on June 17, 2019.

PPP004: Topical cream

The PPP004 topical product line is being developed for commercialization by Tetra Natural Health.

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

- one double-blind, randomized, placebo-controlled clinical study in late 2019 to demonstrate safety and efficacy in patients with GNP, and
- one double-blind, randomized, placebo-controlled clinical study in 2020 to demonstrate safety and efficacy in patients with GNP.

PPP004 (topical product) is with Tetra Natural Health and will lead to commercialization of products for sale by this Corporation.

Tetra completed its Phase III clinical trial evaluating the safety and efficacy of Awaye for the treatment of pain caused by osteoarthritis of the knee. While the clinical study investigated the use of Awaye™ for osteoarthritis of the knee, it is currently approved by Health Canada for expanded indications including muscle and joint pain from arthritis.

This clinical program has been revised based on the projected changes to the *Cannabis Act* to become effective in October 2019.

PPP005: Cannabis oil capsules

The Corporation received approval from Health Canada ("**NOL**") to perform a Phase I clinical trial in healthy volunteers to assess the safety and pharmacokinetics of the cannabis oil and a Phase II trial in chronic pain patients to assess the safety and efficacy. Both studies were completed and the Corporation is currently assessing the data. The development strategy will be modified based on its Joint Venture with Altus Formulations Inc.

The first phase of the PPP005 (encapsulated cannabis oil) research program was completed. Tetra performed a Phase I clinical trial in healthy volunteers and a Phase II trial in non-cancer and cancer pain patients. This data is currently under scientific evaluation and management expects the program to resume in the near future.

Principal Products or Services

The Corporation is currently devoting its resources to research and development. Upon successful completion of clinical trials and approval of the Corporation's prescription drug product(s), as well as the successful development of its non-prescription drug products the Corporation plans to:

1. Enter into licensing agreements with pharmaceutical companies in various regions of the world for the commercialization of its prescription drugs. Entering into such agreements will be dependent on regulatory approval of various regulatory bodies such as Health Canada's TPD, the FDA, and other such entities. Through these licensing agreements, Tetra expects to generate revenues from one or a combination of the following: (i) upfront payments for the right to exclusively commercialize a product in a specific territory where such product(s) will have been approved, (ii) royalties on the sales of licensed product(s), (iii) milestone payments on the sales of licensed product(s), and (iv) commercial milestones.
2. Commercialize, on its own, via partnerships and/or through reseller(s), natural health products and other such products that will be aimed towards the pharmacy self-care or OTC market, and any other channels where such products will be permitted to be sold by local authorities.

Competition

The pharmaceutical industry is highly competitive and subject to rapid change. The industry continues to expand and evolve as an increasing number of competitors and potential competitors enter the market. Many of these competitors and potential competitors have substantially greater financial, technological, managerial and research and development resources and experience than the Corporation. Some of these competitors and potential competitors have more experience than the Corporation in the development of pharmaceutical products, including validation procedures and regulatory matters. Other companies working in cannabinoid research may develop products targeting the same diseases that the Corporation is focused on that are competitive or superior to Tetra's product candidates. In addition, there are non-FDA approved cannabis/cannabinoid preparations being made available from companies in the medical cannabis industry, which may be competitive to Tetra's

products. If Tetra is unable to compete successfully, its commercial opportunities will be reduced and Tetra's business, results of operations and financial conditions may be materially harmed.

Compared to the Corporation, many of its competitors may have significantly greater financial, technical and human resources at their disposal. As a result of these factors, competitors may have an advantage in marketing their approved products and may obtain regulatory approval of their product candidates before the Corporation can, which may limit the Corporation's ability to develop or commercialize its product candidates. Competitors may also develop drugs that are safer, more effective, more widely used and less expensive, and may also be more successful in manufacturing and marketing their products. These advantages could materially impact the Corporation's ability to develop and commercialize its products successfully.

Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller and other early stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties compete with us in recruiting and retaining qualified scientific, management and commercial personnel, establishing clinical trial sites and subject registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

Employees

As of the date of this Annual Information Form, Tetra has 23 employees.

Bankruptcy and Receivership

The Corporation has not been the subject of any bankruptcy or any receivership or similar proceedings against the Corporation or its subsidiary or any voluntary bankruptcy, receivership or similar proceedings by the Corporation or its subsidiary, within the three most recently completed financial years or the current financial year.

Material Restructuring

The Corporation has not proposed any material restructuring transaction for the current financial year.

REGULATORY OVERVIEW

Tetra's operations are subject to a variety of laws, regulations, guidelines and policies relating to the manufacture, import, export, management, packaging/labelling, advertising, sale, transportation, distribution, storage and disposal of the product candidates but also including laws and regulations relating to drugs, controlled substances, health and safety, the conduct of operations and the protection of the environment. While to the knowledge of management, Tetra is currently in material compliance with all such laws, any changes to such laws, regulations, guidelines and policies due to matters beyond the control of Tetra may adversely affect its operations.

Regulatory Developments in Canada

The Corporation is required to comply with the regulatory requirements of the various regulatory agencies (such as the TPD of Health Canada) where the Corporation intends to register its products as prescription drugs, as well as its non-prescription drug products. Following is a summary description of the key regulatory requirements and paths for prescription drugs and non-prescription drugs.

Prescription Drugs & related clinical trials

The term drug will be used to refer to a synthetic molecule, controlled substance, 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. Health Canada and the FDA are involved in the regulation of the sale (distribution) and importation of unapproved drugs for use in human clinical trials.

Clinical trials fall under the responsibility of:

- Health Canada:
 - Controlled substances, botanical and synthetic drugs: the TPD;
 - Natural health products ("**NHPs**"):: Natural and Non-Prescription Health Products Directorate;
 - Medical devices: Medical Device Bureau.
- FDA:
 - Controlled substances, botanical and synthetic drugs: the Center for Drug 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.
- European Medicines Agency (EMA)¹:
 - Controlled substances, botanical and synthetic drugs;
 - NHPs;
 - Medical devices.

In order to be able to initiate a clinical trial in humans, an investigational product must conform to the requirements defined by the International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use. The Corporation performs research to understand the dose response and frequency of administration as well as the pharmacodynamics 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 (non-clinical) pharmacology and toxicology.
- Phase I: safety testing in healthy human volunteers
- Phase II: dose finding to define the potential efficacious dose and frequency of administration.
- 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. In a life-

¹ The respective agency varies by country

threatening indication, regulators can accept a single Phase III trial under the condition that the Corporation performs a Phase IV trial as a post-marketing requirement.

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

Regulatory Approval Process

Prescription Drugs – Canada

The Corporation initiates the process by first requesting for a Pre-Submission meeting with the division responsible for the therapeutic field. If the meeting is granted, the Corporation needs to submit a Pre-Submission Information package to the TPD to meet with the review division. This process occurs prior to submitting the New Drug Submission (NDS) application. The purpose of the Pre-Submission meeting is to review the evidence (preclinical and clinical research, quality information, indication) that will be submitted in the NDS application.

During the drug development process, the Corporation prepares the study reports. Once the last study required for the submission is released, the NDS application is completed and submitted to TPD. Prior to submitting the NDS and if applicable based on the intended use of the product patient population, the Corporation should have submitted in advance a request for Priority Review status. Similarly, companies seeking submission under the conditional notice of compliance (the "**NOC/c**") policy must request a pre-submission meeting with Health Canada review staff and receive prior approval, consistent with procedures outlined in the NOC/c policy.

After submitting the NDS application, the file undergoes a screening process prior to being accepted for review. TPD has 45 calendar days from receipt to complete the screening review process. If granted a Priority Review or applications accepted for consideration under the NOC/c policy, the screening period is reduced to 25 calendar days.

After the comprehensive review of an NDS application, a NOC/c-QN will be issued by the Director of the responsible reviewing the NDS application should a submission be determined to qualify for further consideration under the NOC/c policy. The NOC/c - QN will indicate that the submission qualifies for a NOC, under the NOC/c policy, as well as outline the additional clinical evidence to be provided in confirmatory studies, post-market surveillance responsibilities and any requirements related to advertising, labeling, or distribution. Submission review will cease upon issuance of the Qualifying Notice. The sponsor should submit the appropriate information and material within 30 days of receipt of the NOC/c-QN.

The target for the average time to reach first decision on a NDS application is 300 calendar days.

Fees apply to the review of a NDS application.

Prescription Drugs-US

The FDA has a similar review process for New Drug Applications (NDA). This includes a Fast Track, Breakthrough Therapy and Priority Review procedure. The Fast Track procedure is for the review of drugs that treat serious conditions and meet an unmet medical need. The Breakthrough Therapy process is for drugs that are intended to treat a serious condition, and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over available therapy. The Priority Review is a process for the drugs that would significantly improve the treatment, diagnosis, or prevention of serious conditions. This latter process is initiated when FDA aims to take action on an application within six months, compared to 10 months under standard review.

The submission of the NDA is the formal step asking the FDA to initiate the drug review process for marketing approval. After a Corporation submits an NDA, the FDA has 60 days to decide whether to file the NDA so it can be reviewed (Screening review process). The 'regular' path for approval requires that clinical benefit be shown before approval can be granted. The drug will receive marketing approval when the NDA contains sufficient data for FDA to determine the safety and effectiveness of a drug. However, if the review process raises issues that require additional consideration, the FDA will organize a meeting of one of its Advisory Committees to get independent, expert advice and to permit the public to make comments.

Non-prescription drugs (Natural Health Products)

To commercialize a product under the Natural Health Product regulations, a Corporation has to submit a Product Licence Application (PLA). Health Canada implemented a three Class review system to provide a faster path to the market for lower risk products.

The PLA first undergoes a screening review process before being accepted for review. Class I and II products will be rejected (Refusal Letter) if found to be deficient during this review. Class I products are formulations that are entirely based on a Health Canada monograph. Class II products include those that are based on traditional medicine or a combination of more than 1 compendial ingredient (ingredient that fulfills the definition of a Health Canada monograph or labelling standard). Health Canada review policy dictates a 10- business day and 30- calendar day review period for Class I and II products, respectively.

In the case of a Class III, the PLA will be accepted into the assessment queue and reviewed for the safety and efficacy requirements if the application contains all of the required information and in the appropriate format. Once all requirements are met, a Product Licence will be issued within one hundred and eighty (180) calendar days from the end of the screening period. During the review process, Health Canada will send Information Request Notice(s) (IRN) to obtain clarification to the information submitted or to request for additional information. If the IRN response is deemed deficient or if the applicant does not satisfy all Class III requirements, an Application Refusal Letter will be issued.

Health Products and Cosmetics Containing Cannabis

Health Canada is proposing a scientific, evidenced-based approach for the oversight of health products containing cannabis that are approved with health claims, including prescription and non-prescription drugs, natural health products, veterinary drugs and health products, and medical devices. Under cannabis regulations, the use of cannabis-derived ingredients in cosmetics, which is currently prohibited, will be permitted and subject to the provisions of the *Cannabis Act* (Canada).

RISK FACTORS

Investing in Tetra's securities involves a high degree of risk. In addition to the other information contained in this AIF, you should carefully consider the following risk factors before purchasing any securities of Tetra. The occurrence of any of the following risks could materially and adversely affect Tetra's investments, prospects, cash flows, results of operations or financial condition. In that event, the value of Tetra's securities could decline and investors may lose all or part of their investment. Although Tetra believes that the risk factors described below are the most material risks that Tetra faces, they are not the only ones. Additional risk factors not presently known to Tetra or that Tetra currently believes are immaterial could also materially and adversely affect Tetra's investments, prospects, cash flows, results of operations or financial condition and negatively affect the value of the Tetra's securities.

Risks Relating to Tetra and its Business

The Corporation's financial statements for the three-month period ended February 28, 2019 show recurring operating losses and negative cash flows which may have an adverse effect on its relationships with current and future collaborators, contract suppliers and investors

The ability to generate sufficient revenue to sustain the operations of the Corporation depends upon the ability to successfully commercialize its intellectual property or other product candidates that the Corporation develops or acquires in the future. The Corporation currently generates some revenues from the sale of its hemp energy drinks. These revenues are not substantial enough to support Tetra's overall operations. As of the date of this Annual Information Form, there is no expectation to generate substantial revenue from the Corporation's intellectual property in the foreseeable future.

There is no assurance that if regulatory approval is achieved for the product candidates, revenues will be generated. The ability to generate revenue further depends on additional factors, including:

- successful completion of development activities, including the additional preclinical studies and planned clinical trials for the product candidates;
- completion and submission of new drug applications to the FDA;
- obtaining regulatory approval from the FDA for indications for which there is a commercial market;
- obtaining regulatory approval from Health Canada;
- completion and submission of applications to, and obtaining regulatory approval from, other foreign regulatory authorities;
- raising substantial additional capital to fund operations;
- securing and maintaining strategic collaborations with partners to test, commercialize and manufacture product candidates;
- manufacturing approved products in commercial quantities and on commercially reasonable terms;
- developing a commercial organization, or finding suitable partners, to market, sell and distribute approved products;
- achieving acceptance among patients, clinicians and advocacy groups for any developed products;
- the successful grant of patents for drugs under development;
- obtaining coverage and adequate reimbursement from third parties, including government payors; and
- setting a commercially viable price for any approved products.

Any doubt about the Corporation's ability to continue as a going concern may materially and adversely affect the price of the Common Shares, and it may be more difficult for the Corporation to obtain financing. Any doubt about the Corporation's ability to continue as a going concern may also adversely affect the Corporation's relationships with current and future collaborators, contract manufacturers and investors, who may become concerned about its ability to meet its ongoing financial obligations. If potential collaborators decline to do business with the Corporation or potential investors decline to participate in any future financings due to such concerns, the Corporation's ability to increase its financial resources may be limited. The Corporation has prepared its financial statements on a going concern basis, which assumes that the Corporation will be able to meet its commitments, realize its assets and discharge its liabilities in the normal course of business. The Corporation's consolidated

financial statements do not include any adjustment to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty.

The Corporation's prospects depend on the success of its product candidates of which the majority are at early stages of development, and we do not expect to generate revenue for several years, if at all, from these products

Given the early stage of four (4) out of five (5) prescription drugs of our product development, we can make no assurance that our research and development programs will result in regulatory approval or commercially viable products. To achieve profitable operations, we, alone or with others, must successfully develop, gain regulatory approval, and market our future products. We currently have no products that have been approved by the FDA, Health Canada, or any similar regulatory authority. Additionally, we currently have no products for commercial sale or licensed for commercial sale. As a result, we are not currently generating revenue from our products and do not expect to generate significant revenue from our products over the next several years and may never generate revenue from the sale or licensing of our products, or otherwise.

Many product candidates never reach the stage of clinical testing and even those that do have only a small chance of successfully completing clinical development and gaining regulatory approval. Product candidates may fail for a number of reasons, including, but not limited to, being unsafe for human use or due to the failure to provide therapeutic benefits equal to or better than the standard of treatment at the time of testing. Positive results of early preclinical research may not be indicative of the results that will be obtained in later stages of preclinical or clinical research. Similarly, positive results from early stage clinical trials may not be indicative of favorable outcomes in later-stage clinical trials. We can make no assurance that any future studies, if undertaken, will yield favorable results. The early stage of our product development makes it particularly uncertain whether any of our product development efforts will prove to be successful and meet applicable regulatory requirements, and whether any of our product candidates will receive the requisite regulatory approvals, be capable of being manufactured at a reasonable cost or be successfully marketed. If we are successful in developing our current and future product candidates into approved products, we will still experience many potential obstacles such as the need to develop or obtain manufacturing, marketing and distribution capabilities. If we are unable to successfully commercialize any of our products, our financial condition and results of operations may be materially and adversely affected.

If we have difficulty enrolling patients in clinical trials, the completion of the trials may be delayed or cancelled

As our product candidates advance from preclinical testing to clinical testing, and then through progressively larger and more complex clinical trials, we will need to enroll an increasing number of patients that meet our eligibility criteria. The factors that affect our ability to enroll patients are largely uncontrollable and include, but are not limited to, the following:

- size and nature of the patient population;
- eligibility and exclusion criteria for the trial;
- design of the study protocol;
- competition with other companies for clinical sites or patients;
- the perceived risks and benefits of the product candidate under study;
- the patient referral practices of physicians; and

- the number, availability, location and accessibility of clinical trial sites.

As a result of the foregoing factors, we may have difficulty enrolling or maintaining the enrollment of patients in any clinical trials conducted for our products, which may result in the delay or cancellation of such trials. The delay or cancellation of any clinical trials could shorten any periods during which we may have the exclusive right to commercialize our product candidates or allow our competitors to bring products to market before us, which would impair our ability to successfully commercialize our product candidates and may harm our financial condition, results of operations and prospects.

We rely on contract manufacturers over whom we have limited control. If we are subject to quality, cost or delivery issues with the preclinical and clinical grade materials supplied by contract manufacturers, our business operations could suffer significant harm

We currently have no manufacturing experience and rely on contract manufacturing organizations, or CMOs, to manufacture our product candidates for preclinical studies and clinical trials. We rely on CMOs for manufacturing, filling, packaging, storing and shipping of drug products in compliance with current good manufacturing practice, or cGMP, regulations applicable to our products. The FDA ensures the quality of drug products by carefully monitoring drug manufacturers' compliance with cGMP regulations. The cGMP regulations for drugs contain minimum requirements for the methods, facilities and controls used in manufacturing, processing and packing of a drug product. If our CMOs increase their prices or fail to meet our quality standards, or those of regulatory agencies such as the FDA, and cannot be replaced by other acceptable CMOs, our ability to obtain regulatory approval for and commercialize our product candidates may be materially adversely affected.

If we fail to maintain or establish satisfactory arrangements for the supply of raw materials or the manufacture of our products for preclinical or clinical trials, or if we experience an interruption of supply, we might not have sufficient quantities of our product candidates at an acceptable cost, which could delay, prevent or impair our development or commercialization efforts

We do not produce medical cannabis, and therefore our ability to research, develop and commercialize our cannabinoid-based products is dependent upon a sufficient supply of quality medical cannabis strains. Any significant interruption or negative change in the availability or economics of the supply chain for medical cannabis could materially impact our business, financial condition and operating results. Some strains of medical cannabis may only be available from a single supplier or a limited group of suppliers. If a sole source supplier were to go out of business or were to lose its license, or if such supplier's strains were to fail to meet quality requirements, we might be unable to find a replacement source in a timely manner or at all. If a sole source supplier were to be acquired by a competitor, that competitor might elect not to supply us or to lower the quality of the strains supplied to us. Any inability to secure required supplies of quality medical cannabis or to do so on appropriate terms could have a materially adverse impact on our business, financial condition and operating results.

If clinical trials of our product candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we would incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our product candidates

Before obtaining marketing approval from regulatory authorities for the sale of our product candidates, we must conduct preclinical studies in animals and extensive clinical trials in humans to demonstrate the safety and efficacy of the product candidates. Clinical testing is expensive and difficult to design and implement, can take many years to complete and has uncertain outcomes. The outcome of preclinical studies and early clinical trials may not predict the success of later clinical trials and interim results of a clinical trial do not necessarily predict final results. A number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in advanced clinical trials due to lack of efficacy or unacceptable safety profiles, notwithstanding promising results in earlier trials. We do not know whether the clinical trials we may conduct will demonstrate adequate efficacy and safety to result

in regulatory approval to market any of our product candidates in any jurisdiction. A product candidate may fail for safety or efficacy reasons at any stage of the testing process. A major risk we face is the possibility that none of our product candidates under development will successfully gain market approval from the FDA, Health Canada or other regulatory authorities, resulting in us being unable to derive any commercial revenue from them after investing significant amounts of capital in multiple stages of preclinical and clinical testing.

If we experience delays in clinical testing, we will be delayed in commercializing our product candidates, and our business may be substantially harmed

We cannot predict whether any clinical trials will begin as planned, will need to be restructured, or will be completed on schedule, or at all. Our product development costs will increase if we experience delays in clinical testing. Significant clinical trial delays could shorten any periods during which we may have the exclusive right to commercialize our product candidates or allow our competitors to bring products to market before us, which would impair our ability to successfully commercialize our product candidates and may harm our financial condition, results of operations and prospects. The commencement and completion of clinical trials for our products may be delayed for a number of reasons, including delays related, but not limited, to:

- failure by regulatory authorities to grant permission to proceed or placing the clinical trial on hold;
- import/export and research restrictions for cannabinoid-based pharmaceuticals delaying or preventing clinical trials in various geographical jurisdictions;
- patients failing to enroll or remain in our trials at the rate we expect;
- suspension or termination of clinical trials by regulators for many reasons, including concerns about patient safety or failure of our contract manufacturers to comply with cGMP requirements;
- any changes to our manufacturing process that may be necessary or desired;
- delays or failure to obtain clinical supply from contract manufacturers of our products necessary to conduct clinical trials;
- product candidates demonstrating a lack of safety or efficacy during clinical trials;
- patients choosing an alternative treatment for the indications for which we are developing any of our product candidates or participating in competing clinical trials and/or scheduling conflicts with participating
- clinicians;
- patients failing to complete clinical trials due to dissatisfaction with the treatment, side effects or other reasons;
- reports of clinical testing on similar technologies and products raising safety and/or efficacy concerns;
- clinical investigators not performing our clinical trials on their anticipated schedule, dropping out of a trial, or employing methods not consistent with the clinical trial protocol, regulatory requirements or other third parties not performing data collection and analysis in a timely or accurate manner;

- failure of our contract research organizations, or CROs, to satisfy their contractual duties or meet expected deadlines;
- inspections of clinical trial sites by regulatory authorities or Institutional Review Boards ("IRBs"), or ethics committees finding regulatory violations that require us to undertake corrective action, resulting in suspension or termination of one or more sites or the imposition of a clinical hold on the entire study;
- one or more IRBs or ethics committees rejecting, suspending or terminating the study at an investigational site, precluding enrollment of additional subjects, or withdrawing its approval of the trial; or
- failure to reach agreement on acceptable terms with prospective clinical trial sites.

Our product development costs will increase if we experience delays in testing or approval or if we need to perform more or larger clinical trials than planned. Additionally, changes in regulatory requirements and policies may occur, and we may need to amend study protocols to reflect these changes. Amendments may require us to resubmit our study protocols to regulatory authorities or IRBs or ethics committees for re-examination, which may impact the cost, timing or successful completion of that trial. Delays or increased product development costs may have a material adverse effect on our business, financial condition and prospects.

Negative results from clinical trials or studies of others and adverse safety events involving the targets of our products may have an adverse impact on our future commercialization efforts

From time to time, studies or clinical trials on various aspects of biopharmaceutical products are conducted by academic researchers, competitors or others. The results of these studies or trials, when published, may have a significant effect on the market for the biopharmaceutical product that is the subject of the study. The publication of negative results of studies or clinical trials or adverse safety events related to our product candidates, or the therapeutic areas in which our product candidates compete, could adversely affect the price of the Common Shares and our ability to finance future development of our product candidates, and our business and financial results could be materially and adversely affected.

New product market acceptance and commercialization risk for hemp energy drinks

There is no assurance that the hemp energy drinks will be accepted by the market, that planned volumes will be realized over the product life or that the product life will not be shorter than expected due to product obsolescence or competitive products in the marketplace. Tetra or its competitors may also have products that have price or other advantages more competitive than Tetra's products resulting in inventory obsolescence. In addition, newer product offerings may also require more significant marketing and sales efforts to gain market acceptance.

We expect to face intense competition, often from companies with greater resources and experience than we have

The pharmaceutical industry is highly competitive and subject to rapid change. The industry continues to expand and evolve as an increasing number of competitors and potential competitors enter the market. Many of these competitors and potential competitors have substantially greater financial, technological, managerial and research and development resources and experience than we have. Some of these competitors and potential competitors have more experience than we have in the development of pharmaceutical products, including validation procedures and regulatory matters. Other companies researching in the same disease areas may develop products that are competitive or superior to our product candidates. Other companies working in cannabinoid research may develop products targeting the same diseases that we are focused on that are competitive or superior to our

product candidates. In addition, there are non-FDA approved cannabis/cannabinoid preparations being made available from companies in the medical marijuana industry, which may be competitive to our products. If we are unable to compete successfully, our commercial opportunities will be reduced and our business, results of operations and financial conditions may be materially harmed.

The Corporation is dependent upon the Corporation's key personnel to achieve the Corporation's business objectives

Tetra depends on key personnel, the loss of any of which could harm its business. Tetra's future performance and development will depend to a significant extent on the efforts and abilities of its executive officers, key employees – particularly Dr. Guy Chamberland –, and consultants. The loss of the services of one or more of these individuals could harm Tetra's business. Tetra's success will depend largely on its continuing ability to attract, develop and retain skilled employees and consultants in our business. Because of the specialized scientific and managerial nature of our business, we rely heavily on our ability to attract and retain qualified scientific, technical and managerial personnel. The competition for qualified personnel in our field is intense. Due to this intense competition, we may be unable to continue to attract and retain qualified personnel necessary for the development of our business or to recruit suitable replacement personnel.

Our employees may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, which could subject us to significant liability and harm our reputation

We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include intentional failures to comply with regulations of domestic or foreign regulatory authorities. In addition, misconduct by employees could include intentional failures to comply with certain development standards, to report financial information or data accurately, or to disclose unauthorized activities to us. Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. While prohibited, it is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business and results of operations, including the imposition of significant fines or other sanctions.

Our existing collaboration agreements and any that we may enter into in the future may not be successful

The Corporation also has relationships with scientific collaborators at academic and other institutions, some of whom conduct research at the Corporation's request or assist the Corporation in formulating its research and development strategies. These scientific collaborators are not the Corporation's employees and such collaborators may have commitments to, or consulting or advisory contracts with, companies that conflict in interests with and pose a competitive threat to Tetra. Moreover, to the extent that we decide to enter into collaboration agreements, we will face significant competition in seeking appropriate collaborators. Collaboration arrangements are complex and time consuming to negotiate, document and implement. We may not be successful in our efforts to establish, implement and maintain collaborations or other alternative arrangements if we choose to enter into such arrangements and our selected partners may be given, and may exercise, a right to terminate their agreement with us without cause. The terms of any collaboration or other arrangements that we may establish may not be favorable to us.

Risks Relating to Tetra's patents, proprietary technology, and other intellectual property

Our success will depend, in part, on our ability to obtain patents, license rights to patents, protect our trade secrets and operate without infringing on the proprietary rights of others. Patents and other proprietary rights are essential to the Corporation's business. We rely on trade secret, patent, copyright and trademark laws, and confidentiality and other agreements with employees and third parties, all of which offer only limited protection. The Corporation's general policy has been to file patent applications to protect its inventions and improvements to its inventions that are considered important to the development of its business. In certain cases, we have chosen to protect our intellectual property by treating it as confidential internal know-how. The Corporation's success will depend in part on its ability to obtain patents, defend patents, maintain internal know-how/trade secret protection and operate without infringing on the proprietary rights of others. Interpretation and evaluation of pharmaceutical patent claims present complex legal and factual questions. Further, patent protection may not be available for some of the products or technology we are developing. If we are placed in a position where we must spend significant time and money defending or enforcing our patents, designing around patents held by others or licensing patents or other proprietary rights held by others, our business, results of operations and financial condition may be harmed. In seeking to protect the Corporation's inventions using patents it is important to note that there can be no assurance that:

- patent applications will result in the issuance of patents;
- additional proprietary products developed will be patentable;
- patents issued will provide adequate protection or any competitive advantages;
- patents issued will not be successfully challenged by third parties;
- commercial exploitation of the Corporation's inventions does not infringe the patents or intellectual property of others; or
- the Corporation will be able to obtain any extensions of the patent term.

A number of pharmaceutical, biotechnology and medical device companies and research and academic institutions have developed technologies, filed patent applications or received patents on various technologies that may be related to the business of the Corporation. Some of these technologies, applications or patents could limit the scope of the patents, if any, that the Corporation may be able to obtain. It is also possible that these technologies, applications or patents may preclude the Corporation from obtaining patent protection for its inventions. Further, there may be uncertainty as to whether the Corporation may be able to successfully defend any challenge to its patent portfolio. Moreover, the Corporation may have to participate in derivation proceedings, *inter partes* review proceedings, post-grant review proceedings, or opposition proceedings in the various jurisdictions around the world. An unfavorable outcome in a derivation proceeding, an *inter partes* review proceeding, a post-grant review proceeding, or an opposition proceeding could preclude the Corporation or its collaborators or licensees from making, using or selling products using the technology, or require the Corporation to obtain licence rights from third parties. It is not known whether any prevailing party would offer a licence on commercially acceptable terms, if at all. Further, any such licence could require the expenditure of substantial time and resources and could harm the business of the Corporation. If such licences are not available, the Corporation could encounter delays or prohibition of the development or introduction of the product of the Corporation. In the case of intellectual property where we have chosen to protect it by treating it as internal know how, there can be no assurance that others with greater expertise or access to greater resources do not develop similar or superior technology that impairs the competitive value of our internal know-how.

Tetra's insurance may be insufficient to cover losses that may occur as a result of its operations

Tetra currently maintains directors and officers liability insurance and property and general liability insurance. This insurance may not remain available to us or be obtainable by us at commercially reasonable rates, and the amount of our coverage may not be adequate to cover any liability we incur. Future increases in insurance costs, coupled with the increase in deductibles, will result in higher operating costs and increased risk. If the Corporation were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Corporation were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Our product candidates contain compounds that may be classified as "controlled substances", the use of which may generate public controversy

Since our product candidates contain substances related to the cannabis plant and may therefore be classified as "controlled substances", their regulatory approval may generate public controversy. Political and social pressures and adverse publicity could lead to delays in approval of, and increased expenses for our product candidates. These pressures could also limit or restrict the introduction and marketing of our product candidates. Adverse publicity from cannabis misuse or adverse side effects from cannabis or other cannabinoid products may adversely affect the commercial success or market penetration achievable for our product candidates. The nature of our business attracts a high level of public and media interest, and in the event of any resultant adverse publicity, our reputation may be harmed. Furthermore, if our product candidates are classified as "controlled substances", they may be subject to import/export and research restrictions that could delay or prevent the development of Tetra's products in various geographical jurisdictions.

There may be changes in laws, regulations and guidelines which are detrimental to our business

Tetra's operations are subject to a variety of laws, regulations and guidelines relating to pharmacology, cannabinoids, and drug delivery, as well as laws and regulations relating to health and safety, the conduct of operations, and the protection of the environment. While, to the knowledge of the Corporation's management, Tetra is currently in compliance with all such laws, changes to such laws, regulations and guidelines due to matters beyond the control of the Corporation may cause adverse effects to our operations and financial condition. These changes may require the Corporation to incur substantial costs associated with legal and compliance fees and ultimately require the Corporation to alter its business plan. In addition, if the governments of Canada or the US were to enact or amend laws relating to our industry, it may decrease the size of, or eliminate entirely, the market for the Corporation's products, may introduce significant new competition into the market and may otherwise potentially materially and adversely affect the Corporation's business, results of operations, and financial condition.

In light of recent announcements, the TSXV may initiate delisting reviews for companies with U.S. assets

On October 16, 2017, the Canadian Securities Administrators, the Toronto Stock Exchange, the TSXV and the CSE each released written statements outlining their interpretations and ongoing treatment of public companies engaged in cross-border marijuana-related activities. These guidelines establish a disclosure-based approach that sets out robust standards for public companies that currently conduct or are contemplating marijuana-related activities in the US. The Corporation believes the Canadian Securities Administrators' Staff Notice 51-352 Issuers with Marijuana-Related Activities and the TSXV's Bulletin Business Activities Related to Marijuana in the US do not apply to the Corporation. Regardless, other companies (private and/or public) with which the Corporation has entered into agreements might at some point in time, without the Corporation's knowledge, initiate cross-border marijuana-related activities. The Corporation has a responsibility to disclose that it has not entered into agreement(s) with companies having such cross-border marijuana-related activities, meaning that having an agreement with such companies might place the Corporation at risk of being delisted.

Volatile Market Price of the Common Shares

The market price of the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Corporation's control. This volatility may affect the ability of holders of Common Shares to sell their securities at an advantageous price. Market price fluctuations in the Common Shares may be due to the Corporation's operating results failing to meet expectations of securities analysts or investors in any period, downward revision in securities analysts' estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Corporation or its competitors, along with a variety of additional factors. These broad market fluctuations may adversely affect the market price of the Common Shares. Financial markets historically at times experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Corporation's milestones progresses, underlying asset values or prospects have not changed. If such increased levels of volatility and market turmoil continue, the Corporation's operations could be adversely impacted and the trading price of the Common Shares may be materially adversely affected.

Deficiencies in disclosure controls and procedures and internal controls over financial reporting could result in a material misstatement in Tetra's financial statements

Tetra could be adversely affected if there are deficiencies in its disclosure controls and procedures or in its internal controls over financial reporting. The design and effectiveness of Tetra's disclosure controls and procedures and its internal controls over financial reporting may not prevent all errors, misstatements or misrepresentations. Deficiencies, including material weaknesses, in internal controls over financial reporting which may occur could result in misstatements of Tetra's results of operations, restatements of financial statements, a decline in the price of the Common Shares, or otherwise materially adversely affect Tetra's business, reputation, results of operations, financial condition or liquidity.

Our proprietary information, or that of our customers, suppliers and business partners, may be lost or we may suffer security breaches

In the ordinary course of our business, we may collect and store sensitive data, including intellectual property, data from preclinical studies, clinical trial data, our proprietary business information and that of our customers, suppliers and business partners, and personally identifiable information of our customers, clinical trial subjects and employees, in our data centers and on our networks. The secure processing, maintenance and transmission of this information is critical to our operations. Despite our security measures, our information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Although to our knowledge we have not experienced any such material security breach to date, any such breach could compromise our networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, disrupt our operations, damage to our ability to obtain patent protection for our product candidates, damage to our reputation, and cause a loss of confidence in our products and our ability to conduct clinical trials, which could adversely affect our business and reputation and lead to delays in gaining regulatory approvals.

Failure of our information technology systems could significantly disrupt the operation of our business

Our business increasingly depends on the use of information technologies, which means that certain key areas such as research and development, production and sales are to a large extent dependent on our information systems or those of third-party providers. Our ability to execute our business plan and to comply with regulators requirements with respect to data control and data integrity, depends, in part, on the continued and uninterrupted performance of our information technology systems, or IT systems and

the IT systems supplied by third-party service providers. These IT systems are vulnerable to damage from a variety of sources, including telecommunications or network failures, malicious human acts and natural disasters. Moreover, despite network security and backup measures, some of our servers are potentially vulnerable to physical or electronic break-ins, computer viruses and similar disruptive problems. Despite the precautionary measures we and our third-party service providers have taken to prevent unanticipated problems that could affect our IT systems, sustained or repeated system failures or problems arising during the upgrade of any of our IT systems that interrupt our ability to generate and maintain data, and in particular to operate our technology platform, could adversely affect our ability to operate our business.

Product Liability

As a licensed 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.

Clinical Trial Liability

The Corporation has obtained clinical trial liability insurance coverage in the aggregate of \$5,000,000 for Phase III clinical trial of PPP001 and a clinical trial liability insurance coverage in the aggregate of \$10,000,000 for, *inter alia*, the Phase II clinical trial of PPP001 and the Phase II clinical trial of PPP005. This coverage is limited and a clinical trial liability claim could potentially be greater than this coverage. The Corporation profitability would be adversely affected by any successful product liability claim in excess of its insurance coverage.

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.

The Corporation may be subject to unfavourable publicity or consumer perception

The Corporation believes the medical marijuana industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the medical marijuana products. Consumer perception of the Corporation's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the use of medical marijuana products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention 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 the Corporation's products and the business, results of operations, financial condition and cash flows of the Corporation. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of medical marijuana in general, or the Corporation's products specifically, or associating the use of medical marijuana with illness or other negative effects or events, could have such a material adverse effect.

The effect of the legalization of adult-use cannabis in Canada on the medical cannabis industry is unknown and may have a significant negative effect upon the Corporation's medical cannabis program if individuals decide to purchase products available in the proposed adult-use market instead of medical cannabis products.

The *Cannabis Act* allows individuals over the age of 18 to legally purchase, process and cultivate limited amounts of cannabis for adult use in Canada. Each province has the possibility to raise the minimum age to legally purchase cannabis for adult use in Canada. All of provinces of Canada, except Québec, have raised the minimum age to 19 years old. The minimum age in Quebec to purchase cannabis for adult use is 18 years old. As a result, individuals who currently utilize the Corporation's cannabis-based products may instead turn to the adult-use cannabis market for their supply of cannabis-based products. This decision may be influenced by a number of factors, including price of medical cannabis products in relation to similar adult-use cannabis products, the amount of active ingredients in medical cannabis products in relation to similar adult-use cannabis products, the types of cannabis products available to adult users and limitations on access to adult-use cannabis products imposed by the regulations under the *Cannabis Act* and the legislation governing distribution of cannabis enacted by the individual provinces and territories of Canada. We are unable to predict how each of those factors will evolve or their relative impacts on the medical cannabis market.

Risks Related to the Corporation's Securities

The market price for the Common Shares is volatile and will fluctuate

The market price for the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond Tetra's control, including the following: (i) actual or anticipated fluctuations in Tetra's quarterly financial results; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of other issuers that investors deem comparable to Tetra; (iv) addition or departure of executive officers and other key personnel; (v) release or expiration of lock-up or other transfer restrictions on outstanding Common Shares; (vi) sales or perceived sales of additional Common Shares; (vii) liquidity of the Common Shares; (viii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving Tetra or its competitors; and (ix) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in Tetra's industry or target markets. Financial markets often experience significant price and volume fluctuations that affect the market prices of equity securities of public entities and that are, in many cases, unrelated to the operating performance, underlying asset values or prospects of such entities. Accordingly, the market price of the Common Shares may decline even if Tetra's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in

impairment losses. As well, certain institutional investors may base their investment decisions on consideration of Tetra's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in limited or no investment in the Common Shares by those institutions, which could materially adversely affect the trading price of the Common Shares. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue for a protracted period of time, Tetra's operations could be materially adversely impacted and the trading price of the Common Shares may be materially adversely affected.

Raising additional capital may cause dilution to the Corporation's shareholders, restrict the Corporation's operations or require the Corporation to relinquish rights to its technologies or drug candidates

The continued development of the Corporation is expected to require additional financing. In order to meet its financing needs, the Corporation may issue a significant number of additional Common Shares and warrants to purchase Common Shares. The precise terms of any future financing will be determined by the Corporation and potential investors and such future financings may significantly dilute its shareholders' percentage ownership in the Corporation. Additionally, if the Corporation raises additional funds through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, it may have to relinquish valuable rights to its technologies, future revenue streams, research programs or drug candidate or grant licences on terms that may not be favourable to the Corporation and/or that may reduce the value of its Common Shares.

Common shareholders are subordinated to Tetra's lenders

In the event of bankruptcy, liquidation or reorganization of Tetra, holders of its debt and its trade creditors will generally be entitled to payment of their claims from the assets of Tetra before any assets are made available for distribution to Tetra or shareholders. The Common Shares are effectively subordinated to the debt and other obligations of Tetra.

Future offerings of debt or equity securities may rank senior to Common Shares

If Tetra decides to issue debt or equity securities in the future ranking senior to the Common Shares or otherwise incur additional indebtedness, it is possible that these securities or indebtedness will be governed by an indenture or other instrument containing covenants restricting Tetra's operating flexibility and limiting Tetra's ability to pay dividends to shareholders. Additionally, any convertible or exchangeable securities that Tetra issues in the future may have rights, preferences and privileges, including with respect to dividends, more favorable than those of the Common Shares and may result in dilution to shareholders. Because Tetra's decision to issue debt or equity securities in any future offering or otherwise incur indebtedness will depend on market conditions and other factors beyond Tetra's control, Tetra cannot predict or estimate the amount, timing or nature of Tetra's future offerings or financings, any of which could reduce the market price of the Common Shares and dilute the value of the Common Shares.

Future sales of Common Shares by officers and directors may negatively impact the market price for the Common Shares

Subject to compliance with applicable securities laws, directors and officers of Tetra and their affiliates may sell some or all of their Common Shares in the future. No prediction can be made as to the effect, if any, such future sales of Common Shares may have on the market price of the Common Shares prevailing from time to time. However, the future sale of a substantial number of Common Shares by the directors and officers of Tetra and their affiliates, or the perception that such sales could occur, could adversely affect prevailing market prices for the Common Shares.

Limited Market for Securities

The Corporation's Common Shares are listed on the TSXV, and on the OTCQB; however, there can be no assurance that an active and liquid market for the Common Shares will develop or be maintained and an investor may find it difficult to resell any securities of the Corporation.

Unlisted Warrants

Other than the common share purchase warrants listed on the TSXV, Tetra's outstanding share purchase warrants are not listed on any exchange and the Corporation does not intend to list its outstanding warrants on any exchange. Investors may be unable to sell Tetra's unlisted outstanding share purchase warrants at the prices desired or at all. There is no existing trading market for Tetra's unlisted outstanding share purchase warrants and there can be no assurance that a liquid market will develop or be maintained for such warrants, or that an investor will be able to sell any of such warrants at a particular time (if at all). The liquidity of the trading market in Tetra's unlisted outstanding share purchase warrants and the sale price, if any, for such warrants, may be adversely affected by, among other things:

- changes in the overall market for the warrants;
- changes in the Corporation's financial performance or prospects;
- changes or perceived changes in the Corporation's creditworthiness;
- the prospects for companies in the industry generally;
- the number of holders of the warrants; and
- the interest of securities dealers in making a market for the warrants

The Corporation does not currently pay dividends on its Common Shares and has no intention to pay dividends on its Common Shares for the foreseeable future

The Corporation does not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the Corporation's board of directors, after taking into account a multitude of factors appropriate in the circumstances, including the Corporation's operating results, financial condition and current and anticipated cash needs. In addition, the terms of any future debt or credit facility may preclude the Corporation from paying any dividends unless certain consents are obtained and certain conditions are met.

Tax Risk

Prospective investors should be aware that the purchase of any of Tetra's securities may have tax consequences in Canada and other jurisdictions. Prospective investors should consult with their own independent tax advisor before purchasing any of Tetra's securities.

DIVIDENDS

A dividend-in-kind of 15,500,000 common shares of North Bud was declared on August 31, 2018 and paid on September 12, 2018. The North Bud shares were acquired by the Corporation in connection with the previously announced sale by Tetra of GrowPros MMP. See "*Recent Acquisitions and Dispositions – GrowPros MMP Inc.*". Tetra may declare dividends in the future, depending on the financial requirements of the Corporation to finance future growth, Tetra's financial condition and other factors which Tetra's

board of directors may consider appropriate in the circumstances. See "*Risks Relating to Tetra and its Business*".

CAPITAL STRUCTURE

Common Shares

The authorized share capital consists of an unlimited number of Common Shares, each with no par value.

As at June 18, 2019, the Corporation had 185,136,079 Common Shares outstanding.

The holders of the common shares are entitled:

- a) To vote at all meetings of shareholders, except meetings at which only holders of a specified class of shares are entitled to vote;
- b) To receive any dividend declared by the Corporation on the common shares; and
- c) Subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, to receive the remaining property of the Corporation upon dissolution, liquidation or winding-up of the Corporation.

On September 28, 2016, the shareholders of the Corporation resolved to approve the consolidation of all of the issued and outstanding Common Shares on the basis of one new Common Share for every three issued and outstanding Common Share.

Options

As at June 18, 2019, the Corporation had 4,800,000 stock options (the "**Options**") issued and outstanding.

The Stock Option Plan of the Corporation (the "**Plan**") provides that the board of directors of the Corporation may, from time to time by resolution, grant to directors, officers, employees and consultants of the Corporation Options to purchase Common shares. The purpose of the Plan is to increase the interest and incentive in the Corporation's welfare and provide means to attract able persons to enter its employment. The maximum number of Common shares reserved for issuance under the Plan at any point and time is 10% of the issued and outstanding Common shares of the Corporation. The maximum period during which an Option is exercisable shall be ten (10) years from the date the Option is granted. The Option price per Common Share shall be fixed by the Board at the time of granting the Option and shall not be less than the market price, where "market price" means the closing price of the Common shares on the business day immediately preceding the day on which the Option is granted. As of June 18, 2019, the Corporation had 4,800,000 Options issued and outstanding.

Warrants

As at June 18, 2019, the Corporation had 23,772,800 warrants to purchase Common Shares, issued and outstanding.

There are 275,800 warrants, expiring April 14, 2020, entitling the holder thereof, to acquire one Common Share in exchange for \$1.30, 16,597,000 warrants, expiring March 5, 2021 and March 29, 2021, entitling respectively the holder thereof, to acquire one Common Share in exchange for \$1.30 per and 6,900,000 warrants, expiring November 30, 2021, entitling the holder thereof, to acquire one Common Share in exchange for \$1.29 per warrant.

Constraints

There are no constraints imposed on the ownership of securities of Tetra to ensure a certain level of Canadian ownership of Tetra.

Ratings

Tetra has not requested, nor to management's knowledge has Tetra received, any ratings from any rating organizations in respect of any of Tetra's securities.

Market for Securities

Common Shares

The following table sets out the price range and trading volume of the Common Shares, as reported by the TSXV, during the 12-month period prior this Annual Information Form:

Period	Price Range		Total Volume
	High (\$)	Low (\$)	
From June 1 to June 30, 2018	0.75	0.61	6,392,660
Month ending July 31, 2018	0.68	0.60	2,978,480
Month ending August 31, 2018	1.17	0.59	21,590,800
Month ending September 29, 2018	1.42	1.05	24,217,910
Month ending October 31, 2018	1.22	0.84	19,391,080
Month ending November 30, 2018	1.08	0.87	10,057,350
Month ending December 31, 2018	1.05	0.69	9,672,990
Month ending January 31, 2019	1.19	0.82	8,733,490
Month ending February 28, 2019	1.10	0.70	21,584,300
Month ending March 31, 2019	0.73	0.61	8,704,530
Month ending April 30, 2019	0.74	0.61	6,859,450
Month ending May 31, 2019	0.69	0.66	4,207,670
From June 1 to June 18, 2019	0.64	0.47	4,296,355

PRIOR SALES

The following tables summarize details of the following securities that are not listed or quoted on a market place issued by Tetra, during the most recent completed financial year end.

Common Shares

During the 12-month period prior the date of this Annual Information Form, Tetra issued the following Common Shares:

Date of Issuance	Number of Common Shares	Exercise Price
August 27, 2018	150,000 ⁽¹⁾	\$0.70
September 14, 2018	805,000 ⁽²⁾	\$1.00

Date of Issuance	Number of Common Shares	Exercise Price
September 26, 2018	15,000 ⁽³⁾	\$0.07
October 24, 2018	2,000,000 ⁽⁴⁾	\$0.05
November 29, 2018	6,900,000 ⁽⁵⁾	\$1.03
December 4, 2018	4,000,000 ⁽⁶⁾	\$0.05
December 12, 2018	100 ⁽⁷⁾	\$0.71
April 22, 2019	2,000,000 ⁽⁸⁾	\$0.05
May 1, 2019	16,304,348 ⁽⁹⁾	\$0.55

Notes:

- (1) Common Shares issued pursuant the exercise of 150,000 options.
(2) Common Shares issued pursuant the exercise of finder's fee.
(3) Common Shares issued pursuant the exercise of 15,000 broker warrants.
(4) Common Shares issued pursuant the exercise of 2,000,000 warrants.
(5) Common Shares issued in connection with the private placement with Aphria. See "Three-year History **Erreur ! Source du renvoi introuvable.**".
(6) Common Shares issued pursuant the exercise of 4,000,000 warrants.
(7) Common Shares issued pursuant the exercise of 100 warrants.
(8) Common Shares issued pursuant the exercise of 2,000,000 warrants.
(9) Common Shares issued to sellers in connection with the Panag Transaction. See "**Erreur ! Source du renvoi introuvable. - Erreur ! Source du renvoi introuvable.**".

Options

Pursuant to Tetra's employee Stock Option Plan, during the 12-month period prior the date of this Annual Information Form, Tetra issued the following Options:

Date of Issuance	Number of Options ⁽¹⁾	Exercise Price	Expiry Date	Grant Date Fair Value
October 2, 2018	125,000	\$1.50	October 2, 2021	\$153,750
December 24, 2018	300,000	\$0.69	December 24, 2022	\$175,610
February 8, 2019	75,000	\$0.69	February 8, 2023	\$55,648

(1) Vested and non-vested

Warrants

During the 12-month period prior the date of this Annual Information Form, Tetra issued the following warrants:

Date of Issuance	Number of Warrants	Exercise Price	Expiry Date	Grant Date Fair Value
November 30, 2018	6,900,000	\$1.29	November 30, 2021	\$2,613,352

ESCROWED SECURITIES

As at June 18, 2019, the following Common Shares are subject to escrow as shown in the following table. These shares are held in escrow by Computershare Trust Company of Canada, in its capacity as escrow agent.

Designation of class	Number of Securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Common Shares	5,591,742 ⁽¹⁾	3.02%

(1) In connection with the acquisition of the remaining 20% interest in PhytoPain as described in "Recent Acquisitions and Dispositions – The terms of the Panag Transaction also provide for the payment by Tetra to the Vendors of an aggregate amount of up to \$15,000,000 in cash in milestone payments upon the achievement of operational targets associated with marketing approvals and commercialization of both human and veterinary drug products by the FDA and the European Medicines Agency (the "EMA"). Tetra has also committed itself to fund Panag's research in an amount no less than \$1,200,000 annually for a period of ten years after the closing date of the Panag Transaction, all as more fully described in the management proxy and information circular of the Corporation dated March 20, 2019.

Two of the Vendors, W.M. (Bill) Cheliak and Gregory Drohan, were non-arm's length parties to Tetra within the meaning of the rules of the TSXV. Dr. Cheliak is the Chairman of the board of directors of the Corporation (the "**Board**") and Mr. Drohan is a director of the Corporation. The Panag Transaction did not result in the issuance of securities to non-arm's length parties as a group as payment of the purchase price exceeding 10% of the number of outstanding shares of the Corporation on a non-diluted basis. The Panag Transaction constituted a "related party transaction" within the meaning of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Corporation relied upon the exemptions from valuation and minority approval set out in Sections 5.5(a) and 5.7(1)(a), respectively, of Part 5 of MI 61-101. The facts supporting reliance on the formal valuation exemption stated in Sections 5.5(a) and 5.7(1)(a) of MI 61-101 were as follows: at the time the Panag Transaction was agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Panag Transaction, insofar as it involves interested parties, exceeded 25% of the Corporation's market capitalization.

The Panag Transaction did not constitute a "Significant Acquisition" for the Corporation pursuant to Part 8 of National Instrument 51-102- Continuous Disclosure Obligations.

A complete and detailed description of the Panag Transaction is contained in the material change report of the Corporation dated February 11, 2019 and in the management proxy and information circular of the Corporation dated March 20, 2019, copies of which are available on SEDAR (www.sedar.com) under the Corporation's profile.

PhytoPain Pharma Inc."

DIRECTORS AND MANAGEMENT

The board of directors (each of whom has been appointed to hold office until the close of Tetra's next annual general meeting) and management of Tetra currently consist of the following individuals:

Name, Position with Tetra and Residence	Principal Occupation During the Last Five Years	Date of First Appointment as a Director or Officer	Number of Tetra Securities Held	Percentage of Securities Held
BILL CHELIAK ⁽¹⁾⁽²⁾ Chairman, Director	Interim CEO, Chelation Partners (2013-present)	July 10, 2017	1,475,500 Common Shares 400,000 Options	0.79% of common shares 8.88% of options

Name, Position with Tetra and Residence	Principal Occupation During the Last Five Years	Date of First Appointment as a Director or Officer	Number of Tetra Securities Held	Percentage of Securities Held
Pembroke, ON				
GREGORY DROHAN⁽¹⁾⁽²⁾	Management Consultant	April 10, 2018	496,385 Common Shares	0.26% of common shares
Director			400 000 Options	8.88% of options
Etobicoke, ON				
CARL MERTON⁽¹⁾⁽²⁾	CFO, Aphria (2015 – present); CFO, Reko International Group Inc. (2007 – 2015)	June 22, 2017	400,000 Options	8.88% of options
Director				
Belle River, ON				
GUY CHAMBERLAND	Chief Executive Officer and	April 6, 2018	4,721,436 Common Shares	2.55% of common shares
CEO and Chief Scientific Officer	Chief Scientific Officer of Tetra		350,000 Options	7.77% of options
Boucherville, Québec	Director of True North Cannabis			
	Co-Founder of Mondias Natural Products Inc.			
	Founder of Cura Phyte Technologies			
SABINO DI PAOLA	CFO of Tetra	May 15, 2019	150,000 Common Shares	0.08% of common shares
CFO				
Ottawa, Ontario				
ROBERT BÉCHARD	Executive Vice President Corporate Development and Licensing (2018-present); Management Consultant at	May 24, 2018	75,000 Common Shares	0.04% of common shares
Executive Vice President, Corporate Development and Licensing	Ed Bern Consulting (2016-2018); Chief Business Officer at InSymbiosis Management Inc (2014-2016)		500,000 Options	11.11% of options
Montreal, Quebec				
STEEVE NÉRON	Senior Vice President Marketing and Medical Affairs (2018-present); Sr. Portfolio Manager at Valeant (2013-2018)	November 5, 2018	20,100 Common Shares	0.01% of common shares
Senior Vice-President, Marketing and Medical Affairs				
Terrebonne, Quebec				

Name, Position with Tetra and Residence	Principal Occupation During the Last Five Years	Date of First Appointment as a Director or Officer	Number of Tetra Securities Held	Percentage of Securities Held
ANDRE RANCOURT, Chairman of the Board – Tetra Natural Health Sherbrooke, Québec	Chairman of the Board at Tetra Natural Health and Mondias Natural Product; Co-Founder of Tetra, previously held the roles of Chief Executive Officer and Chairman of the Board for Tetra	May 14, 2019	5,788,992 Common Shares 350,000 Options	3.13% of common shares 7.77% of options
CHRIS MACLEAN Chief Operating Officer – Tetra Natural Health Halifax, Nova Scotia	Chief Operating Officer of Tetra Natural Health and Panag	May 14, 2019	661,847 Common Shares	0.35% of common shares
RICHARD GIGUERE Chief Executive Officer – Tetra Natural Health Montreal, Quebec	Chief Executive Officer of Tetra Natural Health (June 2018-present); National Sales Manager at Aspen Pharmacare Canada (2015 - 2018); Executive Sales Director at Montmed Canada (2014- 2015)	November 1, 2018	N/A	N/A

Notes:

- (1) Independent director under National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.
- (2) Member of the Audit Committee.

Profile of the Board and Management

Tetra Bio-Pharma Inc.

Bill Cheliak, Chairman and Director

Dr. W.M. (Bill) Cheliak was CEO of Panag, a Canadian based bio-technology company focused on the development of novel cannabinoid-based formulations for the treatment of pain and inflammation, prior to the acquisition of Panag by Tetra. He is also co-founder and Interim CEO to Chelation Partners, a private company developing a technology to enhance the efficacy of antibiotics. Dr. Cheliak has over 20 years of experience as an entrepreneur having helped establish companies in a wide variety of life science fields, including vaccines, human genetics, oncology, neurology and anti-infective drug development and clinical research organization ("CRO") services. He brings extensive deal making experience with the pharmaceutical industry. He currently serves as a Director for Solarvest (SVS). Dr. Cheliak was Vice Chair of the Government of Canada's Networks Centres Excellence (NCE) Standing Selection Committee and Chair of the NCE Monitoring Committee until September 2018.

Gregory Drohan, Director

Until 2013, Greg Drohan was President of the board of Church and Dwight Canada Corp. While with Church and Dwight Canada, Drohan successfully merged the Church & Dwight and Carter-Horner businesses which lead to the doubling of sales revenue and achieved #1 market share on brands such as Trojans, Oxi Clean, First Response, Rub A535 and Arm & Hammer. Following his successful 40-year career in the consumer products sector, Mr. Drohan has established a management consulting practice.

His previous board experiences include President on the Board of Church and Dwight and director of the Ryerson University Alumni Relations Board. Drohan holds an MBA from York University and a BBM from Ryerson Polytechnical Institute.

Carl Merton, Director

Mr. Merton has over 25 years of financial and business experience, including over 10 years' experience as a CFO for public companies involved in the capital markets. Beginning with 12 years combined with Ernst & Young and KPMG, he transitioned from the audit stream into financial advisory work, as a Business Valuator, Forensic Accountant and Corporate Finance functions. After leaving KPMG, Mr. Merton joined Atlas Tube Inc., as Vice-President, Special Projects. After assisting in the sale of Atlas Tube, Mr. Merton became the CFO of Reko International Group Inc. In December 2014, Mr. Merton was elected by shareholders as a member of the inaugural board of directors of Aphria. Approximately one year later, Mr. Merton resigned as a member of the board of Aphria and joined Aphria as its CFO. In his role as CFO, Mr. Merton is responsible for communication with all stakeholders and is a member of the executive management team responsible for the strategic direction of Aphria, as well as leading all acquisition discussions, budgeting, financing, financial reporting and internal controls. Mr. Merton is a Chartered Professional Accountant, a Chartered Accountant and is a Fellow of the Canadian Institute of Chartered Business Valuators (the "CICBV"). He holds a B.Comm. Hon. in Sports Administration from Laurentian University, and has served as a past Chair of both the CICBV and the International Association of Professional Business Valuators.

Guy Chamberland, Chief Executive Officer and Chief Scientific Officer

Dr. Guy Chamberland, M.Sc., Ph.D., Master Herbalist, has been Chief Scientific Officer & Regulatory Affairs of Tetra since June 2016. He has been Vice President of Regulatory Affairs & Product Development at Biotanika Health Group Inc. since March 2007. He served as Vice President of Clinical & Regulatory Affairs at Victhom Laboratory Inc. from 2005 to 2007. He developed a specialty in regulatory affairs (drugs, biologics, medical device, combination products, botanicals). He works closely with physicians and naturopathic physicians in these clinical areas. He spent 6 years as the Co-Chair and member of Health Canada's Expert Advisory Committee for Veterinary Natural Health Products and Low Risk VHP. He was the Program Director of MDS Pharma Services. Dr. Chamberland has over 7 years' experience in the development of clinical research protocols for botanical medicines and the management of these clinical studies in the areas of anxiety, sleep, pain, depression, inflammation and wound healing. He has over 22 years' experience in the development of new drugs in the pharmaceutical industry (Canada and USA). He was a member of the Investment Committee of Fonds Bionovation for 7 years. Since 2007, Dr. Chamberland developed an expertise in botanical medicine and publishes a monthly column on natural alternatives for Oilfield Pulse Magazine and other health magazines. He gives lectures and continuing education workshops for health professionals (physicians, naturopathic physicians, chiropractors, etc) on the use of plants in the treatment of pain, anxiety, insomnia, wound healing etc. He got two patents (Patent granted on the synergy of phyto-ingredients.). He is the Professor of Botanical Medicine and Principles of clinical research at the Ecole d'Enseignement Supérieur de Naturopathie du Québec (EESNQ) and French language equivalent of the Canadian College of Naturopathic Medicine (CCNM). He earned a diploma in Proficiency in Herbal Prescription from the Australian College of Phytotherapy, a Certified Herbalist from the Dominion College of Canada and a Master Herbalist diploma from the Dominion College of Canada. Dr. Chamberland received a B.Sc. in Agriculture from McGill University, an M.Sc. in Veterinary anatomy and physiology and a Ph.D. in Biomedical Sciences (toxicology) from the University of Montreal.

Sabino Di Paola, Chief Financial Officer

Mr. Di Paola is a graduate of Concordia University, and also serves as the CFO of other publicly listed companies in Canada on the TSX-Venture exchange including, Mondias Naturals Products Inc. and UrbanGold Minerals Inc. He has close to ten years' experience in audit, finance and accounting while working as an auditor for PricewaterhouseCoopers and BDO Canada. He has been involved with

numerous financing and spin out transactions and is responsible for all aspects of financial reporting and corporate governance for Tetra.

Robert Béchard, Executive Vice President, Corporate Development and Licensing

Mr. Béchard brings more than 25 years of experience in finance, venture capital, corporate banking and business development experience to his role as Executive Vice President, Corporate Development and Licensing at Tetra. Prior to joining Tetra, Mr. Béchard was a Senior Member at RBC Lifesciences, delivering top quartile returns for two separate venture capital funds with investments in American Biotech companies. During his 12-year term as a venture capitalist, Mr. Béchard, was involved in numerous investments, served on the Boards of more than 30 life science companies and oversaw the negotiation of numerous strategic alliances, partnerships, and outright sales to both pharmaceutical and biotech companies including taking several companies public both in Canada and the U.S. Mr. Béchard has also held key operating roles for an R&D management company and a drug delivery company contributing to their growth as well as serving as a consultant to the biopharmaceutical industry providing start-up assistance in areas of fundraising, strategy, and business and corporate development.

Steeve Néron, Senior Vice-President, Marketing and Medical Affairs

Mr. Néron has more than 32 years' experience in the pharmaceutical industry with demonstrated success in numerous therapeutic sectors including cardiology, rheumatology, endocrinology, women's health, asthma/COPD, OTC and dermatology where challenging the reimbursement landscape factored prominently in his role. Prior to joining Tetra he occupied a senior marketing position at Bausch Health Canada, formerly Valeant. Steeve has held various marketing, sales, finance, material management and business development positions and has worked to launch or rejuvenate numerous market leading pharmaceutical brands including Aeries™ (antihistamine), Altace™ (hypertension), Ezetrol™ (cholesterol), Eliquis™ (anti-coagulant), Lodalix™ (cholesterol) and Contrave™ (Obesity).

Tetra Natural Health Inc.

André Rancourt, Chairman and Director

André is Chairman and Director of Tetra Natural Health as well as co-founder of Tetra. He is highly experienced in management, start-ups, and commercial strategies. He previously held the roles of Chief Executive Officer and Chairman of the Board for Tetra and worked as a consultant to several venture capital investment funds.

Chris MacLean, Chief Operating Officer

Chris MacLean has more than ten years' experience with small- to medium-sized start-ups. In addition to his responsibilities as COO of Tetra Natural Health, Chris will remain COO of Panag, responsible for the company's daily operations, securing funding and building important business relationships. In his previous roles, he helped develop Boondoc Technologies (The Rounds) and bring the company's products to market. He played an integral part in the closing of Boondoc's seed equity investment round, pitching the company to both angel investors and venture capital firms. Through his education and experience with new ventures, Chris has developed well-rounded knowledge in small business accounting, business development and company operations.

Richard Giguere, Chief Executive Officer

Mr. Giguere has more than 20 years' experience in sales and marketing in the pharmaceutical industry from coast to coast. During his career, he has held various business development, management and negotiation positions and launched several new products on the Canadian market. He has worked for various pharmaceutical companies in sectors such as generics, branded products and medical devices. He has also worked with OTC, natural products and original medications. Richard is recognized for his

deep ethical sense, respect of others and talent for developing long-term business relationships through flexibility and efficiency. In the past 10 years, he was also a board member at the companies for which he worked.

SECURITY HOLDINGS OF THE DIRECTORS AND OFFICERS

As at the date of this AIF, as a group, the directors and executive officers of Tetra beneficially own, or exercise control or direction over, directly or indirectly, a total of 13,389,260 Common Shares, representing approximately 7.2% of the currently issued and outstanding Common Shares (excluding the Common Shares issuable upon the exercise of the aggregate of 2,400,000 Options held by the directors and executive officers of Tetra).

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES AND SANCTIONS

Except as set forth below:

No director or executive officer of Tetra is, except Mr Di Paola, as at the date of this AIF, or has been, within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any corporation (including Tetra) that:

- (i) was subject to an order (as defined below) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (ii) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

On May 14, 2010, the Ontario Securities Commission issued a temporary management cease trade order against Mr. Di Paola in his capacity as Chief Financial Officer of Diamond International Exploration Inc. ("DIX"). The temporary management cease trade order was imposed due to the failure of DIX to file its annual audited financial statements, management's discussion and analysis and related certifications for the year ended December 31, 2009 within the prescribed time for filing. The required filings were completed and filed on SEDAR on June 30, 2010 and the temporary management cease trade order was subsequently lifted on July 6, 2010.

No director or executive officer of Tetra, and to the best of the knowledge of Tetra, no shareholder holding a sufficient number of Tetra's securities to affect materially the control of Tetra:

- (iii) is, as at the date of this AIF, or has been within 10 years before the date of this AIF, a director or executive officer of any corporation (including Tetra) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (iv) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of Tetra, and to the best of the knowledge of Tetra, no shareholder holding a sufficient number of Tetra's securities to affect materially the control of Tetra, has been subject to:

- (v) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (vi) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision with respect to Tetra.

For the purposes of (i) above, "order" means a cease trade order, an order similar to a cease trade order; or an order that denied the relevant Corporation access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

CONFLICTS OF INTEREST

Carl Merton, other than through his employment position at Aphria, has no other existing or potential material conflict of interests.

Except as otherwise described elsewhere, there are currently no other existing or potential material conflicts of interests between Tetra and any of its directors and officers other than those otherwise set out herein.

AUDIT AND RISK COMMITTEE INFORMATION

Charter of the Audit Committee

The full text of the current Audit Committee's Charter is attached as Schedule A to this AIF.

Composition of the Audit Committee

The current members of the Audit Committee are Carl Merton, Bill Cheliak and Gregory Drohan, all of whom are financially literate within the meaning of National Instrument 52-110 ("**NI 52-110**"). The majority of the members of the Audit Committee are not officers, employees or control persons of the Corporation or any of its associates or affiliates.

Relevant Education and Experience

See the respective biographies of each member of the Audit Committee in "*Directors and Management - Profile of the Directors and Management*" for a description of the experience that is relevant to the performance of their responsibilities as Audit Committee members.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's financial year ended November 30, 2018 has the Corporation relied on the exemption provided under section 2.4 of NI 52-110 (*De Minimis Non-Audit Services*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (*Exemptions*). However, the Corporation is not required to comply with Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110 given that it is a venture issuer as defined in NI 52-110.

Audit Committee Oversight

At no time since the commencement of the Corporation's financial year ended November 30, 2018 was a recommendation of the audit committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

Tetra's audit committee has adopted specific policies and procedures for the engagement of non-audit services as described in the audit committee's charter attached hereto as Schedule A.

External Auditor Service Fees

The aggregate fees billed by Tetra's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
November 30, 2018	\$148,000	\$1000	\$5,000	\$0
November 30, 2017	\$61,200	\$0	\$0	\$0

"**Audit Fees**" are the aggregate fees billed by the Corporation's external auditor for services provided for the audit of Tetra's annual financial statements.

"**Audit-Related Fees**" are the aggregate fees billed for assurance and related services by the Corporation's external auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statements.

"**Tax Fees**" are the aggregate fees billed by Tetra's external auditor for tax compliance, tax advice and tax planning services.

"**All Other Fees**" are the aggregate fees billed by Tetra's external auditor for products and services not included in the other categories of fees described above.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Tetra was not involved in any legal proceedings during the year ended November 30, 2018 that had, or could have, a material adverse effect on Tetra. Moreover, to the knowledge of Tetra's management, Tetra is not currently involved in any outstanding, threatened or pending litigation that could have a material adverse effect on Tetra.

To the knowledge of Tetra, during the financial year ended November 30, 2018, there were no: (i) penalties or sanctions imposed against Tetra by a court relating to securities legislation or by a securities regulatory authority; (ii) any other penalties or sanctions imposed by a court or regulatory body against Tetra that would likely be considered important to a reasonable investor in making an investment decision; or (iii) settlement agreements Tetra entered into before a court relating to securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as described elsewhere in this AIF, there have been no related party transactions in the 3 most recently completed financial years of Tetra that required disclosure under any applicable Canadian securities laws.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is Computershare Trust Corporation of Canada located at 1500 Robert-Bourassa Boulevard, Montreal, QC, H3A 3S8.

MATERIAL CONTRACTS

The following are material contracts of Tetra required to be filed on SEDAR pursuant to NI 51-102:

- a) Product acquisition agreement with Aphria Inc. for PPP001 development effective November 1, 2016.
- b) License & development agreement with IntelGenx Corp: effective March 31, 2017, setting the terms for the development and commercialization of a drug product containing dronabinol;
- c) Dried Cannabis Product Production and Sales Agreement made as of October 17, 2017 with Pure Natures Wellness Inc. (doing business as Aphria), setting the terms for the development, promotion and sale of Rx Princeps;
- d) Contract manufacturing and pipe development agreement with Fords Family Pharmacy & Wellness Center, effective on November 19, 2017, setting the terms for the transformation and packaging of a dried cannabis blend, along with the development and manufacturing of medical devices (pipes) for smoking the transformed product;
- e) Research & development agreement with Constance Therapeutics Inc., effective December 3, 2017, setting the terms for the use of the technology to manufacture, process, prepare, study, research and engage in clinical trials using the licensed products;
- f) Co-development, marketing and commercialization with Neptune Technologies & Bioresources, effective February 8, 2018, setting the terms for the co-development and commercialization of cannabinoid-based products in humans and animals;
- g) Warrant indenture with Computershare Trust Company of Canada dated March 5, 2018, providing for the issue of common share purchase warrants;
- h) Supply agreement with True North Cannabis signed on October 8, 2018, setting the terms for the supply of CBD from hemp;
- i) Investor Rights Agreement with Aphria Inc. dated November 30, 2018 (the "**Aphria IRA**");
- j) Research and Development funding agreement with the University of New Brunswick ("**UNB**") signed on May 2, 2017 and amended on January 18, 2019 to establish a Health Research Chair in Cannabis at UNB;

- k) Agreement with the shareholders of Panag effective January 30, 2019, setting the terms for the acquisition by Tetra of all of the issued and outstanding shares in the capital of Panag;
- l) Joint venture agreement signed with Altus Formulations Inc. on April 10, 2019, setting the terms for the development of a series of cannabinoid-receptor targeted therapeutics; and
- m) Development, scale up, and GMP manufacturing agreements signed with Dalton Pharma Services on December 17, 2018 and April 11, 2019 setting the terms for the manufacturing of drug substance HU-308.

INTERESTS OF EXPERTS

UHY McGovern Hurley LLP are the auditors of the Corporation and have confirmed that they are independent with respect to the Corporation within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

ADDITIONAL INFORMATION

Additional information relating to Tetra may be found on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Tetra's securities, and securities authorized for issuance under equity compensation plans, if applicable, is contained in Tetra's information circular dated May 22, 2018, and amended on June 12, 2018 a copy of which has been filed on SEDAR and is available at www.sedar.com. Additional financial information is provided in Tetra's audited consolidated financial statements and management's discussion and analysis for Tetra's most recently completed financial year, copies of which have been filed on SEDAR and are available at www.sedar.com.

Schedule A

TETRA BIO-PHARMA INC.

AUDIT COMMITTEE CHARTER

This charter (the "**Charter**") sets forth the purpose, composition, responsibilities and authority of the Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Tetra Bio-Pharma Inc. ("**Tetra**").

1.0 Purpose

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

- financial reporting and disclosure requirements;
- ensuring that an effective risk management and financial control framework has been implemented and tested by management of Tetra; and
- external and internal audit processes.

2.0 Composition and Membership

- (a) The Board will appoint the members ("**Members**") of the Committee. The Members will be appointed to hold office until the next annual general meeting of shareholders of Tetra or until their successors are appointed. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will automatically cease to be a Member upon ceasing to be a director.
- (b) The Committee will consist of at least three directors, the majority of whom are not officers, employees or control persons of the Corporation or any of its associates or affiliates, subject to any audit committee composition rules contained in applicable securities legislation and the rules or policies of any stock exchanges on which the securities of the Corporation are listed for trading. All Members will meet the criteria for independence established by the aforementioned laws and rules. In addition, each director will be free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of a Member's independent judgment.
- (c) The Board will appoint one of the Members to act as the chairman of the Committee (the "**Chairman**"). The members of the Committee shall elect a secretary of the Committee (the "**Secretary**") who will be the secretary of all meetings and will maintain minutes of all meetings and deliberations of the Committee. If the Members so decide, the Committee may appoint another person who may, but need not, be a Member to act as the secretary of that meeting.
- (d) The Committee may delegate any or all of its functions to any of its Members or any subset thereof, or other persons, from time to time as it sees fit.

3.0 Meetings

- (a) Meetings of the Committee will be held at such times and places as the Chairman may determine, but in any event not less than four (4) times per year. Forty-eight (48) hours advance notice of each meeting will be given to each Member orally, by telephone, by facsimile or email, unless all Members are present and waive notice, or if those absent

waive notice before or after a meeting. Members may attend all meetings either in person or by telephone.

- (b) At the request of the external auditors of Tetra, the CEO or the Chief Financial Officer of Tetra or any Member, the Chairman will convene a meeting of the Committee. Any such request will set out in reasonable detail the business proposed to be conducted at the meeting so requested.
- (c) The Chairman, if present, will act as the chairman of meetings of the Committee. If the Chairman is not present at a meeting of the Committee the Members in attendance may select one of the members to act as chairman of the meeting.
- (d) A majority of Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chairman will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolutions signed by all Members.
- (e) The Committee may invite from time to time such persons as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee. The Committee may meet *in camera* without members of management in attendance for a portion of each meeting of the Committee, as the Committee deems appropriate.
- (f) In advance of every regular meeting of the Committee, the Chairman, with the assistance of the Secretary, will prepare and distribute to the Members and others as deemed appropriate by the Chairman, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of Tetra to produce such information and reports as the Committee may deem appropriate in order for it to fulfill its duties.
- (g) Minutes of meetings of the Committee must accurately reflect the significant discussions and the decisions of the Committee. Minutes of Committee meetings shall be recorded and maintained by the Secretary, or any other person acting in such capacity, and subsequently presented to the Committee for approval.

4.0 Duties and Responsibilities

The duties and responsibilities of the Committee as they relate to the following matters, are as follows:

4.1 Financial Reporting and Disclosure

- (a) review and recommend to the Board for approval, the audited annual financial statements, including the auditors' report thereon, the quarterly financial statements, management discussion and analysis, financial reports, and any guidance with respect to earnings per share to be given, prior to the public disclosure of such information, with such documents to indicate whether such information has been reviewed by the Board or the Committee;
- (b) review and recommend to the Board for approval, where appropriate, financial information contained in any prospectuses, annual information forms, annual report to shareholders, management proxy circular, material change disclosures of a financial nature and similar disclosure documents prior to the public disclosure of such information;

- (c) review with management of Tetra, and with external auditors, significant accounting principles and disclosure issues and alternative treatments under International Financial Reporting Standards ("**IFRS**"), with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly Tetra's financial position and the results of its operations in accordance with IFRS, as applicable;
- (d) seek to ensure that adequate procedures are in place for the review of Tetra's public disclosure of financial information extracted or derived from Tetra's financial statements, periodically assess the adequacy of those procedures and recommend any proposed changes to the Board for consideration;

4.2 Internal Controls and Audit

- (a) review the adequacy and effectiveness of Tetra's system of internal control and management information systems through discussions with management and the external auditor to ensure that Tetra maintains: (i) the necessary books, records and accounts in sufficient detail to accurately and fairly reflect Tetra's transactions; (ii) effective internal control systems; and (iii) adequate processes for assessing the risk of material misstatement of the financial statement and for detecting control weaknesses and detecting fraud. From time to time the Committee shall assess whether it is necessary or desirable to establish a formal internal audit department having regard to the size and stage of development of Tetra at any particular time;
- (b) satisfy itself that management has established adequate procedures for the review of Tetra's disclosure of financial information extracted or derived directly from Tetra's financial statements;
- (c) satisfy itself, through discussions with management, that the adequacy of internal controls, systems and procedures has been periodically assessed in order to ensure compliance with regulatory requirements and recommendations;
- (d) review and discuss Tetra's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities;
- (e) review, and in the Committee's discretion make recommendations to the Board regarding, the adequacy of Tetra's risk management policies and procedures with regard to identification of Tetra's principal risks and implementation of appropriate systems to manage such risks including an assessment of the adequacy of insurance coverage maintained by Tetra;
- (f) recommend the appointment, or if necessary, the dismissal of the head of Tetra's internal audit process;

4.3 External Audit

- (a) recommend to the Board a firm of external auditors to be nominated for appointment as the external auditor of Tetra;
- (b) ensure the external auditors report directly to the Committee on a regular basis;
- (c) review the independence of the external auditors, including a written report from the external auditors respecting their independence and consideration of applicable auditor independence standards;

- (d) review and recommend to the Board the fee, scope and timing of the audit and other related services rendered by the external auditors;
- (e) review the audit plan of the external auditors prior to the commencement of the audit;
- (f) establish and maintain a direct line of communication with Tetra's external and internal auditors;
- (g) meet in camera with only the auditors, with only management, and with only the members of the Committee at every Committee meeting where, and to the extent that, such parties are present and the Committee deems appropriate;
- (h) oversee the performance of the external auditors who are accountable to the Committee and the Board as representatives of the shareholders, including the lead partner of the independent auditors' team;
- (i) oversee the work of the external auditors appointed by the shareholders of Tetra with respect to preparing and issuing an audit report or performing other audit, review or attest services for Tetra, including the resolution of issues between management of Tetra and the external auditors regarding financial disclosure;
- (j) review the results of the external audit and the report thereon including, without limitation, a discussion with the external auditors as to the quality of accounting principles used, any alternative treatments of financial information that have been discussed with management of Tetra, the ramifications of their use as well as any other material changes. Review a report describing all material written communication between management and the auditors such as management letters and schedule of unadjusted differences;
- (k) discuss with the external auditors their perception of Tetra's financial and accounting personnel, records and systems, the cooperation which the external auditors received during their course of their review and availability of records, data and other requested information and any recommendations with respect thereto;
- (l) discuss with the external auditors their perception of Tetra's identification and management of risks, including the adequacy or effectiveness of policies and procedures implemented to mitigate such risks;
- (m) review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board;
- (n) review annually a report from the external auditors in respect of their internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues;

4.4 Associated Responsibilities

- (a) monitor and periodically review the Whistleblower Policy and associated procedures for:
 - (i) the receipt, retention and treatment of complaints received by Tetra's regarding accounting, internal accounting controls or auditing matters;
 - (ii) the confidential, anonymous submission by directors, officers and employees of Tetra of concerns regarding questionable accounting or auditing matters;
 - (iii) any violations of any applicable law, rule or regulation that relates to corporate reporting and disclosure, or violations of Tetra's Code of Business Conduct & Ethics;
- (b) review and approve Tetra's hiring policies regarding employees and partners, and former employees and partners, of the present and former external auditors of Tetra; and
- (c) review and monitor the implementation of the Corporation's Code of Business Conduct and Ethics.

4.5 Non-Audit Services

- (a) pre-approve all non-audit services to be provided to Tetra or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its members the authority to pre-approve non-audit services but pre-approval by such member or members so delegated shall be presented to the full Committee at its first scheduled meeting following such pre-approval.

5.0 Oversight Function

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that Tetra's financial statements are complete and accurate or comply with IFRS and other applicable requirements. These are the responsibilities of management and the external auditors. The Committee, the Chairman and any Members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of Tetra, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of Tetra's financial information or public disclosure.

6.0 Reporting

The Chairman will report to the Board at each Board meeting on the Committee's activities since the last Board meeting. The Committee will annually review and approve the Committee's report to the Board. The minutes of each meeting of the Committee will be available to the members of the Board, at their request.

7.0 Access to Information and Authority

The Committee will be granted unrestricted access to all information regarding Tetra that is necessary or desirable to fulfill its duties and all directors, officers and employees will be directed to cooperate as requested by Members. The Committee has the authority to retain, at Tetra's expense, independent legal, financial and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities, including sole authority to retain and to approve any such firm's fees and other retention terms without prior approval of the Board. The Committee also has the authority to communicate directly with internal and external auditors.

The Committee shall at least annually evaluate its own performance and report to the Corporate Governance and Nominating Committee on such evaluation.

8.0 Review of Charter

The Committee will periodically review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.

Dated: January 15, 2019

Approved by: Board of Directors on January 15, 2019