A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in all provinces of Canada, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

*The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States, and may not be offered, sold or delivered, directly or indirectly, in the United States of America, its territories, possessions or the District of Columbia (the "**United States**") or to a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act) (a "**U.S. Person**") unless exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws are available. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States or to, or for the account or benefit of, any U.S. Person. See "Plan of Distribution".*

***Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from Tetra Bio-Pharma Inc. at 2316 St. Joseph Blvd., Orleans, Ontario, K1C 1E8, telephone (438) 899-7575, and are also available electronically at www.sedar.com.*

PRELIMINARY SHORT FORM PROSPECTUS

New Issue January 27, 2020

TETRA BIO-PHARMA INC.

$15,500,009
29,245,300 Units

Price: $0.53 per Unit

This short form prospectus (this "**Prospectus**") qualifies the distribution (the "**Offering**") of 29,245,300 units (the "**Units**") of Tetra Bio-Pharma Inc. (the "**Corporation**" or "**Tetra**"), at a price of $0.53 per Unit (the "**Offering Price**") for aggregate gross proceeds of $15,500,009. Each Unit consists of one common share in the capital of the Corporation (each, a "**Unit Share**") and one common share purchase warrant (each, a "**Warrant**"). Each Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances, one common share in the capital of the Corporation (each, a "**Warrant Share**") at an exercise price of $0.75 for a period of 36 months following the Closing Date (as defined herein). The Units are offered and sold pursuant to an underwriting agreement dated as of the date hereof (the "**Underwriting Agreement**"), between the Corporation and Echelon Wealth Partners Inc. (the "**Underwriter**"). The Units will be offered in all provinces of Canada through the Underwriter or its affiliates who are registered to offer the Units for sale in such provinces and such other registered dealers as may be designated by the Underwriter. Subject to applicable law, the Underwriter may offer the Units in such other jurisdictions outside of Canada as agreed between the Corporation and the

Underwriter. In connection with the Offering, and subject to applicable laws, the Underwriter may over-allot or effect transactions that are intended to stabilize or maintain the market price of the common shares at levels other than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See "*Plan of Distribution*".

The Corporation's common shares (the "**Common Shares**") are traded on the TSX Venture Exchange (the "**TSXV**") under the symbol "TBP". On January 20, 2020, the last trading day prior to the announcement of the Offering, the closing price of the Common Shares on the TSXV was $0.62. On January 24, 2020, the last trading day before the date of this Prospectus, the closing price of the Common Shares on the TSXV was $0.50. The Corporation has applied to list the Unit Shares, the Additional Shares (as defined herein), the Warrants and the Additional Warrants (as defined herein) to be distributed under this Prospectus, as well as the Warrant Shares and the Common Shares issuable upon the exercise of the Additional Warrant Shares and the Underwriter's Warrant Shares (as defined herein) issuable upon the exercise of the Warrants, the Additional Warrants and the Underwriter's Warrants (as defined herein). Listing will be subject to the Corporation fulfilling all of the requirements of the TSXV.

There is currently no market through which the Warrants may be sold and purchasers may not be able to resell securities purchased under this Prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "*Risk Factors*".

	Price to the Public[(1)]	Underwriter's Fee[(2)]	Net Proceeds to the Corporation[(1)(2)(3)]
Per Unit …….	$0.53	$0.0371	$0.4929
Total… …	$15,500,009	$1,085,001	$14,415,008

Notes:

(1) The Offering Price was determined by arm's length negotiation between the Corporation and the Underwriter, with reference to the prevailing market price of the Common Shares.

(2) The Corporation has agreed to pay the Underwriter a cash fee (the "**Underwriter's Fee**") equal to 7% of the gross proceeds from the Offering (including any gross proceeds raised on exercise of the Over-Allotment Option (as defined below)) from the sale of Units to purchasers. In addition, the Corporation has agreed to issue warrants to the Underwriter (the "**Underwriter's Warrants**") equal to 7% of the number of Units and Additional Units (as defined below) sold pursuant to the Offering (including the Over-Allotment Option). Each Underwriter's Warrant entitles the holder thereof to acquire one Common Share (each, an "**Underwriter's Warrant Share**") for an exercise price of $0.75 per Common Share for a period of 36 months following the Closing Date. This Prospectus also qualifies the distribution of the Underwriter Warrants. See "*Plan of Distribution*".

(3) After deducting the Underwriter's Fee, but before deducting the expenses of the Offering (estimated to be approximately $350,000), which will be paid from the proceeds of the Offering. If the Over-Allotment Option (as defined below) is exercised in full, the total gross proceeds of the Offering, the Underwriter's Fee and the net proceeds to the Corporation (before deducting expenses of the Offering) will be $17,825,010, $1,247,751 and $16,577,260, respectively. This Prospectus also qualifies the distribution of the Over-Allotment Option and the Additional Units and/or Additional Shares or Additional Warrants, as applicable, issuable upon exercise of the Over-Allotment Option.

The Underwriter has been granted an over-allotment option, exercisable, in whole or in part, at the sole discretion of the Underwriter, for a period of 30 days from and including the Closing Date, to purchase additional units (the "**Additional Units**") representing 15% of the aggregate number of Units issued pursuant to the Offering at the Offering Price to cover the Underwriter's over-allocation position, if any, and for market stabilization purposes (the "**Over-Allotment Option**"). The Over-Allotment Option may be exercised by the Underwriter to acquire: (a) Additional Units at the Offering Price; (b) additional Unit Shares (the "**Additional Shares**") at a price of $0.476 per Additional Share; (c) additional Warrants at a price of $0.054 per Warrant (the "**Additional Warrants**"), or (d) any combination of Additional Shares and/or Additional Warrants (together, "Additional Securities"), so long as the aggregate number of Additional Shares and Additional Warrants which may be issued under the Over-Allotment Option does not exceed 4,386,795 Additional Shares or 4,386,795 Additional Warrants. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Additional Securities issuable upon exercise of the Over-Allotment Option. A purchaser who acquires Units forming part of the Underwriter's over-allocation

position acquires those Units under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. Where applicable, references to "Offering", "Units", "Unit Shares", "Warrants" and "Warrant Shares" include the Additional Securities issuable upon exercise of the Over-Allotment Option. See "*Plan of Distribution*".

The following table sets out the maximum number of Units that may be sold by the Corporation to the Underwriter pursuant to the Over-Allotment Option and the maximum number of Underwriter's Warrants issuable to the Underwriter pursuant to the Over-Allotment Option:

	Maximum Number of Securities	Exercise Period	Exercise Price
Over-Allotment Option	4,386,795 Additional Units	For a period of 30 days from and including the Closing Date	$0.53 per Additional Unit
Underwriter's Warrants	307,075 Underwriter's Warrants	For a period of 36 months from the Closing Date	$0.75 per Underwriter's Warrants

Investing in the Units is speculative and involves significant risks. You should carefully review and evaluate the risk factors contained in this Prospectus and in the documents incorporated by reference herein before purchasing the Units. See "*Forward-Looking Information*" and "*Risk Factors*".

The Underwriter, as principal, conditionally offers the Units, subject to prior sale, if, as and when issued by the Corporation and accepted by the Underwriter in accordance with the conditions contained in the Underwriting Agreement referred to under "*Plan of Distribution*", and subject to the approval of certain legal matters on behalf of the Corporation by Stikeman Elliott LLP and on behalf of the Underwriter by Dentons Canada LLP.

Subscriptions for the Units will be received subject to rejection or allotment, in whole or in part, and the Underwriter reserves the right to close the subscription books at any time without notice. Closing of the Offering is expected to take place on or about February 13, 2020, or such other date as may be agreed upon by the Corporation and the Underwriter (the "**Closing Date**"). The Units are to be taken up by the Underwriter on or before the date that is not later than forty-two (42) days after the date of the receipt for this Prospectus.

In connection with the Offering, and subject to applicable laws, the Underwriter may over-allot or effect transactions that are intended to stabilize or maintain the market price of the Common Shares at levels other than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. The Underwriter may offer the Units at a lower price than stated above. See "*Plan of Distribution*".

It is anticipated that the Unit Shares and Warrants will be delivered under the book-based system through CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee and deposited in electronic form. A purchaser of Units will receive only a customer confirmation from the registered dealer from or through which the Units are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Unit Shares and Warrants on behalf of owners who have purchased Units in accordance with the book-based system. No definitive certificates will be issued unless specifically requested or required. See "*Plan of Distribution*".

The Units may only be sold in those jurisdictions where offers and sales are permitted. This Prospectus is not an offer to sell or a solicitation of an offer to buy the Units in any jurisdiction in which it is unlawful. Prospective investors should be aware that the acquisition or disposition of the Units described in this Prospectus may have tax consequences in Canada or elsewhere, depending on each particular existing or prospective investor's specific circumstances.

The Corporation's head office and registered office is located at 2316 St. Joseph Blvd., Orleans, Ontario, K1C 1E8, Canada.

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GENERAL MATTERS

Unless otherwise noted or the context otherwise requires, the "**Corporation**", "**Tetra**", "**we**", "**us**" and "**our**" refer to Tetra Bio-Pharma Inc. and its subsidiaries. The term "cannabis" has the meaning given to the term "cannabis" in the *Cannabis Act* (SC 2018, c.16) (the "**Cannabis Act**").

An investor should rely only on the information contained or incorporated by reference in this Prospectus. The Corporation or the Underwriter has not authorized anyone to provide investors with additional or different information. The Corporation and the Underwriter are not making an offer to sell or seeking offers to buy the Units in any jurisdiction where the offer or sale is not permitted. Prospective purchasers should assume that the information appearing or incorporated by reference in this Prospectus is accurate only as at the respective dates thereof, regardless of the time of delivery of the Prospectus or of any sale of the Units. The Corporation's business, financial condition, results of operations and prospects may have changed since that date.

All currency amounts in this Prospectus are stated in Canadian dollars, unless otherwise stated.

FORWARD-LOOKING INFORMATION

This Prospectus contains certain information that may constitute "forward-looking information" and "forward-looking statements" (collectively, "**forward-looking statements**") which are based upon the Corporation's current internal expectations, estimates, projections, assumptions and beliefs. Such statements can be identified by the use of forward-looking terminology such as "expect," "likely", "may," "will," "should," "intend," or "anticipate", "potential", "proposed", "estimate", "believe", "anticipates" "plan", "expect", "forecast" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen, or by discussions of strategy. Actual results and developments may differ materially from those contemplated by these statements. Forward-looking statements include estimates, plans, expectations, opinions, forecasts, projections, targets, guidance, or other statements that are not statements of fact. The forward-looking statements included in this Prospectus are made only as of the date of this Prospectus. Forward-looking statements in this Prospectus include, but are not limited to, statements with respect to:

- the performance of the Corporation's business and operations;
- the intention to grow the business and operations of the Corporation;
- the competitive conditions of the industry;
- the competitive, marketing and commercialization and business strategies of the Corporation;
- the results of human trials based on the results of research conducted on animals;
- researching and developing products for human use;
- receiving approval by appropriate governing agencies for marketing;
- approval to market and manufacture the developed products;
- volatility in the demand for products;
- competition for, among other things, market share;
- pricing competition for products;
- changes in laws, regulations and guidelines relating to Tetra's business, liabilities inherent in cannabis development operations;
- protection of intellectual property;

- financing risks;
- the anticipated milestones for the development of the Corporation's clinical program and the commercial launch of its products (including Panag's products);
- the discontinuation and monetization of the Corporation's hemp energy drink business;
- the grant and impact of any licence or supplemental licence to conduct activities with cannabis or any amendments thereof;
- the anticipated future gross margins of the Corporation's operations;
- the expected level of expenditures of the Corporation during the 12-month period following the date of this Prospectus;
- clinical trial development further to the announcement about the detection of microbial contamination known as mycotoxins;
- the initiation, timing, cost, progress and success of the Corporation's research and development programs, preclinical studies and clinical trials;
- the Corporation's ability to advance product candidates into, and successfully complete, clinical trials;
- the Corporation's ability to recruit sufficient numbers of patients for future clinical trials;
- the timing and closing of the Offering;
- the satisfaction of the conditions of the closing of the Offering, including the receipt, in a timely manner, of regulatory and other required approvals;
- the use of proceeds of the Offering;
- the advancement of the Corporation's business activities in the pharmacy self-care and over-the-counter markets, and the ability of such activities to finance the development of the Corporation's development and commercialization of cannabis-derived prescription drug programs;
- the Corporation's ability to achieve profitability;
- the Corporation's ability to obtain funding for its operations, including funding for research;
- the Corporation's ability to establish and maintain relationships with collaborators with acceptable development, regulatory and commercialization expertise and the benefits to be derived from such collaborative efforts;
- the implementation of the Corporation's business model and strategic plans;
- the Corporation's anticipated regulatory submissions and commercial activities;
- the competitive positioning and advantages of the Corporation’s products and product candidates;
- the therapeutic benefits, effectiveness and safety of the Corporation's product candidates; and
- the rate and degree of market acceptance and clinical utility of the Corporation's future products, if any.

Such statements reflect Tetra's current views with respect to future events and are subject to risks and uncertainties and are necessarily based upon a number of estimates and assumptions using data from publicly available governmental sources as well as from market research and industry analysis and on assumptions based on

data and knowledge of the industry which Tetra believes to be reasonable, but are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. However, although generally indicative of relative market positions, market shares and performance characteristics, such data is inherently imprecise. While Tetra is not aware of any misstatement regarding any industry or government data presented herein, the medical cannabis industry involves risks and uncertainties that are subject to change based on various factors. Many factors could cause Tetra's actual results, performance or achievements to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements. In making the forward looking statements included in this Prospectus, the Corporation has made various material assumptions, including, but not limited to: (i) enrollment in, completion of and obtaining positive results from clinical trials; (ii) obtaining and maintaining regulatory approvals; (iii) general business and economic conditions; (iv) the Corporation's ability to develop and commercialize, or otherwise monetize, its product candidates and develop new products; (v) the safety and efficacy of its product candidates and any new products; (vi) the assumption that Tetra's current good relationships with its collaborators, suppliers, joint venture partners and other third parties will be maintained; (vii) the availability of financing on reasonable terms; (viii) the Corporation's ability to attract and retain skilled staff; (ix) the products and technology offered by the Corporation's competitors; and (x) the Corporation's ability to protect patents and other proprietary rights including trade secrets.

Although the Corporation believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. The Corporation's forward-looking statements are expressly qualified in their entirety by this cautionary statement. In particular, but without limiting the foregoing, disclosure in this Prospectus under "*Description of the Business*" as well as statements regarding the Corporation's objectives, plans and goals, including future operating results and economic performance may make reference to or involve forward-looking statements. In evaluating forward-looking statements, current and prospective shareholders should specifically consider various factors, including the risks outlined under the heading "*Risk Factors*" in this Prospectus and under the heading "*Risk Factors*" in the Annual Information Form (as defined herein). A number of factors could cause actual events, performance or results to differ materially from what is projected in the forward-looking statements. The purpose of forward-looking statements is to provide the reader with a description of management's expectations, and such forward-looking statements may not be appropriate for any other purpose. Undue reliance should not be placed on forward-looking statements contained in this Prospectus. Forward-looking statements are made as of the date of this Prospectus and we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, each of which has been filed with the securities regulatory authorities in all provinces of Canada, are specifically incorporated by reference and form an integral part of this Prospectus:

(a) the annual information form of the Corporation dated June 18, 2019 for the financial year ended November 30, 2018 (the "**Annual Information Form**");

(b) the consolidated audited annual financial statements of the Corporation as at and for the financial years ended November 30, 2018 and November 30, 2017, and related notes thereto, together with the independent auditor's report thereon (the "**Annual Financial Statements**");

(c) the management's discussion and analysis of the Corporation for the twelve months ended November 30, 2018;

(d) the management information circular of the Corporation dated May 22, 2019 in connection with the annual and special meeting of shareholders of the Corporation to be held on June 20, 2019;

(e) the management information circular of the Corporation dated March 20, 2019 in connection with the special meeting of shareholders of the Corporation held on April 18, 2019;

(f) the unaudited consolidated interim financial statements of the Corporation as at and for the three and nine month period ended August 31, 2019, together with the notes thereto (except for the notice of no review) (the "**Interim Financial Statements**");

(g) the management's discussion and analysis of the Corporation for the three and nine month period ended August 31, 2019;

(h) the material change report of the Corporation dated December 10, 2018 in respect of the announcement of the private placement of units with Aphria Inc. ("**Aphria**");

(i) the material change report of the Corporation dated February 11, 2019 in respect of the announcement by the Corporation of the entering into of a definitive agreement with the shareholders of Panag Pharma Inc. ("**Panag**") for the acquisition of all the issued and outstanding shares of Panag;

(j) the material change report of the Corporation, dated July 18, 2019 in respect of the announcement of the completion of the short form prospectus offering of units of the Corporation (the "**Public Offering Material Change Report**");

(k) the material change report of the Corporation, dated July 30, 2019 in respect of the announcement of a non-brokered private placement offering of units of the Corporation; and

(l) the material change report of the Corporation, dated August 12, 2019 in respect of the announcement of the completion of a non-brokered private placement offering of units of the Corporation (the "**Private Placement Material Change Report**").

Any documents of the type referred to above or similar material and any documents required to be incorporated by reference herein pursuant to National Instrument 44-101 – *Short Form Prospectus Distributions*, including any annual information form, all material change reports (excluding confidential reports, if any), all annual and interim financial statements and management's discussion and analysis relating thereto, or information circular or amendments thereto that the Corporation files with any securities commission or similar regulatory authority in Canada after the date of this Prospectus and prior to the termination of this Offering will be deemed to be incorporated by reference in this Prospectus and will automatically update and supersede information contained or incorporated by reference in this Prospectus.

Any statement contained in this Prospectus or a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies, replaces or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this Prospectus, except as so modified or superseded.

DESCRIPTION OF THE BUSINESS

Corporate Structure

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,

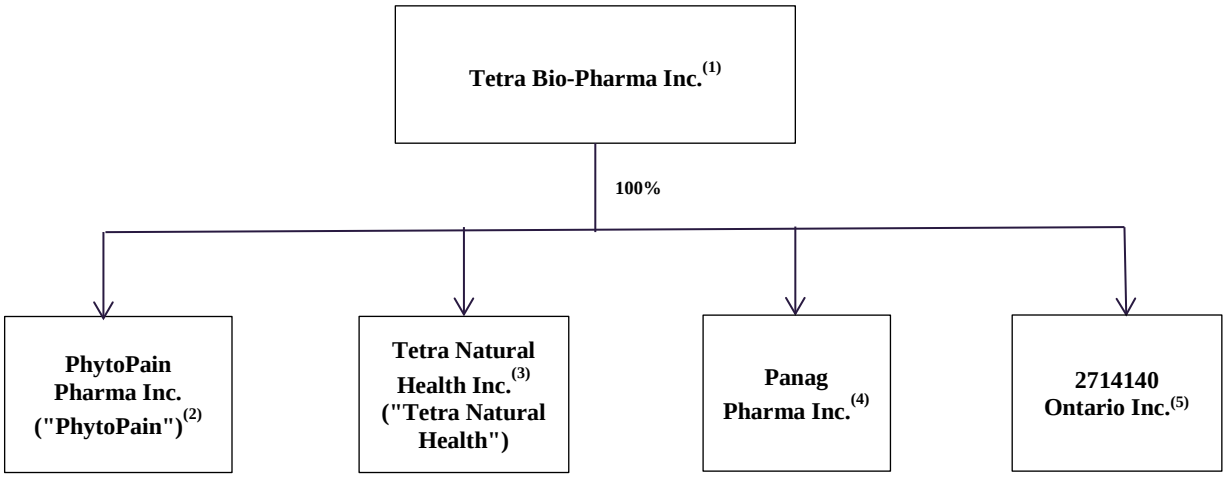
control of the combined companies passed to the former shareholders of GrowPros MMP Inc., which for accounting purposes was deemed to be the acquirer. As part of the amalgamation agreement, Mazorro changed its name to "GrowPros Cannabis Ventures Inc."

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 January 23, 2020, an inactive subsidiary of the Corporation named Grow Pros Agro-Tek Inc. was dissolved. As at the date of this Prospectus, Minerra Mazorro s.r.l. de c.v. remains the only inactive subsidiary of the Corporation, which the Corporation intends to dissolve in the future.

The following chart illustrates, as of the date of this Prospectus, the Corporation's corporate structure, describing the Corporation's active subsidiaries:



(1) Incorporated under the CBCA.

(2) Incorporated under the CBCA and whose principal activity is cannabis and cannabinoid drug development and related clinical trials.

(3) Incorporated under the CBCA and whose principal activity is commercialization of natural health and self-care products.

(4) Incorporated under the *Companies Act* (Nova Scotia). Panag was acquired on May 1, 2019 (the "**Panag Transaction**") pursuant to a share purchase agreement dated January 31, 2019 (the "**Panag Agreement**").

(5) Incorporated under *Business Corporations Act* (Ontario). See "*Hemp Energy Drink*" below for additional information.

Shared ventures

During the last fiscal year, and as more fully described below, the Corporation has entered into agreements to form shared ventures to develop and commercialize drugs and wellness supplements.

SHARED VENTURE	PRINCIPAL ACTIVITIES
CB2 Therapeutics Inc.	Development and commercialization of medicines and wellness supplements for management of chronic inflammatory conditions

TALLC Corporation Inc.	Development of drugs to treat acute post operative pain in an hospital setting

CB2 Therapeutics Inc.

On August 21, 2019, the Corporation announced it signed an agreement with Thorne Research Inc. and Onegevity Health LLC to form a shared venture named CB2 Therapeutics Inc. ("**CB2 Therapeutics**"), a company focused on leveraging the power of the endocannabinoid system using innovative multi-omics and multi-targeted therapeutic options in the management of chronic inflammatory conditions.

CB2 Therapeutics has been structured as a shared venture using the intellectual property of the three companies on a royalty-free license for global product development and commercialization of compounds for chronic inflammatory conditions with high unmet needs or that are poorly served with existing therapies. In addition, as part of the agreement, CB2 Therapeutics would also commercialize wellness supplements in the United States through its partnership with Thorne Research Inc.

TALLC Corporations Inc.

On April 29, 2019, the Corporation announced it entered into an agreement with Altus Formulations to form a shared venture, which was later formed under the name TALLC Corporations Inc. The purpose of this shared venture is the development of a series of cannabinoid-receptor targeted therapeutics to treat acute post operative pain in hospital setting. As at the date of this Prospectus, the activities being performed by the Corporation related to this shared venture are minimal.

Hemp Energy Drink

On August 30, 2019, the Corporation incorporated 2714140 Ontario Inc. as a wholly-owned subsidiary for the purpose of divesting the Corporation's Hemp Energy Drink ("**HED**") business, previously operated by Tetra Natural Health. The HED assets were transferred into this subsidiary and made the subject of a sales process on August 31, 2019, following a strategic review by the Corporation.

On November 18, 2019, the Corporation announced that 2714140 Ontario Inc. had secured financing from AIP Asset Management Inc. in the amount of up to $3,000,000 through the issuance of convertible notes (the "**Convertible Notes**"), to purchase the full rights to the HED formulation. This financing has been raised to support ongoing operations of the HED business until the Corporation and AIP Asset Management Inc. successfully monetize the HED business through a spin-off or other type of liquidity event.

The Convertible Notes will mature in the second quarter of 2021 and bear interest at a rate of 15% per annum. The Convertible Notes are secured by a security interest on all present and future acquired property of 2714140 Ontario Inc. The principal amount of the Convertible Notes and all accrued and unpaid interest thereon are due and payable by 2714140 Ontario Inc. in full on the maturity date. Therefore, none of the principal amount or accrued interest is payable in the next twelve months.

Upon a future liquidity event, the Convertible Notes are convertible into warrants of 2714140 Ontario Inc., exercisable at 75% of fair market value of the shares of 2714140 Ontario Inc., and common shares of 2714140 Ontario Inc. at a 25% discount. Tetra has guaranteed 2714140 Ontario Inc.'s obligations under the Convertible Notes. Subject to approval from the TSXV, Tetra may elect to issue Common Shares to repay any amount due on the Convertible Notes by way of a shares for debt transaction. Should the TSXV not approve such a transaction, Tetra will be obligated to repay the amount due in cash.

The proceeds raised from the sale of the Convertible Notes allow 2714140 Ontario Inc. to manufacture and distribute HED worldwide and fund ongoing operations for the business. As at the date of this Prospectus, 2714140 Ontario Inc. has received $2,000,000 in consideration for the issuance of the Convertible Notes and has access to the additional $1,000,000 Convertible Notes to support the development of the HED business. These funds may only be used by 2714140 Ontario Inc. for the operations of the HED business and are therefore not available to be used by the Corporation to advance its business strategy. The Corporation considers that the funds raised by the issuance of

the Convertible Notes (being $2,000,000 as at the date of this Prospectus and another $1,000,000 which remain available under the Convertible Notes) are sufficient to support and fund the ongoing operations of the HED business, and given the intent of the Corporation to discontinue the HED business, the Corporation does not intend to allocate any of its funds to this business. Therefore, none of the working capital of the Corporation is being allocated to the HED business. To the extent that the HED business was to require additional working capital, 2714140 Ontario Inc. would draw the additional $1,000,000 which remains available to it under the Convertible Notes.

The intent of the Corporation is to complete a spin-off or other type of monetization transaction prior to the maturity date of the Convertible Notes, and to repay the Convertible Notes as part of such spin-off or transaction. To the extent that 2714140 Ontario Inc. was unable to complete a spin-off or other type or liquidity event in the next twelve months, and should 2714140 Ontario Inc. default on payment, the Corporation would first use its commercially reasonable efforts to obtain approval from the TSXV to repay the Convertible Notes through the issuance of Common Shares as a "shares-for-debt" transaction under the rules of the TSXV, failing which the Corporation would re-allocate some of its funds to be able to repay the Convertible Notes.

Recent Developments

Agreement with Azevedos

On December 16, 2019, the Corporation announced the entering into of a definitive agreement with Azevedos Indústria Farmacêutica, S.A. ("**Azevedos**") for the marketing and distribution of CAUMZ™ (PPP011) in Portugal. Under the terms of the agreement, Tetra will receive milestone payments and profit sharing on all sales of CAUMZ™ in Portugal. In return, Azevedos will be responsible for registering the product, manufacturing, as well as all marketing and distribution in Portugal.

DIN Applications

On January 17, 2020, Tetra announced that Health Canada granted two Drug Identification Numbers ("**DIN**") for its first over-the-counter ("**OTC**") products to be marketed under its TERPACAN™ banner.

TERPACAN™ (hemorrhoids) is a topical formulation that will be used for the treatment of hemorrhoids, an itchy, painful and common condition affecting thousands of Canadians. TERPACAN™ (back & muscle pain) is indicated for the temporary relief of aches and pains of muscles and joints associated with backache, lumbago, strains, bruises, sprains, arthritic or rheumatic pain and pain of tendons and ligaments.

PPP001

On November 25, 2019, the United States Food and Drug Administration ("**FDA**") authorized the advancement of PLENITUDE©, the Corporation's clinical trial for its investigational therapeutic QIXLEEF™ (PPP001), for the treatment of uncontrolled pain in advanced cancer patients. The study was allowed to proceed by the FDA after a review of the Corporation's quality file, including mycotoxin quality information, and after ensuring the safety assessments were adequate to protect patients. Following such, Tetra began activities to resume this clinical trial program and initiate enrollments.

On January 13, 2020, the Corporation received a favorable letter of advice from the FDA for QIXLEEF™. The letter provided scientific guidance on the Corporation's quality file including aspects such as reporting of volatile organic compounds contained in the drug product. It provided further insight into the January 26, 2017 Type B meeting with the FDA with regards to the requirements for drug approval for a non-serious condition such as uncontrolled pain as a second- or third-line therapy.

HCC011

On December 4, 2019, the Corporation announced it had received the FDA Orphan Drug Designation ("**ODD**") for delta-9-tetrahydrocannabinol ("**THC**") in the treatment of hepatocellular carcinoma. The Corporation is now accelerating the development of this product and will be requesting a Type B meeting with the FDA to define the requirements for marketing approval. Anticancer drugs are generally approved (i.e., accelerated approval) after the conduct of a Phase 2 pivotal trial with demonstration of no tumor progression.

Contribution from ACOA

On July 11, 2019, Panag received a repayable Government of Canada contribution of $500,000 through the Atlantic Canada Opportunities Agency's (ACOA) Business Development Program. The Program creates opportunities for economic growth in Atlantic Canada by helping businesses become more competitive, innovative and productive.

The contribution was partially used to support the commercialization of AWAYE™, a topical OTC medication for the temporary relief of aches and pains of muscles and joints associated with one or more of strains/sprains involving muscles, tendons, and/or ligaments, arthritis, simple backache and/or lumbago. AWAYE™ will be marketed by Tetra Natural Health. See "*Description of the Business – Business of the Corporation – Natural Health Segment*".

Recent Financings

On July 12, 2019, the Corporation completed a short form prospectus offering of units of the Corporation, including the exercise in full of the agents' over-allotment option. A total of 26,833,332 units of the Corporation were sold at a price of $0.30 per unit, for aggregate gross proceeds of approximately $8,050,000. A complete and detailed description of this offering is contained in the Public Offering Material Change Report incorporated by reference into this Prospectus.

On August 2, 2019, Tetra completed a non-brokered private placement offering of 870,000 units at a price of $0.30 per unit for aggregate gross proceeds of $261,000. A complete and detailed description of this offering is contained in the Private Placement Material Change Report incorporated by reference into this Prospectus.

Business of the Corporation

General

Tetra is a biopharmaceutical corporation primarily focused on developing proprietary and scientifically validated cannabinoid-based medicines to relieve symptoms associated with chronic pain and ophthalmic diseases.

Tetra's secondary focus is its natural health division, operated by its subsidiary Tetra Natural Health, aimed at developing and marketing Health Canada and FDA approved non-cannabinoid based natural health products and drug products authorized for sale OTC.

The Corporation has three active wholly owned operational subsidiaries: PhytoPain, Panag and Tetra Natural Health. See "*Description of the Business – Corporate Structure*".

The Corporation operates in two segments of operations:

1. **Biopharmaceutical:** Development of cannabinoid-based medicines in ophthalmology (treatment of eye diseases), anti-cancer (treatment of the cancer) and chronic pain (cancer and non-cancer pain);

2. **Natural Health:** The development and marketing of non-cannabinoid based natural health products authorized for sale OTC in Canada by Health Canada and in the United States by the FDA.

Phytopain operates in the biopharmaceutical segment while Panag and Tetra Natural Health operate in both the biopharmaceutical and natural health segments.

Biopharmaceutical Segment

The Corporation's biopharmaceutical segment focuses on the development and commercialization cannabinoid-based drugs discovery and development in ophthalmology (treatment of eye diseases), cancer (treatment of cancer) and chronic pain.

Through its biopharmaceutical segment, the Corporation combines the traditional methods of medicinal cannabis use with the supporting scientific validation and safety data required for inclusion into the existing bio pharma industry by regulators, physicians and insurance companies. The initial focus is in the therapeutic areas of chronic pain, ophthalmology and oncology through a robust pipeline using multiple delivery systems. To distinguish itself, the Corporation's business model is supported by three key pillars:

1. **Clinical trials:** Clinical trials are an essential component of Tetra's drug discovery and development programs. Pioneering research initiatives form the cornerstone upon which the Corporation is built.

2. **Patented formulations and delivery systems:** The Corporation has both granted patents and filed patent applications for the composition and methods for treatment of ocular inflammation and pain and delivery of cannabis derived drugs for inhalation. The Corporation uses advanced medical devices, formulations and delivery systems to optimize patient care.

3. **Pharmaceutical quality:** Quality is at the forefront of what the Corporation does. Tetra is dedicated to providing exceptional pharmaceutical products to ensure efficacy and safety.

The Corporation has three products in late phase drug development (PPP011, PPP001 and PPP002). 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.

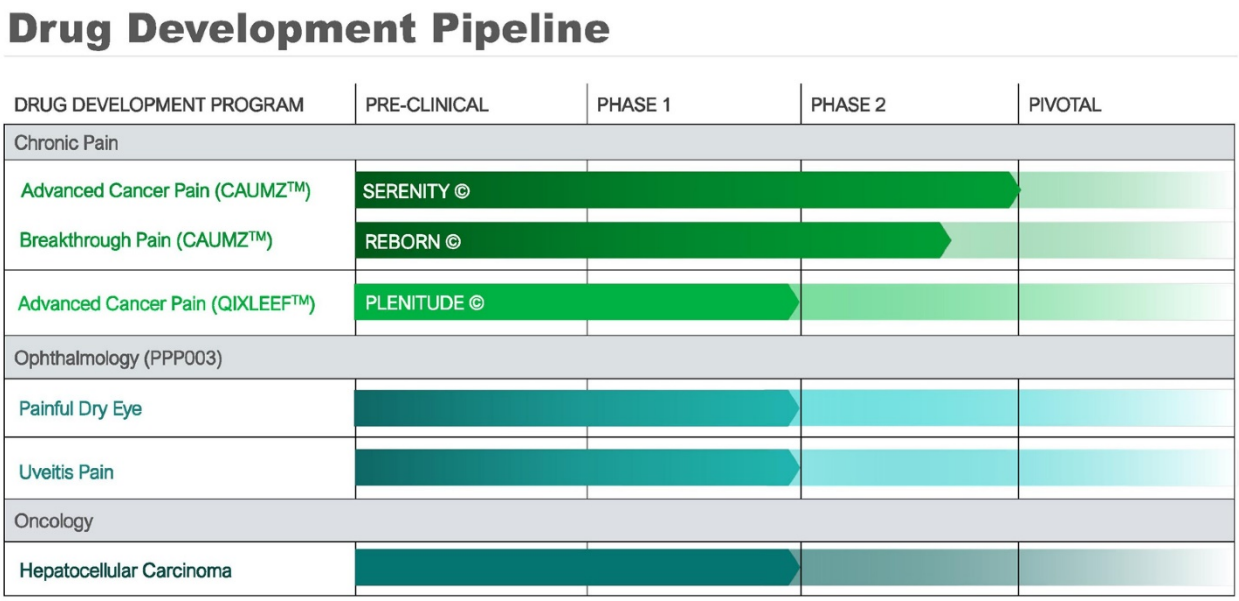
Following a strategic review of the Corporation's core assets, management of the Corporation decided to prioritize the development of its CAUMZ™ (PPP011) inhalation drug for advanced cancer patients. The Corporation's short-term objective is to focus on its CAUMZ™ (PP0011) pivotal clinical trials for advanced cancer pain (SERENITY©), QIXLEEF™ (PPP001), and a new cancer treatment against hepatocellular carcinoma (HCC011). HCC011 is PPP011 without any cannabidiol ("**CBD**"). HCC011 has ODD status from the FDA. After modifying the raw material specifications for its drug product PPP001, Tetra submitted a clinical trial application (IND) to the FDA for a pivotal study. In November 2019, the FDA authorized the start of this clinical trial after reviewing safety and quality data for the drug PPP001.

In parallel, Tetra will continue to develop CAUMZ™ in fibromyalgia and breakthrough cancer pain (REBORN©) indications. REBORN© is a head to head comparative study assessing CAUMZ™ as an alternative to morphine sulfate (short-acting opioids) for breakthrough pain in cancer patients. The Corporation believes these supplemental applications will build on the marketing exclusivity anticipated to be obtained for CAUMZ™ Kit and expand the target market size. If approved by Canadian and American regulatory agencies, this would allow Tetra to enter into a therapeutic market with unmet needs.

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 May 2, 2019, Tetra obtained authorization from Health Canada to perform a clinical trial in dogs suffering from a painful eye disease. Panag's HU-308 (PPP003), a human product, is at the preclinical stage of development (IND-enabling toxicology studies).

Biopharmaceutical Products Pipeline

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



Biopharmaceutical – Chronic Pain Segment

PPP001 (CAUMZ™) – SERENITY© and REBORN© : Target Intended Uses

The products in the PPP011 category include, among others: (i) fibromyalgia products (non-cancer chronic pain); (ii) SERENITY© (advancer cancer pain oncology); and (iii) REBORN© (breakthrough pain oncology).

In the last quarter, Tetra has been ramping up activities for CAUMZ™'s pivotal clinical trial, SERENITY©. The Corporation has already secured more than 20 clinical sites, with 10 based in the United States. The Corporation's goal is to submit applications to the FDA and Health Canada to approve marketing for CAUMZ™ by early 2021. In September 2019, as part of these efforts, the FDA reviewed and granted the Corporation's request for designating its CAUMZ™ Kit, which is a combination of the CAUMZ™ drug and the Mighty Medic medical device, a drug device combination product and granting the jurisdiction to the division of FDA that regulates drugs. Additionally, Tetra also signed definitive agreements with each of Alternavida S.A. de C.V. ("**Alternavida**") and Azevedos for clinical development, marketing and distribution of CAUMZ™, respectively in Mexico and Portugal. Tetra closed its year with its first production of CAUMZ™ clinical batches to conduct the SERENITY© study in Canada and the United States.

The clinical development, marketing and distribution agreement with Alternavida (the "**Alternavida Agreement**") gives Tetra access to two additional clinical trial sites for SERENITY© and fibromyalgia trials. These two sites will potentially allow Tetra to accelerate the enrollment process and complete the Phase 2 (fibromyalgia) and Phase 3 (SERENITY©) trials as the Corporation pursues approvals in the United States and Canada. Under the terms of the Alternavida Agreement, Alternavida has been granted a right of first refusal to commercialize CAUMZ™ in Colombia, Ecuador, Chile, Panama, Costa Rica, Honduras, Peru and the Dominican Republic.

The definitive agreement signed with Azevedos will also allow Tetra to pursue its strategy to commercialize CAUMZ™ in certain jurisdictions upon regulatory approval. Azevedos is a commercialization partner in Portugal with state-of-the-art manufacturing facilities in Portugal, Mozambique and Tunisia. Under the terms of the agreement, Azevedos will be responsible for product registration and manufacturing, as well as

marketing and distribution in Portugal. Tetra will receive milestone payments and profit sharing on all sales of CAUMZ™ in Portugal.

As part of its development strategy in 2019, Tetra proactively initiated regulatory activities with the FDA in respect of CAUMZ™. In the second quarter, the Corporation initiated a Type B meeting with the FDA for clarifications on: the non-clinical safety requirements for the submission of the marketing application (NDA), supplemental marketing applications (sNDA), medical device requirements, eligibility for expedited programs (i.e. fast track designation, breakthrough therapy designation, accelerated approval, or priority review designation) and marketing exclusivity for its combination of the CAUMZ™ drug with the Mighty Medic medical device. The FDA submitted data from the meeting package to its surrogate marker committee and is expected to provide further guidance to the Corporation in early 2020.

PPP001 (QIXLEEF™): 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.

The clinical programs in Canada and the United States to support its first intended use in terminal cancer patients involves the conduct of two well-designed clinical trials: Phase 1 and a pivotal trial (Phase 2/3). 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 4 clinical trial to obtain unconditional approval and to pursue the development of QIXLEEF for an uncontrolled pain indication in non-cancer pain.

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 initiation of the pivotal clinical trial using CAUMZ™ ahead of the original plan.

In early 2019, Tetra reported that it had to terminate its QIXLEEF™'s (PPP001) Phase 2/3 study while the Corporation assessed solutions to address the impurities it discovered in early 2019. The Corporation voluntarily disclosed the impurity incident to the regulators. Tetra took this opportunity to leverage its investment in QIXLEEF™ to develop its second-generation medicinal drug, CAUMZ™. Concurrently, Tetra continued to gather evidence and prove safety to revive QIXLEEF™. This included providing the FDA with product specifications and a quality program that addresses the risk of the impurities.

However, during the same period, the Corporation continued its application for PPP001 under the European drugs directives applicable to medicinal products which differ from the Canadian regulatory framework with respect to impurities which allowed Tetra to pursue an application for PPP0001, despite the impurities described above.

The Corporation also submitted and obtained authorization from the FDA to launch the PLENITUDE© trial after demonstrating to the regulatory authorities that the product specifications and quality program allowed safe use of the investigational drug PPP001.

On November 25, 2019, after review of the Corporation's quality file, impurity quality information, and after ensuring the safety assessments were adequate to protect patients, FDA authorized Tetra to resume the QIXLEEF™ clinical trials, and to conduct trials on PLENITUDE©, intended to treat uncontrolled pain in advanced cancer patients.

Tetra proactively engaged a clinical collaborator to run the PLENITUDE© trial in the United States. The Corporation signed a research collaboration agreement with Dr. Sue Sisley, M.D., an Arizona-based physician practicing Internal Medicine and Psychiatry and an advocate for the benefits of whole-plant based cannabis therapies

and a recognized expert in post-traumatic stress disorder (PTSD). Dr. Sisley's expertise and advocacy is also expected to be key for any partner distributing QIXLEEF™ in the United States or globally. She will also play an important role in educating physicians on the therapeutic potential of vaporized dried flower bud.

PLENITUDE© is a 4-week double-blind, randomized, placebo-controlled, parallel group design trial to evaluate the safety and efficacy of inhaled PPP001 on uncontrolled cancer pain in 78 adult patients with symptoms related to advanced incurable cancer and uncontrolled pain related to cancer. The Corporation anticipates results from the PLENITUDE© clinical trial will be part of the drug approval package for QIXLEEF™. Dr. Sisley's cannabis clinic, where the trial is performed, holds a Schedule 1 license for inhaling cannabis from the United States Drug Enforcement Agency (the "**DEA**"). With the study authorized, Dr. Sisley and Tetra's clinical research team intend to amend the DEA license to add the PLENITUDE© trial to allow for Dr. Sisley's clinical site to run the trial.

On January 13, 2020, Tetra received an Advice Letter from FDA with respect to QIXLEEF™. In this letter, FDA reconfirmed its previous position issued January 26, 2017, in regard to the development and commercialization of QIXLEEF™. In its most recent communication, FDA provided Tetra with a new guidance based on the Corporation's clinical and safety progress with the quality of QIXLEEF™. FDA also laid out its requirements for marketing approval (i.e., approved for sale) for cancer and non-cancer uncontrolled pain indications. The Corporation will be continuing discussions with the FDA to clarify the requirements for both an advanced cancer pain indication and an indication in patients with uncontrolled noncancer pain. This includes defining the requirements for initiating trials, and for the marketing approval, in patients with uncontrolled non-cancer pain.

Biopharmaceutical - Anticancer Segment

HCC011 anticancer drug: Target Intended Uses

HCC011 is being developed for the treatment of hepatocellular carcinoma, a form of liver cancer.

In August 2018, Tetra submitted multiple applications to obtain ODD for several cannabinoid formulations and the treatment of rare diseases. In December 2019, the FDA granted ODD to Tetra's THC formulation for the treatment of hepatocellular carcinoma. As part of the benefits of ODD, Tetra will request a Type B meeting to discuss with the FDA the requirements to obtain marketing approval. This meeting will include the review of the clinical protocol, drug specifications and regulatory requirements for marketing approval including the use of tumor size as a surrogate marker for an accelerated approval. Accelerated approval is commonly awarded to companies developing anticancer drugs and tumor size is the validated surrogate marker.

HCC011 is manufactured using the methods and modified specifications for PPP011. The Corporation plans to use some of the Serenity clinical trial sites to minimize the clinical trial costs.

Biopharmaceutical - Additional Products in Development

PP003 (HU-308): Ocular formulation of cannabinoids

Tetra's subsidiary, Panag developed several formulations and patents for treatment of various ocular conditions such as painful dry eye and uveitis. The following is a list of the ophthalmic patents:

Patent Title	**Country/ Region**	**Application No. (Patent No.)**	**Filing Date (Issue Date)**
Compositions for Treatment of Ocular Inflammation and Pain	United States	61/906,694	Nov 20, 2013
Compositions and Methods for Treatment of Ocular	PCT	PCT/CA2014/000841	Nov 20, 2014

Inflammation and Pain	Canada	2,931,039	Nov 20, 2014
	Europe(1)	14864137.6	Nov 20, 2014
	United States (granted)	14/722,991 (9,549,906)	May 27, 2015 (Jan 24, 2017)
	PCT	PCT/CA2016/050603	May 27, 2016
	Australia	2016268872	May 27, 2016
	Canada	2,986,588	May 27, 2016
	Europe	16799004.3	May 27, 2016
	Europe	14864137.6 (3071193)	June 20, 2016 (Dec 12, 2019)

Note

(1) On August 1, 2019, the patent application was allowed by the European Patent Office. The European Patent Office is finalizing the text to be issued in the granted patent.

On June 17, 2019, Tetra met with the FDA in a Type B meeting. The purpose of the meeting was to obtain confirmation on the Phase 2, first-in-human, clinical study design, quality and toxicology requirements for initiating this trial with patients in the United States.

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

The Corporation invested in a sterile drug manufacturing suite at a facility in New Brunswick to prepare batches of sterile ocular drugs for clinical trials and has obtained authorization from the Veterinary Drug Directorate, Health Canada to initiate a clinical trial in dogs treated by clinical veterinarians for eye pain.

Launch of the first-in-human Phase 2 clinical studies in uveitis and painful dry eye is planned for 2020. This clinical study will allow Tetra to evaluate safety and tolerability of the product candidate HU-308, a non-controlled[1] cannabinoid-derived medicine which is expected to provide improved pain relief versus current therapies. Patients with uveitis are largely dissatisfied with the current standard of care and represent a population with large unmet medical need. Discussions with potential commercialization partners for this product are ongoing.

In addition, Panag, in partnership with a veterinary ophthalmologist, will conduct a Phase 2 clinical trial in domestic dogs, as a proof-of-concept for its HU-308. This study will involve domestic pets and not laboratory animals with a goal of providing pet owners with an alternative ophthalmic pain medication.

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 mode of administration. In addition, the sustained release reduces the Cmax, thereby reducing the adverse effects associated with high plasma levels of THC. The pharmacokinetic properties of this mucoadhesive tablet were shown in healthy volunteers.

[1] Non-controlled medicine: a product that is not considered to be a narcotic.

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. This study will seek to confirm the safety in patients and determine the group sizes for Phase 3 studies on opioid sparing conditions. In partnership with IntelGenx, work is ongoing to generate the necessary quality data to support the indicated regulatory submissions.

PPP005: Cannabis oil capsules

The Corporation received authorization from Health Canada to perform a Phase 1 clinical trial in healthy volunteers to assess the safety and pharmacokinetics of the cannabis oil and a Phase 2 trial in chronic pain patients to assess the safety and efficacy. Both studies were terminated due to the detection of the impurities. The Corporation reviewed the result of the current research and development of PPP005 program after termination and determined that the advancements made in PPP005 would provide no additional value to Tetra. As a result, management terminated the PPP005 program involving cannabis oils and the Corporation used this data knowledge to guide its mission and vision for its joint venture with Altus Formulations Inc.

OTC DIN portfolio

Tetra's OTC drug product line will contain beta-caryophyllene and will act on the CB2 receptors. Clinical trial data is not required to support its DIN applications. Tetra created this product line to bring self-care therapies to pharmacies and their consumers.

In November 2019, the Corporation completed the development and had submitted applications for two other OTC DINs:

- TERPACAN™ Hemorrhoids: a cream containing Beta C + Benzocaine to be used in treating hemorrhoids; and

- TERPACAN™ Back and Muscle Pain: a gel containing Beta C + Trolamine to be used for temporary relief of aches and pains of muscles and joints associated with backache, lumbago, strains, bruises, sprains and arthritic or rheumatic pain, pain of tendons and ligaments.

In January 2020, Health Canada approved the applications and granted the Corporation the two new OTC DINs. Tetra is now fully focused on the commercialization of these products. Tetra confirmed that it is finalizing a commercial supply agreement and a sales representatives' agreement with a contract sales organization to provide Tetra with the required to effectively launch and market the DIN products in Canada. The Corporation also initiated activities to secure private reimbursement for the two TERPACAN™ products. Tetra continues to discuss expanding its mandate to include the United States as soon as the products receive the National Drug Code (NDC) from the FDA.

Natural Health Segment

The Corporation's natural health segment and OTC product candidates will be commercialized by Tetra Natural Health.

Tetra Natural Health's product portfolio includes AWAYE™, a topical cream aimed at the temporary relief of muscle and joint aches and pains due to backache, strains, sprains and arthritis, and the following products:

- AWAYE™ *PLUS*: A topical cream aimed at targeting pain and inflammation in patients suffering from general neuropathic pain ("**GNP**");

- AWAYE™ *ColdSore*: A topical cream for the relief of symptoms associated with cold sores and oral herpes; and

- Beta C + Zinc: a topical cream for relief of symptoms associated with cold sores, and oral herpes.

AWAYE™ contains a combination of cannabinoid and non-cannabinoid ingredients specifically developed to activate the body's CB2 receptors in the endocannabinoid system to relieve pain, while also activating the TRPV1 receptors to reduce pain transmission. In the third quarter, Panag finalized its pivotal clinical trial evaluating AWAYE™'s safety and efficacy for pain caused by osteoarthritis of the knee.

As part of its agreement with Azevedos, Tetra Natural Health is eligible to receive an upfront payment, milestone payments, and twenty percent (20%) royalties on net sales. Azevedos will also be responsible for manufacturing the product in Portugal, Tunisia, and Mozambique.

Pipeline of Products and Clinical Trials

Several trials are planned, pending regulatory approval, for the Corporation's cannabinoid drug products: PPP011 in Canada, Mexico and the United States in patients with advanced cancer and breakthrough pain, PPP001 in the United States with advanced cancer, PPP002 mucoadhesive tablet, one with PPP003 in dogs with eye pain, and another with PPP003 in humans with painful dry eye.

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©) (fibromyalgia products)**	**PPP002 (IntelGenx) (OpioSpare©) (CINV)**	**PPP003 Ocular (Panag Pharma) veterinary**	**PPP003 (HU-308) Ocular (Panag Pharma) (Painful Dry Eye) (Uveitis)**	**PPP004 Topical cream (Panag Pharma)**	**HCC011**
Discovery and Lead selection	Not required. Formulation based on cannabinoid pharmacology.	Bridge to PPP001	Not required. Formulation based on cannabinoid pharmacology.	Many years of discovery performed by Panag.	Many years of discovery performed by Panag.	Formulation based on cannabinoid pharmacology.	Formulation based on published preclinical studies demonstrating anticancer activity.
Preclinical pharmacology and toxicology	Not required; formulation based on body of public scientific data.	Bridge to PPP001	Not required. Formulation based on scientific literature.	Nonclinical safety studies performed in rats and rabbits.	Nonclinical safety studies performed in rats and rabbits.	Not required; formulation based on scientific literature.	Based on safety information from PPP011 and published information for THC.
Phase 1: 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 1 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).	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 on June 17, 2019 to validated development plan.	Not required; formulation to be tested in patients with chronic pain.	Not required. Safety based on PPP011 inhalation program and HCC011 bridge to PPP011.

Development Phase	Products in Development						
	PPP001	**PPP011 (CAUMZ™) (SERENITY©) (REBORN©) (fibromyalgia products)**	**PPP002 (IntelGenx) (OpioSpare©) (CINV)**	**PPP003 Ocular (Panag Pharma) veterinary**	**PPP003 (HU-308) Ocular (Panag Pharma) (Painful Dry Eye) (Uveitis)**	**PPP004 Topical cream (Panag Pharma)**	**HCC011**
Phase 2: dose finding to define the potential efficacious dose and frequency of administration.	Not required. Doses based on medical cannabis use and Phase 1 data.	Bridge to PPP001	Planned study is proof-of-concept in cancer patients.	A multisite pivotal trial to be performed in North America.	Will be part of a Phase 1/2 first in human study.	Will be part of a Phase 1/2 first in human study with the creams (several formulations to be tested).	No comparator, single arm clinical trial to demonstrate the effect of HCC011 on tumor size/progression.
Phase 3: 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.	First Phase 3 study terminated early due to impurities in active pharmaceutical ingredient. FDA authorized PLENITUDE© pivotal trial in the United States.	Bridge completed. Opening clinical sites across Canada and the United States (i.e., obtaining ethics approval from Institutional Review Boards and Schedule 1 licenses from the DEA).	Demonstrate safety and efficacy if successful Phase 2.	Requirement for second pivotal trial to be discussed with Health Canada and FDA.	Demonstrate safety and efficacy if successful Phase 2.	Tetra intends on demonstrating that the cream is safe and efficacious for the temporary relief of general neuropathic pain.	Would be performed post accelerated approval.
Expanded Access Program		Right to Try access in the United States is planned. To be re-Initiated in parallel to Phase 2-3 trial; PPP011 as an alternative for breakthrough pain; fibromyalgia with PPP011.	Not applicable	Not applicable	Not applicable	Not applicable	To be initiated in parallel to Phase 2 trial.
Phase 4: also known as post-marketing trials.	European submission under medicinal herbal drug regulations is ongoing.	Product launch: Post-marketing trials with United States oncology centres and KOLs.	Not applicable	Not applicable	Not applicable	Not applicable	Product launch after accelerated approval. Phase 3 will replace the Phase 4 since this is an accelerated path.

REGULATORY OVERVIEW

The Corporation is required to comply with the requirements of the various regulatory agencies (such as the Therapeutic Products Directorate ("**TPD**") of Health Canada) in jurisdictions where the Corporation intends to register its products as prescription drugs, as well as its non-prescription drug products. Any entity planning to

commercialize pharmaceutical drugs is required to follow and adhere to key regulatory requirements and paths for prescription drugs, as well as non-prescription drugs. 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 each jurisdiction's specific regulatory body:

- Health Canada:
  - Controlled substances, botanical and synthetic drugs: the Therapeutic Products Directorate;
  - Natural health products ("**NHP**"): Natural and Non-Prescription Health Products Directorate; and
  - Medical devices: Medical Device Bureau.
- FDA:
  - Controlled substances, botanical and synthetic drugs: the Center for Drug Evaluation and Research;
  - NHPs: in the United States, these products are regulated as foods and cannot make prevention or treatment health claims; and
  - Medical devices: Center for Devices and Radiological Health.
- European Medicines Agency ("EMA")[2]:
  - Controlled substances, botanical and synthetic drugs;
  - NHPs; and
  - 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 (nonclinical) pharmacology and toxicology;
- Phase 1: safety testing in healthy human volunteers;
- Phase 2: dose finding to define the potential efficacious dose and frequency of administration;

[2] The respective agency varies by country.

- Phase 3: 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-threatening indication, regulators can accept a single Phase 3 trial under the condition that the Corporation performs a Phase 4 trial as a post-marketing requirement; and

- Phase 4: 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.

Each clinical trial phase can only be initiated after having received authorization from the applicable regulatory authority. This includes Phases 1, 2, 3 and Expanded Access. A Phase 4 trial only requires approval from the regulatory authority if the use of the drug is not part of the marketing approval intended use. Discovery and toxicology phases do not require approval by regulatory authorities.

During the drug development process, the Corporation prepares a study report. In Canada, once the last study required for the submission is released, the New Drug Submission ("**NDS**") application is completed and submitted to TPD. 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 Notice of Compliance/conditional policy, the screening period is reduced to 25 calendar days. Submission review will cease upon issuance of the Qualifying Notice. The target for the average time to reach first decision on a NDS application is 300 calendar days. The FDA has a similar review process for New Drug Applications ("**NDA**").

To commercialize a product under the NHP regulations, a corporation has to submit a Product License 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 one 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. Once all requirements are met, a Product License will be issued within one hundred and eighty (180) calendar days from the end of the screening period.

The Cannabis Act passed into law on October 17, 2018. As a result, cannabis is no longer a controlled substance under the Controlled Drugs and Substances Act but is subject to the Cannabis Act and the Cannabis Regulations enacted under the Cannabis Act.

However, human and veterinary drugs containing cannabis (including phytocannabinoids) continue to be regulated as prescription drugs. Health Canada has amended both the human and veterinary prescription drug lists to include:

- Phytocannabinoids produced by, or found in, the cannabis plant and substances that are duplicates of such phytocannabinoids.[3]

Pre-clinical studies and clinical trial authorizations from Health Canada continue to be required for drugs containing cannabis and some cannabinoid molecules. In addition, a research license under the Cannabis Regulations enacted under the Cannabis Act is now required in place of an exemption pursuant to Section 56 to conduct research activities with Cannabis.

[3] Health Canada. Notice of Amendment: Prescription Drug List (PDL): Phytocannabinoids. Online at: https://www.canada.ca/en/health-canada/services/drugs-health-products/drug-products/prescriptiondruglist/notice-prescription-drug-list-2018-10-17.html

The production of drugs containing cannabis is subject to a valid cannabis drug license issued pursuant to the Cannabis Act.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Corporation, adjusted to give effect to the Offering, on the share capital of the Corporation since August 31, 2019, the date of Tetra's Interim Financial Statements. Other than as disclosed in this Prospectus, since August 31, 2019, there have been no material changes in the share capital of the Corporation. This table should be read in conjunction with the Interim Financial Statements and the related notes and management's discussion and analysis of financial condition and results of operations in respect of those statements that are incorporated by reference in this Prospectus.

	As at August 31, 2019	As at August 31, 2019 after giving effect to the Offering assuming no exercise of the Over-Allotment Option
Common Shares	212,839,411	242,084,711
Warrants	51,200,432	80,445,732
Underwriter's Warrants	1,929,878	3,977,049

USE OF PROCEEDS

Proceeds

The estimated net proceeds to be received by the Corporation under the Offering will be $14,415,008 (up to $16,577,260 if the Over-Allotment Option is exercised in full), after deducting the Underwriter's Fee, but before deducting the estimated expenses in connection with this Offering of approximately $350,000. After deducting the estimated expenses of the Offering, the net proceeds to be received by the Corporation will be $14,065,008 (up to $16,227,260 if the Over-Allotment Option is exercised in full).

Principal Purposes

As more fully described in the below table, the Corporation intends to use the net proceeds from the Offering to continue the development of its clinical program aimed at bringing novel drugs and treatments to patients and their healthcare providers, and for working capital and general corporate purposes. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary.

PURPOSE	
NET PROCEEDS (assuming no exercise of the Over Allotment Option) (after deducting the Underwriter's Fee, and after deducting the estimated expenses of the Offering of approximately $350,000)	$14,065,008
Drugs in Development[(1)]	
CAUMZ™ – SERENITY© 2020 pivotal clinical trials, manufacturing and other related expenses (PPP011)	$4,855,000
CAUMZ™ – REBORN© 2020 Phase 2 clinical trials, manufacturing and other related expenses (PPP011)	$1,000,000

	Development of Panag products in connection with the Panag Transaction and the TALLC Joint Venture	$900,000
	Completion of IND-enabling toxicology relating to PPP003	$200,000
	Active Pharmaceutical Ingredient manufacturing (HU-308) related to PPP003	$100,000
	Regulatory costs for the EMA & PLENITUDE© trials for PPP001 (QIXLEEF™)	$800,000
	HCC011 – Hepatocellular carcinoma (liver cancer) trial and regulatory activities related thereto	$500,000
Retail Pharma (OTC)		
	Launch AWAYE™ & TERPACAN™ lines of products	$500,000
General and Administrative Purposes		$1,170,008
Working Capital		$4,040,000(2)(3)
TOTAL		$14,065,008

Notes:

(1) Please refer to the table entitled "Product Pipeline" for a description of the development stage of the project candidates mentioned in the "Use of Proceeds" table above. Please refer to the table entitled "Milestones Summary" for a summary of the upcoming development milestones of such project candidates.

(2) Includes salaries payable to employees.

(3) No working capital is being allocated to the HED business operated by 2714140 Ontario Inc. The Corporation considers that the funds raised by the issuance of the Convertible Notes (being $2,000,000 as at the date of this Prospectus and another $1,000,000 which remain available under the Convertible Notes) are sufficient to support and fund the ongoing operations of the HED business, and given the intent of the Corporation to discontinue the HED business, the Corporation does not intend to allocate any of its funds to this business. See "*Description of the Business – Hemp Energy Drink*" for additional information.

Milestones Summary

Description of Milestone		Use of proceeds
PPP011		
Phase 3 in Advance Cancer Pain (SERENITY©)		
Ongoing 2020	Launch 25 clinical trial sites in Canada, Mexico and United States.	$4,855,000
Q1-2 2020	Health Canada, FDA and Mexican regulatory agency filings	
Phase 2 Clinical Trials (REBORN©)		
Q1 2020	Initiate site in the United States Phase 2 trials and FDA filings	$1,000,000
PPP001		
Phase 2/3 in Advance Cancer Pain (PLENITUDE©)		
Q2 2020	Regulatory filing with EMA, FDA regulatory agency trial authorization (IND)	$800,000
PPP003		
Painful dry eye – PPP003 (HU-308)		
Q2 2020	Completion of IND-enabling toxicology relating to PPP003	$200,000
Q2 2020	Optimize GMP manufacturing for clinical trials	$100,000

Ongoing 2020	Development of Panag products in connection with the Panag Transaction and TALLC joint venture	$900,000
HCC011		
Q2-Q3 2020	Hepatocellular carcinoma (live cancer) trial and regulatory activities related thereto	$500,000
Retail Pharma (OTC)		
Q2 2020	Launch AWAYE™ beta-caryophyllene products	
Q2 2020	Launch TERPACAN™ OTC Drug products	$500,000
Milestone Total		$8,855,000

The Corporation had negative cash flow from operating activities for the year ended November 30, 2018 and the nine months ended August 31, 2019. The Corporation has generated $112,320 in operating revenues from its operations, during the fiscal year ended November 30, 2018. As at August 31, 2019, the Corporation's cash balance was $5,570,742, and the Corporation's working capital was $6,156,028. As at January 22, 2019, the Corporation's cash balance was $312,000, and the Corporation's working capital was $249,009. The Corporation's working capital as at January 22, 2019 is comprised of the $312,000 in cash, $368,000 of accounts receivable, prepaid expenditures of $137,757 and accounts payable of $900,748. The Corporation has also received a firm commitment from a government entity in respect of a grant of $500,000, of which $332,000 remain available. The Corporation expects to be able to continue operations, using its currently available cash and the net proceeds from the Offering, for approximately twelve (12) months following the closing of the Offering. The Corporation estimates that its cash flow requirements for the next 12 months will total $14,065,000, which will be funded using the Corporation's current cash balance and working capital, as well as through the net proceeds of the Offering.

The Corporation has incurred operating losses and negative cash flows from operations since inception. The Corporation expects that it will use the proceeds of the Offering to fund negative cash flows from operating activities in future periods. See "*Risk Factors*".

In the three-month period ended August 31, 2019, the Corporation incurred $1,815,865 in expenses towards its drug development program. The Corporation's expenses towards its drug development program may vary greatly depending on the state and progress of its clinical trials and whether there are any delays in the production pipeline of certain of its products.

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, the Corporation has agreed to sell and the Underwriter has agreed to purchase, as principal, on the Closing Date, 29,245,300 Units at the Offering Price, for aggregate gross proceeds of approximately $15,500,009, payable in cash to the Corporation against delivery of the Units. The Offering Price was determined by arm's length negotiation between the Corporation and the Underwriter, with reference to the prevailing market price of the Common Shares and in accordance with the policies of the TSXV. The obligations of the Underwriter under the Underwriting Agreement are subject to certain closing conditions and may be terminated at the Underwriter's discretion on the basis of its "due diligence out", "disaster out", "material change out", "regulatory out" and "breach out" provisions are included in the Underwriting Agreement and may also be terminated upon the occurrence of certain other stated events. The Underwriter is, however, obligated to take up and pay for all of the Units if any Units are purchased under the Underwriting Agreement.

Each Unit will consist of one Unit Share and one Warrant. Each Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances, one Warrant Share at an exercise price of $0.75 for a period of 36 months following the Closing Date. The Warrants will be created and issued pursuant to the terms of the Warrant Indenture (as defined herein) to be dated as of the Closing Date between the Corporation and the Warrant Agent (as defined herein). The Warrant Indenture will contain provisions designed to protect holders of the Warrants against dilution upon the happening of certain events. No fractional Warrants will be issued.

The Corporation has granted to the Underwriter an Over-Allotment Option, exercisable, in whole or in part, at the sole discretion of the Underwriter, for a period of 30 days from and including the Closing Date, to purchase Additional Units at the Offering Price to cover the Underwriter's over-allotment position, if any, and for market stabilization purposes. The Over-Allotment Option may be exercised by the Underwriter to acquire: (a) Additional Units; (b) Additional Shares; (c) Additional Warrants; or (d) any combination of Additional Shares and/or Additional Warrants, so long as the aggregate number of Additional Shares and Additional Warrants which may be issued under the Over-Allotment Option does not exceed 4,386,795 Additional Shares or 4,386,795 Additional Warrants. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Additional Units issuable upon exercise of the Over-Allotment Option. A purchaser who acquires Additional Units forming part of the Underwriter' over-allocation position acquires those Additional Units under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

In consideration for the Underwriter's services with respect to the Offering, the Corporation shall pay the Underwriter a cash fee of 7% of the aggregate gross proceeds of the Offering (including the Over-Allotment Option), payable on the closing of the Offering. In addition, the Corporation has agreed to issue Underwriter's Warrants equal to 7% of the number of Units and Additional Units sold pursuant to the Offering (including the Over-Allotment Option).

The Offering is being made in all provinces of Canada. The Units will be offered in all provinces of Canada through the Underwriter or its affiliates who are registered to offer the Units for sale in such provinces and such other registered dealers as may be designated by the Underwriter. Subject to applicable law, the Underwriter may offer the Units and such other jurisdictions outside of Canada as agreed between the Corporation and the Underwriter.

The Corporation has applied to list the Unit Shares, the Warrant Shares, the Additional Shares and the Additional Warrants to be distributed under the Offering (including the Underwriter’s Warrant Shares issuable upon exercise of the Underwriter’s Warrants and the Warrants thereunder), on the TSXV. Listing will be subject to the Corporation fulfilling all of the requirements of the TSXV. There is currently no market through which the Warrants may be sold. See "*Risk Factors*".

The Underwriter proposes to offer the Units initially at the Offering Price. After the Underwriter has made a reasonable effort to sell all of the Units at the Offering Price, the Offering Price may be decreased and may be further changed from time to time to an amount not greater than the Offering Price, and the compensation realized by the Underwriter will be decreased by the amount that the aggregate price paid by purchasers for the Units is less than the gross proceeds paid by the Underwriter to the Corporation.

Pursuant to the Underwriting Agreement, the Corporation agreed, that until the date which is 90 days after the date of the closing of the Offering, it will not, without the written consent of the Underwriter, issue, agree to issue, or announce an intention to issue, any additional Units or any securities convertible into or exchangeable for Common Shares except in connection with: (i) the exchange, transfer, conversion or exercise rights of existing outstanding securities; (ii) the issuance of options under the Corporation’s stock option plan; (iii) the issuance of deferred share units under the Corporation’s deferred share unit plan; (iv) existing commitments to issue securities, including any shares to be issued in connection with the proposed acquisition of the 20% interest in PhytoPain; (v) an arm’s length acquisition (including to acquire assets or intellectual property rights); or (vi) under the Offering.

The Corporation has also agreed that each of the directors and senior officers of the Corporation shall enter into lock up agreements in favor of the Underwriter evidencing their agreement not to, for a period of 90 days following the Closing Date, without the consent of the Underwriter directly or indirectly, offer, sell, contract to sell, grant an option to purchase, make any short sale or otherwise dispose of or transfer, or enter into any transaction or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences of ownership of any securities of the Corporation, or announce its intention to do any of the foregoing, whether now owned directly or indirectly, or under their control or direction, other than pursuant to the terms of the lock up agreements.

Pursuant to policy statements of certain Canadian securities regulators, the Underwriter may not, throughout the period of distribution, bid for or purchase Common Shares. The foregoing restriction is subject to certain exceptions including: (a) a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities; (b) a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of the distribution, provided that the bid or purchase was for the purpose of maintaining a fair and orderly market and not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, such securities; or (c) a bid or purchase to cover a short position entered into prior to the commencement of a prescribed restricted period. Consistent with these requirements, and in connection with this distribution, the Underwriter may over-allot or effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market. If these activities are commenced, they may be discontinued by the Underwriter at any time. The Underwriter may carry out these transactions on the TSXV, in the over-the-counter market or otherwise.

The Unit Shares and the Warrants comprising the Units offered hereby and the Warrant Shares issuable upon exercise of the Warrants have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered, sold or delivered, directly or indirectly, to, or for the account or benefit of, a person in the United States or a U.S. Person.

Subscriptions will be received subject to rejection or allotment, in whole or in part, and the Underwriter reserves the right to close the subscription books at any time without notice. Closing of the Offering is expected to take place on or about February 13, 2020, or such other date as may be agreed upon by the Corporation and the Underwriter. It is anticipated that the Unit Shares and Warrants will be delivered under the book-based system through CDS or its nominee and deposited in electronic form. A purchaser of Units will receive only a customer confirmation from the registered dealer from or through which the Units are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Unit Shares and Warrants on behalf of owners who have purchased Units in accordance with the book-based system. No definitive certificates will be issued unless specifically requested or required.

Pursuant to the terms of the Underwriting Agreement, the Corporation has agreed to reimburse the Underwriter for certain expenses incurred in connection with the Offering and to indemnify the Underwriter and its directors, officers, employees, and agents against certain liabilities and expenses and to contribute to payments the Underwriter may be required to make in respect thereof.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Offering

The Offering consists of a 29,245,300 Units (with a maximum of 4,386,795 Additional Units if the Over-Allotment Option is exercised in full). Each Unit is comprised of one Unit Share and one Warrant. Each Warrant entitles the holder thereof to purchase one Warrant Share at an exercise price of $0.75 per Warrant Share, subject to adjustment, at any time until 5:00 p.m. (Toronto time) on the date that is 36 months after the Closing Date. The Units will separate into Unit Shares and Warrants immediately upon the closing of the Offering. The Units are offered at the Offering Price of $0.53 per Unit.

It is anticipated that the Unit Shares and Warrants will be delivered under the book-based system through CDS or its nominee and deposited in electronic form. A purchaser of Units will receive only a customer confirmation from the registered dealer from or through which the Units are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Unit Shares and Warrants on behalf of owners who have purchased Units in accordance with the book-based system. No definitive certificates will be issued unless specifically requested or required. See "*Plan of Distribution*".

Common Shares

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

As at January 24, 2020, the Corporation had 212,841,411 Common Shares outstanding.

The holders of the common shares are entitled:

- To vote at all meetings of shareholders, except meetings at which only holders of a specified class of shares are entitled to vote;
- To receive any dividend declared by the Corporation on the common shares; and
- 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.

As of the date of this Prospectus, the Corporation has neither declared nor paid any dividends on its Common Shares since the date of its incorporation, other than the dividend-in-kind of the common shares of North Bud Farms Inc. ("**North Bud**") which was paid on September 12, 2018 *pro rata* to the holders of record of Common Shares as at September 7, 2018 in connection with the agreement to sell all shares of its subsidiary "GrowPros MMP Inc." to North Bud for gross proceeds of $350,000, as well as 15,500,000 common shares of North Bud.

Any payments of dividends on the Common Shares will be made in accordance with the CBCA and will be dependent upon the financial requirements of the Corporation to finance future growth, the financial condition of the Corporation and other factors which the board of directors of the Corporation (the "**Board**") may consider appropriate under the circumstances. It is unlikely that the Corporation will pay dividends in the immediate or foreseeable future.

Warrants

The following is a summary of the principal attributes of the Warrants and certain anticipated provisions of the Warrant Indenture mentioned hereunder. The summary does not purport to be complete and is qualified in its entirety by the detailed provisions of the Warrant Indenture. A copy of the Warrant Indenture may be obtained on request from the Corporation's corporate secretary and will be available electronically at www.sedar.com and reference should be made to the Warrant Indenture for the full text of the attributes of the Warrants.

Each Warrant entitles its holder, upon the payment of the exercise price of $0.75, to purchase one Warrant Share for a period of 36 months from the Closing Date.

The Warrants will be governed by an agreement to be entered into on the Closing Date (the "**Warrant Indenture**") between the Corporation and Computershare Trust Company of Canada (the "**Warrant Agent**"). The Corporation will designate the Warrant Agent, in its Montreal office, as agent for the Warrants. With the consent of the Underwriter, prior to the closing of the Offering, the Corporation may name any other agents with respect to the Warrants.

The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain events, including:

(a) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all of the holders of Common Shares by way of a stock dividend or other distribution (other than a dividend paid in the ordinary course or a distribution of Common Shares upon the exercise of any outstanding warrants or options);

(b) the subdivision, redivision or change of the Common Shares into a greater number of shares;

(c) the consolidation, reduction or combination of the Common Shares into a lesser number of shares;

(d) the issuance to all or substantially all of the holders of Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable for or convertible into Common Shares, at a price per Common Share to the holder (or at an exchange or conversion price per share) of less than 95% of the "current market price", as defined in the Warrant Indenture, of Common Shares on such record date; and

(e) the issuance or distribution to all or substantially all of the holders of securities, including rights, options or warrants to acquire shares of any class or securities exchangeable or convertible into any such shares or property or assets and including evidences of indebtedness, or any property or other assets.

The Warrant Indenture will also provide for adjustment in the class and/or number of securities issuable upon the exercise of the Warrants and/or exercise price per security in the event of the following additional events:

(a) the reclassification of the Common Shares;

(b) the amalgamation, arrangement or merger with or into any other corporation or other entity (other than an amalgamation, arrangement or merger which does not result in any reclassification of the Corporation's outstanding Common Shares or a change of the Common Shares into other shares); or

(c) the transfer of the Corporation's undertakings or assets as an entirety or substantially as an entirety to another corporation or other entity.

No adjustment in the exercise price or number of Warrant Shares will be required to be made unless the cumulative effect of such adjustment or adjustments would result in a change of at least 1% in the exercise price or a change in the number of Warrant Shares purchasable upon exercise by at least one one-hundredth (1/100th) of a Common Share, as the case may be.

The Corporation will covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, the Corporation will give notice to Warrant holders of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least 14 days prior to the record date or effective date, as the case may be, of such event.

No fraction of a Warrant Share will be issued upon the exercise of a Warrant and no cash payment will be made in lieu thereof. Warrant holders are not entitled to any voting rights or pre-emptive rights or any other rights conferred upon a person as a result of being a holder of Common Shares.

From time to time, the Corporation and the Warrant Agent, without the consent of the holders of Warrants, may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Warrants. Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the Warrants may only be made by "extraordinary resolution", which will be defined in the Warrant Indenture as a resolution either (a) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 20% of the aggregate number of the then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than $66^{2/3}$% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll upon such resolution; or (b) adopted by an instrument in writing signed by the holders of not less than $66^{2/3}$% of the aggregate number of all then outstanding Warrants.

The Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws, and the Warrants will not be exercisable by or on behalf of a person in the United States or a U.S. Person, nor will certificates representing the Warrant Shares be registered or delivered to an address in the United States, unless an exemption from registration under the U.S. Securities Act and any applicable state securities laws is available and the Corporation has received an opinion of counsel of recognized standing or other evidence to such effect in form and substance reasonably satisfactory to the Corporation; provided,

however, that a holder who is a Qualified Institutional Buyer (as defined in the U.S. Securities Act) at the time of exercise of the Warrants who purchased Units in the Offering to, or for the account or benefit of, persons in the United States or U.S. Persons will not be required to deliver an opinion of counsel or such other evidence in connection with the exercise of Warrants that are a part of those Units.

PRIOR SALES

Common Shares

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

Date of Issuance	Number of Common Shares	Exercise Price
April 22, 2019	2,000,000[(1)]	$0.05
May 1, 2019	16,304,348[(2)]	$0.55
July 12, 2019	26,833,332[(3)]	$0.30
August 2, 2019	870,100[(4)]	$0.30

Notes:
(1) Common Shares issued pursuant the exercise of 2,000,000 Common Share purchase warrants.
(2) Common Shares issued to the sellers in connection with the Panag Transaction.
(3) Common Shares issued in connection with the public offering completed on July 12, 2019. See " *Description of the Business – Recent Developments – Recent Financings*".
(4) Common Shares issued in connection with the non-brokered private placement on August 2, 2019. See " *Description of the Business – Recent Developments – Recent Financings*".

Options

Pursuant to Tetra's employee Stock Option Plan, during the 12-month period prior the date of this Prospectus, Tetra issued the following options exercisable for Common Shares:

Date of Issuance	Number of Options[(1)]	Exercise Price	Expiry Date	Grant Date Fair Value
February 8, 2019	75,000	$0.69	February 8, 2023	$55,648
August 15, 2019	100,000	$0.31	August 15, 2022	$62,031
October 22, 2019	110,000	$0.20	October 22, 2020	$7,819

Note:
(1) Vested and non-vested

Warrants

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

Date of Issuance	Number of Warrants	Exercise Price	Expiry Date	Grant Date Fair Value

July 12, 2019[(1)]	1,654,078	$0.40	July 12, 2021	$138,036
July 12, 2019[(1)]	26,833,332	$0.40	July 12, 2022	$2,736,082
August 2, 2019[(2)]	870,100	$0.40	August 2, 2022	$88,526

Notes:

(1) Warrants issued in connection with the public offering completed on July 12, 2019. See " *Description of the Business – Recent Developments – Recent Financings*".

(2) Warrants issued in connection with the non-brokered private placement on August 2, 2019. See " *Description of the Business – Recent Developments – Recent Financings*".

TRADING PRICE AND VOLUME

The outstanding Common Shares are traded on the TSXV under the trading symbol "TBP". The following table sets forth the reported intraday high and low prices and monthly trading volumes of the Common Shares for the 12-month period prior to the date of this Prospectus.

Period	High Trading Price	Low Trading Price	Volume (#)
2019			
Month ending January 31, 2019	$1.19	$0.82	8,733,361
Month ending February 28, 2019	$1.10	$0.70	21,589,064
Month ending March 31, 2019	$0.73	$0.61	8,709,433
Month ending April 30, 2019	$0.74	$0.61	6,862,448
Month ending May 31, 2019	$0.69	$0.59	4,207,686
Month ending June 30, 2019	$0.64	$0.28	17,269,622
Month ending July 31, 2019	$0.35	$0.23	32,951,564
Month ending August 31, 2019	$0.46	$0.26	11,572,956
Month ending September 30, 2019	$0.36	$0.29	3,487,025
Month ending October 31, 2019	$0.34	$0.17	9,202,900
Month ending November 30, 2019	$0.45	$0.19	20,064,665
Month ending December 31, 2019	$0.61	$0.42	26,949,447
From January 1 to January 24, 2020	$0.69	$0.40	28,401,549

On January 24, 2020, the last day of trading prior to the date of this Prospectus, the closing price per Common Share on the TSXV was $0.50.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to a purchaser who acquires Units pursuant to this Offering. For purposes of this summary, references to Common Shares include Unit Shares and Warrant Shares unless otherwise indicated. This summary applies only to a purchaser who is a beneficial owner of Common Shares and Warrants acquired pursuant to this Offering and who, for the purposes of the *Income Tax Act* (Canada) (the "**Tax Act**"), and at all relevant times: (a) deals at arm's length and is not affiliated with the Corporation and the Underwriter; and (b) holds the Common Shares and Warrants as capital property (a "**Holder**").

Common Shares and Warrants will generally be considered to be capital property to a Holder unless they are held in the course of carrying on a business of trading or dealing in securities or were acquired in one or more transactions considered to be an adventure in the nature of trade.

This summary is based upon: (a) the current provisions of the Tax Act and the regulations thereunder ("**Regulations**") in force as of the date hereof; (b) all specific proposals to amend the Tax Act or the Regulations that have been publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**"); and (c) an understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency ("**CRA**"). No assurance can be given that the Proposed Amendments will be enacted or otherwise implemented in their current form, if at all. If the Proposed Amendments are not enacted or otherwise implemented as presently proposed, the tax consequences may not be as described below in all cases. Other than the Proposed Amendments, this summary does not take into account or anticipate any changes in law, administrative policy or assessing practice, whether by legislative, regulatory, administrative, governmental or judicial decision or action, nor does it take into account the tax laws of any province or territory of Canada or of any jurisdiction outside of Canada.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Accordingly, Holders should consult their own tax advisors with respect to their particular circumstances.

Allocation of Cost

A Holder who acquires Units pursuant to this Offering will be required to allocate the purchase price paid for each Unit on a reasonable basis between the Unit Share and the Warrant comprising each Unit in order to determine their respective costs to such Holder for the purposes of the Tax Act. Holders should consult their own tax advisors in this regard.

The adjusted cost base to a Holder of each Unit Share comprising a part of a Unit acquired pursuant to this Offering will be determined by averaging the cost of such Unit Share with the adjusted cost base to such Holder of all other Common Shares (if any) held by the Holder as capital property immediately prior to the acquisition.

Exercise of Warrants

No gain or loss will be realized by a Holder of a Warrant upon the exercise of such Warrant. When a Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be equal to the adjusted cost base of the Warrant to such Holder, plus the amount paid on the exercise of the Warrant. For the purpose of computing the adjusted cost base to a Holder of each Warrant Share acquired on the exercise of a Warrant, the cost of such Warrant Share must be averaged with the adjusted cost base to such Holder of all other Common Shares (if any) held by the Holder as capital property immediately prior to the exercise of the Warrant.

Holders Resident in Canada

This section of the summary applies to a Holder who, at all relevant times, is, or is deemed to be, resident in Canada for the purposes of the Tax Act ("**Resident Holder**"). This section of the summary is not applicable to a Holder: (a) that is a "financial institution" within the meaning of section 142.2 of the Tax Act; (b) that is a "specified financial institution" as defined in the Tax Act; (c) that has elected to report its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian currency; (d) an interest in which is, or for whom a Common Share or Warrant would be, a "tax shelter investment" for the purposes of the Tax Act; (e) that has entered, or will enter, into a "derivative forward agreement", as defined in the Tax Act, in respect of Common Shares or Warrants, or (f) that receives dividends on Common Shares under or as part of a "dividend rental arrangement" (as defined in the Tax Act) or (g) that is a corporation resident in Canada and is, or becomes, or does not deal at arm's length with a corporation resident in Canada that is or becomes, as part of a transaction or event or series of transactions or events that includes the acquisition of the Common Shares or Warrants, controlled by a non-resident corporation (or pursuant to the Proposed Amendments, a non-resident person or a group of persons (comprised of any combination

of non-resident corporations, non-resident individuals or non-resident trusts) that do not deal with each other at arm's length) for purposes of the foreign affiliate dumping rules in section 212.3 of the Tax Act. All such Resident Holders should consult their own tax advisors with respect to their own particular circumstances.

A Holder who is resident in Canada for purposes of the Tax Act and whose Common Shares might not otherwise qualify as capital property may be entitled to make the irrevocable election provided by subsection 39(4) of the Tax Act to have the Common Shares and every other "Canadian security" (as defined in the Tax Act) owned by such purchaser in the taxation year of the election and in all subsequent taxation years deemed to be capital property. Purchasers should consult their own tax advisors for advice as to whether an election under subsection 39(4) of the Tax Act is available and/or advisable in their particular circumstances. Such election is not available in respect of Warrants.

Dividends

A Resident Holder will be required to include in computing its income for a taxation year any taxable dividends received or deemed to be received on the Common Shares. In the case of a Resident Holder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations. Taxable dividends received from a taxable Canadian corporation, such as the Corporation, which are designated by such corporation as "eligible dividends" will be subject to an enhanced gross-up and dividend tax credit regime in accordance with the rules in the Tax Act.

In the case of a Resident Holder that is a corporation, the amount of any such taxable dividend that is included in its income for a taxation year will generally be deductible in computing its taxable income for that taxation year. In certain circumstances, a dividend or deemed dividend received by a Resident Holder that is a corporation may be treated as a capital gain or proceeds of disposition. Resident Holders should contact their own tax advisors in this regard.

A Resident Holder that is a "private corporation" or a "subject corporation", as defined in the Tax Act, will generally be liable to pay an additional tax under Part IV of the Tax Act (refundable in certain circumstances) on dividends received on the Common Shares to the extent such dividends are deductible in computing the Resident Holder's taxable income for the year.

Dispositions of Common Shares and Warrants

A Resident Holder who disposes of or is deemed to have disposed of a Common Share or Warrant (other than on the exercise of a Warrant) will generally realize a capital gain (or capital loss) in the taxation year of the disposition equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base to the Resident Holder of the Common Share or Warrant immediately before the disposition or deemed disposition.

Generally, the expiry of an unexercised Warrant will give rise to a capital loss equal to the adjusted cost base to the Resident Holder of such expired Warrant.

Capital Gains and Capital Losses

A Resident Holder will generally be required to include in computing its income for the taxation year of disposition, one-half of the amount of any capital gain (a "**taxable capital gain**") realized in such year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder will be required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in the taxation year against taxable capital gains realized in such year. Allowable capital losses in excess of taxable capital gains for the taxation year of disposition may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances specified in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of a Common Share by a Resident Holder that is a corporation may be reduced by the amount of dividends received or deemed to have been received by it on such Common Shares to the extent and under the circumstances specified in the Tax Act. Similar rules may apply where a Common Share or Warrant is owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary, as the case may be. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

Other Income Taxes

A Resident Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional tax on its "aggregate investment income" (as defined in the Tax Act) for the year, including taxable capital gains, which may be refundable in certain circumstances.

In general terms, a Resident Holder that is an individual (other than certain trusts) that receives or is deemed to have received taxable dividends on the Common Shares or realizes a capital gain on the disposition or deemed disposition of Common Shares or Warrants may be liable for alternative minimum tax under the Tax Act. Resident Holders that are individuals should consult their own tax advisors in this regard.

Holders Not Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act: (a) is not, and is not deemed to be, resident in Canada; and (b) does not use or hold the Common Shares or Warrants in connection with carrying on a business in Canada ("**Non-Resident Holder**"). This summary does not apply to a Holder that carries on, or is deemed to carry on, an insurance business in Canada and elsewhere or that is an "authorized foreign bank" (as defined in the Tax Act) and such Holders should consult their own tax advisors.

Dividends

Dividends paid or credited or deemed under the Tax Act to be paid or credited by the Corporation to a Non-Resident Holder on the Common Shares will be subject to Canadian withholding tax at the rate of 25%, subject to any reduction in the rate of withholding to which the Non-Resident Holder is entitled under any applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident. For example, where a Non-Resident Holder is a resident of the United States, is fully entitled to the benefits under the *Canada-United States Tax Convention (1980)*, as amended, and is the beneficial owner of the dividend, the applicable rate of Canadian withholding tax is generally reduced to 15%.

Dispositions of Common Shares and Warrants

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized on a disposition or deemed disposition of a Common Share or Warrant unless the Common Share or Warrant (as applicable) is, or is deemed to be, "taxable Canadian property" of the Non-Resident Holder for the purposes of the Tax Act and the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident.

Generally, a Common Share or Warrant (as applicable) will not constitute taxable Canadian property of a Non-Resident Holder provided that the Common Shares and Warrant Shares are listed on a "designated stock exchange" for the purposes of the Tax Act (which currently includes Tiers 1 and 2 of the TSXV), unless at any time during the 60 month period immediately preceding the disposition, (a) at least 25% of the issued shares of any class or series of the capital stock of the Corporation were owned by or belonged to one or any combination of (i) the Non- Resident Holder, (ii) persons with whom the Non-Resident Holder did not deal at arm's length, and (iii) partnerships in which the Non-Resident Holder or a person described in (ii) holds a membership interest directly or indirectly through one or more partnerships; and (b) at such time, more than 50% of the fair market value the Common Share or Warrant Shares (as applicable) was derived, directly or indirectly, from any combination of real or immovable property situated in Canada, "Canadian resource property" (as defined in the Tax Act), "timber

resource property" (as defined in the Tax Act), or options in respect of, interests in, or for civil law rights in such properties, whether or not such property exists.

In cases where a Non-Resident Holder disposes (or is deemed to have disposed) of a Common Share or Warrant that is taxable Canadian property to that Non-Resident Holder, and the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention, the consequences described above under the headings "Holders Resident in Canada — Dispositions of Common Shares and Warrants" and "— Taxable Capital Gains and Losses" will generally be applicable to such disposition. Such Non-Resident Holders should consult their own tax advisors.

ELIGIBILITY FOR INVESTMENT

In the opinion of Stikeman Elliott LLP, counsel to the Corporation, and Dentons Canada LLP, counsel to the Underwriter, based on the current provisions of the Tax Act and the regulations thereunder, in force as of the date hereof, the Unit Shares, Warrants, and Warrant Shares, if issued on the date hereof, would be qualified investments for trusts governed by a registered retirement savings plan, registered retirement income fund, registered education savings plan, registered disability savings plan, tax-free savings account (collectively referred to as "**Registered Plans**") or a deferred profit sharing plan ("**DPSP**"), provided that:

(a) in the case of Unit Shares and Warrant Shares, the Unit Shares or Warrant Shares (as applicable) are listed on a designated stock exchange for the purposes of the Tax Act (which currently includes Tiers 1 and 2 of the TSXV) or the Corporation qualifies as a "public corporation" (as defined in the Tax Act); and

(b) in the case of the Warrants, the Warrant Shares are qualified investments as described in (a) above and the Corporation is not, and deals at arm's length with each person who is, an annuitant, a beneficiary, an employer or a subscriber under or a holder of such Registered Plan or DPSP.

Notwithstanding the foregoing, the holder or subscriber of, or annuitant under, a Registered Plan (the "**Controlling Individual**") will be subject to a penalty tax in respect of Unit Shares, Warrant Shares or Warrants held in the Registered Plan if such securities are a prohibited investment for the particular Registered Plan. A Unit Share, Warrant Share or Warrant generally will be a "prohibited investment" for a Registered Plan if the Controlling Individual does not deal at arm's length with the Corporation for the purposes of the Tax Act or the Controlling Individual has a "significant interest" (as defined in subsection 207.01(4) the Tax Act) in the Corporation. Controlling Individuals should consult their own tax advisors as to whether the Unit Shares, Warrant Shares, or Warrants will be a prohibited investment in their particular circumstances. However, a Unit Share or Warrant Share will not be a prohibited investment for a Registered Plan if such securities are "excluded property" (as defined in subsection 207.01(1) of the Tax Act) for such Registered Plan.

INTEREST OF EXPERTS

Certain financial statements incorporated by reference in this Prospectus have been audited by the Corporation's auditors, McGovern Hurley LLP, Chartered Professional Accountants. McGovern Hurley LLP has confirmed that it is independent of the Corporation in accordance with the relevant rules and related interpretation prescribed by the Institute of Chartered Professional Accountants of Ontario.

Certain legal matters in connection with this Offering will be passed upon on behalf of the Corporation by Stikeman Elliott LLP, and on behalf of the Underwriter by Dentons Canada LLP. As at the date hereof, the designated professionals (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of Stikeman Elliott LLP and Dentons Canada LLP, each as a group, beneficially own, directly and indirectly, in the aggregate, less than one percent (1%) of the Common Shares.

RISK FACTORS

An investment in the Units is speculative and involves certain risks. When evaluating the Corporation and its business, prospective purchasers of the Units should consider carefully the information set out in this Prospectus

and the risks described below and in the documents incorporated by reference in this Prospectus, including those risks identified and discussed under the heading "*Risk Factors*" in the Annual Information Form, which is incorporated by reference herein.

The risks and uncertainties described or incorporated by reference herein are not the only ones the Corporation faces. Additional risks and uncertainties, including those that the Corporation is unaware of or that are currently deemed immaterial, may also adversely affect the Corporation and its business.

Risks Related to the Offering

Discretion in the use of proceeds

Management will have discretion concerning the use of the proceeds of the Offering as well as the timing of their expenditure. As a result, an investor will be relying on the judgment of management for the application of the proceeds of the Offering. Even though management intends to use the net proceeds of the Offering as discussed in this Prospectus, management may, due to certain circumstances, use the net proceeds of the Offering other than as described under the heading "*Use of Proceeds*" if it believes it would be in the Corporation's best interest to do so and in ways that an investor may not consider desirable. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Corporation's results of operations and financial condition may suffer.

Market for Warrants

It is not possible to predict the price at which the Warrants will trade in the secondary market or whether such market will be liquid or illiquid. To the extent the Warrants are exercised, the number of Warrants outstanding will decrease, resulting in a diminished liquidity for the remaining Warrants. A decrease in the liquidity of the Warrants may cause, in turn, an increase in the volatility associated with the price of the Warrants. If any secondary *market trading of the Warrants becomes illiquid, an investor may have to exercise such Warrants to realize value.*

Holders of Warrant have no rights as a shareholder

Until a holder of Warrants acquires Warrant Shares upon exercise of Warrants, such holder will have no rights with respect to the Warrant Shares underlying such Warrants. Upon exercise of such Warrants, such holder will be entitled to exercise the rights of a common shareholder only as to matters for which the record date occurs after the exercise date.

Volatile market price of the Common Shares

The market price for securities of biopharmaceutical companies, including the Corporation's, have historically been volatile and subject to wide fluctuations in response to various factors, many of which are beyond the Corporation's control, which may affect the ability of the Corporation's shareholders to sell their securities at an advantageous price. The Corporation's failure to meet expectations, downward revision in securities analysts' estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions, industry related developments, results of product development or commercialization, changes in government regulations or other material public announcements by Tetra or its competitors, along with a variety of additional factors may affect market fluctuations. The market price of the Common Shares may decline even if the Corporation's operating results, underlying asset values or prospects have not changed. There can be no assurance that continuing fluctuations in price and volume will not occur.

Financial markets have at times historically 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 operating results, underlying asset values or prospects have not changed. 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, the Corporation's operations could be adversely impacted and the trading price of the Common Shares may be materially adversely affected.

Dilution

The Corporation may issue additional securities in the future, including pursuant to acquisitions completed from time to time, which may dilute a shareholder's holdings in the Corporation. The Corporation's articles permit the issuance of an unlimited number of Common Shares, and shareholders will have no pre-emptive rights in connection with such further issuance. The directors of the Corporation have discretion to determine the price and the terms of further issuances subject to applicable securities laws and stock exchange rules. Moreover, additional Common Shares will be issued by the Corporation on the exercise of options under the Corporation's stock option plan, the exercise of deferred share units pursuant to the Corporation's deferred share unit plan and upon the exercise of outstanding warrants.

Limited operating history and no assurance of profitability

The Corporation is subject to all of the business risks and uncertainties associated with any early-stage enterprise, including under-capitalization, cash shortages, limitation with respect to personnel, financial and other resources, and lack of revenues.

The Corporation has incurred significant operating losses since inception and substantially all losses have resulted from expenses incurred in connection with research and development and general and administrative costs associated with operations. The Corporation may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, the Corporation expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If the Corporation cannot produce revenue to offset these expected increases in costs and operating expenses, the Corporation will not be profitable. There is no assurance that the Corporation will generate revenue and be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in light of the early stage of operations.

Revenue generation and liquidity

Liquidity risk is the risk that the Corporation will not have sufficient cash resources to meet its financial obligations as they come due. The Corporation's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Corporation. The Corporation generates cash flow primarily from its financing activities and the continued development of the Corporation will require additional financing. As at August 31, 2019, the Corporation had cash of $5,570,742 (November 30, 2018 - $13,585,673) and current liabilities of $1,986,486 (November 30, 2018 - $2,543,734). All of the Corporation's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Corporation regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

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 has incurred operating losses and negative cash flows from operations since inception. To the extent the Corporation has negative cash flows in future periods, the Corporation may use a portion of its general working capital to fund such negative cash flow. As of the date of this Prospectus, 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 pre-clinical 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. Further, the failure to raise such capital could result in the delay or indefinite postponement of current business objectives or in the inability of the Corporation to discharge its liabilities in the normal course of business. 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.

Risks Relating to Tetra and its Business

Cannabis Act

Our product candidates contain substances related to the cannabis plant including cannabinoids naturally occurring in cannabis which are regulated under the Cannabis Act. Since our product candidates contain substances related to the cannabis plant regulated under the Cannabis Act, 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, our product candidates may be subject to import/export and research restrictions that could delay or prevent the development of Tetra's products in various geographical jurisdictions. Synthetic derivatives such as Panag’s HU-308 (PPP003) are neither regulated under the *Controlled Drugs and Substances Act* nor under the *Cannabis Act*.

Changes in laws, regulations and guidelines

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 United States 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.

Regulatory risks

The Corporation will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or restrictions on the Corporation's operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Corporation's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Corporation.

Financial risks

The Corporation is in the research and development stage and has operated at a loss until one of its lines of business becomes established and therefore will require additional financing in order to complete its research and development and to fund its ongoing and future operations. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the going out of business. The Corporation’s ability to secure any required financing to sustain its operations will depend in part upon prevailing capital market conditions, as well as the Corporation's business success. There can be no assurance that the Corporation will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to the Corporation's management. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of common shares. In addition, from time to time, the Corporation may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase the Corporation’s debt levels above industry standards.

Monetization of the hemp energy drink business

The Corporation may not be successful in monetizing its HED business through a spin-off or other type of liquidity event, which, together with capital expenditures made in the course of such event, may have an adverse effect on the Corporation's business, financial condition and results of operations. In addition, the Corporation’s subsidiary, 2714140 Ontario Inc., may not be able to render the HED business profitable, resulting in 2714140 Ontario Inc. being unable to meet the financial obligations it has assumed in its attempt to restructure and support the ongoing operations of the HED business. Failure to monetize the HED business may result in 2714140 Ontario Inc. becoming insolvent and consequently, this could have a material impact on the Corporation by requiring the Corporation to make a cash payment and/or to issue Common Shares to AIP Asset Management Inc. to satisfy 2714140 Ontario Inc.’s financial obligations and to discharge the Corporation’s guarantee of same under the Convertible Notes issued pursuant to the November 18, 2019 convertible note financing. See "*Description of the Business – Hemp Energy Drink*" for more information related to the convertible note financing.

TSXV reviews for companies with United States assets

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 cannabis-related activities. These guidelines establish a disclosure-based approach that sets out robust standards for public companies that currently conduct or are contemplating cannabis-related activities in the United States. The Corporation believes the Canadian Securities Administrators' Staff Notice 51-352 (Revised) *Issuers with Marijuana-Related Activities* and the TSXV's *Bulletin Business Activities Related to Marijuana in the United States* 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 cannabis-related activities. The Corporation has a responsibility to disclose that it has not entered into agreement(s) with companies having such cross-border cannabis-related activities, meaning that having an agreement with such companies might place the Corporation at risk of being delisted. However, at the moment, the Corporation does not hold any direct or indirect equity interest nor have commercial interests or commercial agreements with any entity directly involved in the United States cannabis industry.

Success of its product candidates

The Corporation can make no assurance that its 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. Other than the OTC DIN products marketed under the TERPACAN™ banner, we currently have no prescription drugs 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 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.

In order to protect patients and assist Health Canada in setting a new Canadian standard for the acceptable levels of impurities found in PPP001, Tetra terminated its Phase 3 clinical program and its application for the Canadian NDS or DIN and is now re-launching this program in the United States. Since Europe has already established a standard for these impurities, this slowdown is only related to Canada and will not impact Tetra's European application nor the development of the second-generation inhalation products. On January 13, 2020, the Corporation announced that it had received a favorable letter of advice from the FDA for QIXLEEF™.

The Corporation developed quality testing procedures to tightly control level of mycotoxin-producing fungi growing on cannabis plants. These specifications were submitted to Health Canada reflecting Tetra's strict control of the quality of the raw material.

Patient enrollment in clinical trials

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.

Reliance on pre-clinical testing and clinical trials

Prior to obtaining regulatory approval for the sale of the product candidates, the Corporation must conduct pre-clinical testing and clinical trials. The results of the pre-clinical testing and clinical trials are uncertain and a product candidate may fail at any stage of clinical development. The historic failure rate for product candidates is high due to scientific feasibility, safety, efficacy, changing standards of medical care and other variables.

If the Corporation does not successfully complete pre-clinical and clinical development, it will be unable to market and sell products derived from its product candidates and generate revenues. Even if clinical trials are successfully completed, those results are not necessarily predictive of results of additional trials that may be needed before a new drug application may be submitted to the FDA.

The testing process may take several years and may include post-marketing studies and surveillance, which would require the expenditure of substantial resources. The Corporation cannot assure that pre-clinical or clinical trials will begin or be completed on schedule, as the commencement and completion of clinical trials can be delayed for various reasons. A clinical trial may be suspended or terminated by the Corporation, the FDA, the Institutional Review Board, ethics committees, data safety monitoring boards or other foreign or United States regulatory authorities overseeing the clinical trial at issue due to a number of factors, including, among others: failure to conduct the clinical trial in accordance with regulatory requirements; inspection of clinical trial sites by regulatory authorities which requires corrective action by the Corporation, including the imposition of a clinical hold; unforeseen safety issues; adverse side effects or lack of effectiveness of the product candidates; or changes in government regulations or administrative actions.

Pre-clinical or clinical trials may also be delayed, suspended or terminated due to a lack of effectiveness of product candidates during clinical studies; adverse events, safety issues or side effects relating to the product candidates or their formulation; inability to raise additional capital in sufficient amounts to continue clinical trials or development programs; the need to sequence clinical studies as opposed to conducting them concomitantly in order

to conserve resources; the Corporation's inability to enter into collaborations relating to the development and commercialization of product candidates; failure by the Corporation or its collaborators to conduct clinical trials in accordance with regulatory requirements; the Corporation's inability, or the inability of its collaborators, to manufacture or obtain from third parties materials sufficient for use in pre-clinical and clinical studies; governmental or regulatory delays and changes in regulatory requirements, policy and guidelines, including mandated changes in the scope or design of clinical trials or requests for supplemental information with respect to clinical trial results; failure of the Corporation's collaborators to advance its product candidates through clinical development; delays in patient enrolment, variability in the number and types of patients available for clinical studies, and lower-than anticipated retention rates for patients in clinical trials; difficulty in patient monitoring and data collection due to failure of patients to maintain contact after treatment; a regional disturbance where the Corporation or its collaborative partners are enrolling patients in the Corporation's clinical trials, such as a pandemic, terrorist activities or war, or a natural disaster; or varying interpretations of data by the FDA and similar foreign regulatory agencies.

There is also the risk of a delay in the project due to the unavailability of the pharmaceutical components of the drug regimen or the willingness or availability of test subjects. The components of the drug regimen are experimental drugs which have limited manufacturers. These drug components may be or become unavailable. The drugs are also derivatives of cannabis and are subject to strict regulatory controls which could also impact or interfere with the Corporation's ability to obtain a supply of the drugs for its testing program.

Vulnerability of results of planned clinical trials

The results of the Corporation's pre-clinical testing may not necessarily be predictive of the results from the planned additional clinical trials in humans. The Corporation may encounter significant setbacks in clinical trials after achieving positive results in pre-clinical and early clinical development. Significant setbacks can be caused by, among other things, pre-clinical findings made while clinical trials are underway or safety, or efficacy observations made during clinical trials, including adverse events. Pre-clinical and clinical data is susceptible to varying interpretations and analyses. There is the potential that product candidates that performed satisfactorily in pre-clinical studies and clinical trials fail to obtain FDA and European Medicines Agency approval. Failure to produce positive results in clinical trials of the product candidates could result in a material adverse effect to the development timeline, regulatory approval, commercialization prospects and business and financial prospects of the Corporation.

Reliance on regulatory approval

The Corporation's ability to successfully produce the product candidates is dependent on extensive ongoing regulatory compliance and reporting requirements by the DEA, FDA, Health Canada and other foreign regulatory authorities ("**Reporting Requirements**"). Failure to comply with the requirements and terms of the Reporting Requirements could have a material adverse impact on the business, financial condition and operating results of the Corporation. There is no assurance that continuous regulatory approval will be given for the product candidates. Should regulatory approval not be continued, the business, financial condition and operating results of the Corporation would be materially adversely affected.

Even if the Corporation receives regulatory approval for its product candidates, this approval may carry conditions that limit the market for the products or put the products at a competitive disadvantage relative to alternative therapies. For instance, regulatory approval may limit the indicated uses for which the Corporation can market a product or the patient population that may utilize the product, or may be required to carry a warning on its packaging. Once a product candidate is approved, the Corporation remains subject to continuing regulatory obligations, such as safety reporting requirements and additional post-marketing obligations, including regulatory oversight of promotion and marketing.

Quality of contract manufacturers

We currently have no manufacturing experience and rely on contract manufacturing organizations ("**CMOs**"), to manufacture the active pharmaceutical ingredients (i.e., HU308, THC, CBD) used in the research product candidates for preclinical studies and clinical trials. We manufacture under cGMP regulations all finished

drug products that are used in preclinical studies and clinical trials through our partnership with Quantum Pharma Inc. (the former GMP manufacturing division of Ford's Family Pharmacy and Wellness Centre). This latter facility also performs the packaging, storing and shipping of research products to the laboratories and clinical sites. For Tetra Natural Health, we rely on CMOs for manufacturing, filling, packaging, storing and shipping of drug products, and natural health products, in compliance with current good manufacturing practice ("**cGMP**"), regulations applicable to our products. The FDA and Health Canada 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, or partners, increase their prices or fail to meet our quality standards, or those of regulatory agencies such as the FDA and Health Canada, 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.

Arrangements for the supply of raw materials or the manufacture of our products for preclinical or clinical trials

We do not produce medical cannabis or synthetic cannabinoids, and therefore our ability to research, develop and commercialize our cannabinoid-based products is dependent upon a sufficient supply of quality medical cannabis strains and synthetic cannabinoid. Any significant interruption or negative change in the availability, quality, import-export permits from regulators, or economics of the supply chain for medical cannabis or synthesis of cannabinoids could materially impact our business, financial condition and operating results. Some strains of medical cannabis or synthetic precursors 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 stains, or a key reagent required for the synthesis, 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 or cannabinoids supplied to us. Any inability to secure required supplies of quality medical cannabis and synthetic cannabinoids or to do so on appropriate terms could have a materially adverse impact on our business, financial condition and operating results.

Safety and efficacy of 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.

Delays in clinical testing

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

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.

Competition from companies with greater resources and experience

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 researching in the same disease areas may develop products that are competitive or superior to Tetra's product candidates. 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.

Key personnel of the Corporation

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 and key employees, particularly its Chief Executive Officer and Chief Scientific Officer, Dr. Guy Chamberland. 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 Tetra's business, it relies heavily on its ability to attract and retain qualified scientific, technical and managerial personnel. The competition for qualified personnel in Tetra's field is intense. Due to this intense competition, Tetra may be unable to continue to attract and retain qualified personnel necessary for the development of its business or to recruit suitable replacement personnel.

Employee misconduct or other improper activities

Tetra is 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 the Corporation. 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 Tetra's reputation. While prohibited, it is not always possible to identify and deter employee misconduct, and the precautions the Corporation takes to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Corporation 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 Tetra, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on Tetra's business and results of operations, including the imposition of significant fines or other sanctions.

Success of collaboration agreements

The Corporation 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 Tetra decides to enter into collaboration agreements, it will face significant competition in seeking appropriate collaborators. Collaboration arrangements are complex, and time consuming to negotiate, document and implement. Tetra may not be successful in its efforts to establish, implement and maintain collaborations or other alternative arrangements if it chooses to enter into such arrangements and its selected partners may be given, and may exercise, a right to terminate their agreement with Tetra without cause. The terms of any collaboration or other arrangements that Tetra may establish may not be favorable to the Corporation.

Patents, proprietary technology, and other intellectual property of the Corporation

Tetra's success will depend, in part, on its ability to obtain patents, licence rights to patents, protect its trade secrets and operate without infringing on the proprietary rights of others. Patents and other proprietary rights are essential to the Corporation's business. Tetra relies 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, Tetra has chosen to protect its 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 Tetra is developing. If Tetra is placed in a position where it 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, Tetra's 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.

Insurance coverage

Tetra currently maintains directors and officers liability insurance and property and general liability insurance. This insurance may not remain available to the Corporation or be obtainable at commercially reasonable rates, and the amount of the Corporation's coverage may not be adequate to cover any liability it incurs. 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.

Deficiencies in disclosure controls and procedures and internal controls over financial reporting

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.

Security breaches of the Corporation's proprietary information

In the ordinary course of business, the Corporation may collect and store sensitive data, including intellectual property, data from preclinical studies, clinical trial data, the Corporation's proprietary business information and that of its customers, suppliers and business partners, and personally identifiable information of the Corporation's customers, clinical trial subjects and employees, in its data centers and on its networks. The secure processing, maintenance and transmission of this information is critical to the Corporation's operations. Despite security measures, the Corporation's information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Although to the Corporation's knowledge it has not experienced any such material security breach to date, any such breach could compromise its 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 the Corporation's operations, damage its ability to obtain patent protection for its product candidates, damage its reputation, and cause a loss of confidence in its products and its ability to conduct clinical trials, which could adversely affect the Corporation's business and reputation and lead to delays in gaining regulatory approvals.

Failure of our information technology systems

Tetra's 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 its information systems or those of third-party providers. Tetra's ability to execute its 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 its 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 the Corporation's servers are potentially vulnerable to physical or electronic break-ins, computer viruses and similar disruptive problems. Despite the precautionary measures the Corporation and its third-party service providers have taken to prevent unanticipated problems that could affect its IT systems, sustained or repeated system failures or problems arising during the upgrade of any of its IT systems that interrupt the Corporation's ability to generate and maintain data, and in particular to operate Tetra's technology platform, could adversely affect its ability to operate its 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 amount of $5,000,000 for the Phase 3 clinical trial of PPP001 and has a 1-year run-off policy covering the Phase 2 clinical trial of PPP001 in the aggregate amount of $10,000,000. The Corporation also has obtained a clinical trial liability insurance coverage in the aggregate amount of $10,000,000 for, *inter alia*, the Phase 2 clinical trial of PPP005.

This coverage is limited and a clinical trial liability claim could potentially be greater than the aggregate coverage limit per insurance policy obtained by the Corporation. The Corporation's 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.

International Expansion

The Corporation may in the future expand its operations and business into jurisdictions outside of Canada. There can be no assurance that any market for the Corporation's products will develop in any such foreign jurisdiction. The Corporation may face new or unexpected risks or significantly increase its exposure to one or more existing risk factors, including economic instability, changes in laws and regulations and the effects of competition. These factors may limit the Corporation's capability to successfully expand its operations and may have a material adverse effect on the Corporation's business, financial condition and results of operations.

Approval of Health Professionals

The Corporation’s expectations for the commercialization of products are based on the full support of various healthcare professionals, including doctors, practicing nurses, and pharmacists prescribing and stocking cannabis-based medications. Cannabis-based medications are not currently recommended or prescribed under the college of doctors and surgeons or registered nurses prescribed practice directions. Failure to receive full support of these professionals could result in the marketing of the Corporation’s products being materially more difficult.

MATERIAL CONTRACTS

The only material contracts the Corporation has entered into, other than those contracts entered into in the ordinary course of business, since the beginning of the last financial year before the date of this Prospectus, or entered into prior to such date but which contract is still in effect are:

a) Supply Agreement with Aphria Inc. effective November 1, 2016 for raw materials to be used in PPP001 only;

b) Warrant Indenture with Computershare Trust Company of Canada dated March 5, 2018, providing for the issue of common share purchase warrants;

c) Investor Rights Agreement with Aphria Inc. dated November 30, 2018;

d) 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;

e) Share purchase 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;

f) 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;

g) 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; and

h) Warrant Indenture with Computershare Trust Company of Canada dated July 12, 2019 providing for the issue of common share purchase warrants.

Copies of such agreements are available from the Corporation or under the Corporation's profile on SEDAR at www.sedar.com.

All of the development partners with whom the Corporation is developing its drug products are arm's length third parties, other than Aphria, because Carl Merton is a director of the Corporation and is also the Chief Financial Officer of Aphria. Mr. Merton became director of the Corporation on June 22, 2017.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two (2) business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering of Warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in a prospectus is limited, in certain provincial securities legislation, to the price at which the Warrant is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion, exchange or exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

EXEMPTIONS FROM NATIONAL INSTRUMENT 44-101

Pursuant to a decision of the Autorité des marchés financiers ("**AMF**") dated January 24, 2020, the Corporation was granted temporary relief that items (a) to (g) under "*Documents Incorporated by Reference*" in this Prospectus must be in both the French and English languages, provided that those documents be translated in French and filed with the AMF no later than the filing of the final prospectus related to Offering. Accordingly, for the

purposes of this Prospectus only, the Corporation is not required to file French versions of the documents incorporated by reference herein listed in items (a) to (g) under "*Documents Incorporated by Reference*".

AUDITOR, TRANSFER AGENT AND REGISTRAR

McGovern Hurley LLP is the independent auditor of the Corporation and is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

The registrar and transfer agent for the Common Shares is Computershare Investor Services Inc. at its offices in Montréal, Québec.

CERTIFICATE OF THE CORPORATION

January 27, 2020

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation in all provinces of Canada.

(Signed) Guy Chamberland

Guy Chamberland
Chief Executive Officer

(Signed) Sabino Di Paola

Sabino Di Paola
Chief Financial Officer

On behalf of the Board of Directors:

(Signed) Bill Cheliak

Bill Cheliak
Director

(Signed) Carl Merton

Carl Merton
Director

CERTIFICATE OF THE UNDERWRITER

January 27, 2020

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation in all provinces of Canada.

ECHELON WEALTH PARTNERS INC.
By:

(Signed) Michael Lorimer
Michael Lorimer
Managing Director, Investment Banking