TETRA BIO-PHARMA INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and six months ended May 31, 2020

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This Management's Discussion and Analysis ("**MD&A**") for Tetra Bio-Pharma Inc. (the "**Company**" or "**Tetra**") should be read in conjunction with the condensed consolidated interim financial statements for the three and six months ended May 31, 2020 as well as the consolidated annual financial statements for the year ended November 30, 2019, and 2018 and the notes thereto.

The financial information in this MD&A is derived from the Company's financial statements for the three and six months ended May 31, 2020 and up to July 20, 2020, prepared in accordance with IFRS (International Financial Reporting Standards). The effective date of this MD&A is July 20, 2020.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A may constitute "forward-looking information" or "forward-looking statements" within the meaning of applicable securities laws (collectively, "forward-looking statements"), which are based upon the Company's current internal expectations, estimates, projections, assumptions and beliefs. Forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would", and similar terms and phrases, including references to assumptions. Such information may involve, but is not limited to, comments with respect to strategies, expectations, planned operations or future actions. Forward-looking statements in this MD&A include, but are not limited to, statements with respect to the anticipated impacts of the current COVID-19 crisis on the Company's business, including its clinical trials, and the measures that the Company may put in place to address such impacts.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements or industry results to be materially different from any future results, performance or achievements or industry results expressed or implied by such forward-looking information or financial outlook. The factors which could cause results to differ from current expectations include, but are not limited to: Tetra may not be able to obtain debt or equity financing necessary to support the growth of the Company; the ability to source cannabinoids, import/export and research restrictions for cannabinoid-based pharmaceuticals may delay or prevent the development of Tetra's products in various geographical jurisdictions; Tetra's products may not gain regulatory approval on a timely basis, or at all; Tetra may not be able to protect its intellectual property; clinical development may not proceed as intended, or at all resulting in delayed or no sales; exchange rate fluctuations between

the Canadian and U.S. Dollar could affect Tetra's performance; Tetra's results are dependent upon the general state of the economy; Tetra depends on key personnel, the loss of which could harm its business; Tetra may be unable to grow its business long term or to manage any growth; Tetra may fail to comply with existing regulations or become subject to more stringent regulations; Tetra is dependent upon its management information systems; Tetra's insurance may be insufficient to cover losses that may occur as a result of Tetra's operations; the market price of the common shares of the Company (the "Common Shares") will fluctuate; there is a possibility of dilution of existing Shareholders; Tetra may suffer a cyber-security breach; applicable laws may change unfavourably; Tetra may cease to invest in its non-core assets; and public perception may change unfavourably. For additional information with respect to risks and uncertainties, readers should carefully review and consider the risk factors described under the section "Risk Factors" and elsewhere in this MD&A, as well at the Risk Factors mentioned in the Company's Annual Information Form for the year ended November 30, 2019, filed on SEDAR on March 30, 2020. The information contained in this MD&A identifies additional factors that could affect the operating results and performance of Tetra. Shareholders and prospective investors are urged to carefully consider those factors.

Readers are cautioned that the preparation of financial statements in accordance with International Financial Reporting Standards ("IFRS") requires Tetra's management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. Forward-looking statements reflect management's current beliefs and are based on information currently available to Tetra.

The forward-looking statements are made as of the date of this MD&A (or in the case of information contained in a document incorporated by reference herein, as of the date of such document), and Tetra assumes no obligation to publicly update or revise such forward-looking information to reflect new information, subsequent or otherwise, except as may be required by applicable securities laws.

DESCRIPTION OF THE COMPANY AND BUSINESS OVERVIEW

Description of the Company's Business

Tetra Bio-Pharma (TSX-V: TBP) (OTCQB: TBPMF) is a biopharmaceutical company primarily focused on developing proprietary and scientifically validated cannabinoid-based medicines to relieve symptoms associated with advanced cancer pain, chronic pain (cancer and non-cancer pain) and ophthalmic disease. With its unique portfolio of assets in multiple late-stage clinical programs, novel formulations and delivery mechanisms optimized for patient care, Tetra's products have the potential to serve a large number of unmet medical needs of patients in the U.S., Canada and Europe.

The Company operates in two segments of operations:

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

   This operating segment develops pharmaceutical drugs based on clinical trials authorized in Canada by Health Canada and in the United States by the United States Food and Drug Administration ("FDA"). The Company's drugs are in various phases of development with its advanced clinical programs being PLENITUDE©, REBORN© and SERENITY©, for the development of Tetra's QIXLEEF™ and CAUMZ™ drugs.

2. **Natural Health:** The development and marketing of non-cannabinoid based natural health products and non-prescription over-the-counter ("OTC") medications authorized for sale in Canada by Health Canada.

Subsidiaries and shared ventures

The Company has three active wholly owned operational subsidiaries: PhytoPain, Panag and Lumiera Health Innovations Inc. ("**Lumiera**") (formerly Tetra Natural Health Inc. or ("**TNH**")).

Active subsidiaries	Principal activities	Principal project	Operating segment
PhytoPain Pharma Inc.	Cannabinoid-based drug discovery and drug development	CAUMZ™ QIXLEEF™	Biopharmaceutical
Panag Pharma Inc.	Cannabinoid-based pain management and drug development	HU-308 (PPP-003; ARDS-003)	Biopharmaceutical and Natural Health
Lumiera Health Innovations Inc.	Commercial sales of natural health and over the counter products	AWAYE™ TERPACAN™	OTC drugs and Natural Health products

In the three months ending May 31, 2020, Tetra Natural Health Inc has been rebranded as Lumiera Health Innovations Inc. a pioneer in the health, wellness and pain management. Lumiera's mission is to develop and commercialize innovative products through a focus on its core brand values of science, nature, and compassion. Lumiera will be positioned as a Canadian-based natural health and over the counter drug company, aiming to help improve people's lives by delivering innovative health products inspired by nature.

Lumiera is currently commercializing and marketing its Health Canada approved natural products and OTC portfolio. Refer to page 27 ***Commercialization and Pipeline Section*** for additional information regarding the Lumiera product lines.

Discontinued operations

2714140 Ontario Inc. (Hemp Energy Drink)

The HED business has been classified as held for sale due to the future growth opportunities lying outside the Company's strategic scope.

As at the date of this MD&A the Company has not yet divested its Hemp Energy Drink ("HED") business. The HED assets are reflected in the financial statements as held for sale. Tetra is currently in advanced merger and acquisition discussions with a number of companies for the sale and disposition of 2714140 Ontario Inc., with the goal of an ultimate divesture in 2020. Due to the COVID-19 pandemic and its global

economic impact, there has been delays in domestic production and commercialization of HED which has resulted in a significant decrease in sales.

Subsidiaries	Principal activities
2714140 Ontario Inc.	Hemp Energy Drink and wellness beverages

Shared Ventures

During the last fiscal year, and as more fully described below, the Company has entered into two 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 Corporations Inc.	Development of drugs to treat post-operative pain in an hospital setting

CB2 Therapeutics Inc.

CB2 Therapeutics is in the process of development and pre-commercialization of two wellness products for the Canadian and US market. In the three months ending May 31, 2020, CB2 Therapeutics signed a binding term sheet for manufacturing, distribution & sale of a gut supplement by Thorne. As a result of the ongoing COVID-19 pandemic, CB2 Therapeutics has experienced some temporarily delays in the development of its products.

TALLC Corporations Inc.

On January 8, 2020, the Company announced it entered into a shared venture agreement with Altus Formulations ("Altus") to form a shared venture under the name TALLC Corporations Inc. ("TALLC"). At the date of this MD&A, Tetra made payments of $625,000 and now owns 25% of TALLC while Altus owns the remaining 75%. Management of the Company has assessed that Tetra does not plan to make any further share purchases in TALLC beyond its potential 50% initial ownership, and has notified the directors of TALLC that it will have to find third party financing as soon as possible to avoid further shareholder contribution.

The purpose of this shared venture is the development of a series of cannabinoid-receptor targeted therapeutics to treat post-operative pain in hospital setting and to create new intellectual property for ophthalmic products. The activities performed by the Company related to the shared venture generated new intellectual property for both the acute pain and ophthalmic indications. Preclinical models and early formulation work is ongoing. As at the date of this MD&A, COVID-19 pandemic temporarily delayed any significant research and development progress.

TETRA DRUG DEVELOPMENT OVERVIEW

Target Addressable Markets

To assess the market size for our cancer-related drug candidates, Tetra ordered multiple syndicated market research reports from DelveInsight, on Cancer Cachexia, Hepatocellular Carcinoma (HCC) and Uveitis.

Early 2020, the initial advanced cancer pain market report indicated that 50% to 80% of advanced cancer patients suffering from pain will experience cancer cachexia.[1] Accordingly, Tetra initially estimated its addressable cancer cachexia market to be close to 80% or $1Bn of the current $1.3Bn advanced cancer pain market.

In May 2020, Tetra received a specialized Cancer Cachexia market research report. This latest report focused on 7 major pharmaceutical markets, the United States, EU5 (France, Germany, Italy, Spain, the UK) and Japan, and narrowed Tetra's addressable market in 2022 to $539 million USD. The 7 major markets represent approximately 80% of the 2.75Bn US$ global market.

The Cancer Cachexia report forecasts that between 2022 and 2025 the total forecasted US market opportunity for Cancer Cachexia is estimated at $2.3Bn USD. In 2022, CAUMZ™ is estimated to capture 23.5% market share. Another therapeutic alternative, Anamorelin HCI, is estimated at $929.71 million USD or at 40.5% market share in USA. Developed by Ono Pharmaceutical, this drug works on Ghrelin, a

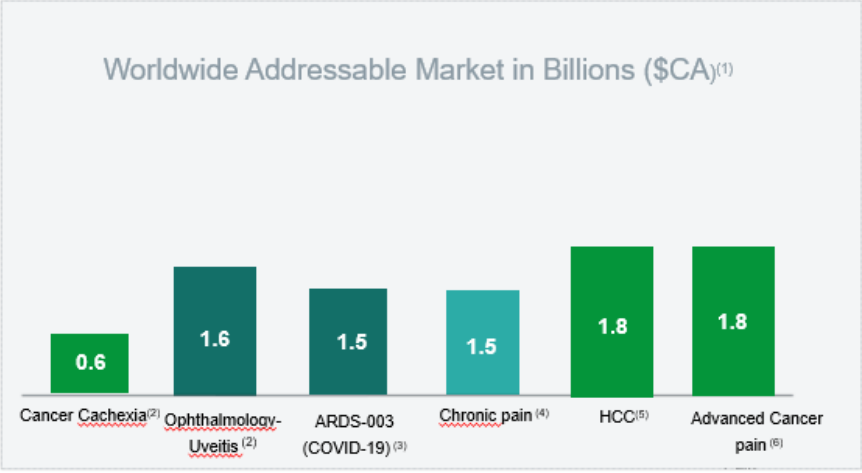
[1] Biomed Research International, Vol 2019, Article ID: 2864384

hormone which stimulates appetite. Severe loss of appetite is one of the most common symptoms of Cancer Cachexia. Despite the substitute treatments that may compete with CAUMZ™, Tetra believes that CAUMZ™ remains to be the first in class therapy to target Cancer Cachexia and remains to be a priority for Tetra. Tetra believes CAUMZ™ will stimulate both the appetite and reduce nausea which will improve symptoms of Cancer Cachexia.

CAUMZ™ can also become an add-on therapy to all Ghrelin agonists. Therapies similar to Anamorelin HCl, target only appetite while CAUMZ™ may offer more clinical benefits such as addressing anxiety, sleep disorders and pain as well.

In February, Tetra received a syndicated market research report on Hepatocellular Carcinoma (HCC) from DelveInsight. The report estimated HCC market to be at $1.8Bn USD in 2017 and based on the expected 13,2% CAGR expects the market to grow to a $7.2 Bn USD by 2028. Early data indicates that HCC-011 could be considered as an add-on therapy. This second line market is estimated to reach 2Bn USD by 2028.

In May 2020, Tetra received a syndicated Uveitis specific market research report from DelveInsight. The Uveitis market research report forecasts addressable market to reach 1.56Bn USD by 2030 a 49% increase from the Uveitis market size observed in 2017. For the study period covering 2017 to 2030, CAGR is estimated at 3.70% [5].



(1) Medtracks 2018;
(2) DelveInsight Syndicated Market Report (Cancer Cachexia & Uveitis)
(3) COVID-19;
(4) Chronic Pain, breakthrough pain, fibromualgia;
(5) HCC
(6) Advanced cancer pain

Growth Strategy

Biopharmaceutical Segment

Through its biopharmaceutical segment, the Company 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 oncology, ophthalmology, and chronic pain in humans through a robust pipeline using multiple delivery systems. The secondary focus in its biopharmaceutical segment is veterinary ophthalmology. To distinguish itself, the Company'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 Company is built.

2. **Patented formulations and delivery systems:** The Company has both granted patents and filed patent applications. In the ophthalmic space, Tetra has patents issued and further patents have been filed. For the composition and methods for treatment of ocular inflammation and pain, see list of patents in the table "*Ophthalmic Patents*" on page 20. A separate family of patents has been filed to protect the delivery of cannabis derived drugs for inhalation. The Company uses advanced medical devices, formulations and delivery systems to optimize patient care.

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

The Company has three products in late phase drug development (CAUMZ™, QIXLEEF™, and PPP-002). Through its clinical trial data and inhalation research, the Company developed intellectual property to create new generations of cannabinoid drugs that are synthetic or isolate based. This research allowed the Company to create a synthetic drug CAUMZ™ for advanced cancer patients from its research on the plant-derived drug QIXLEEF™.

In the six months ending May 31, 2020, following a strategic review of the Company's core assets, management of the Company decided to prioritize the development of its QIXLEEF™ and CAUMZ™ inhalation drugs. Due to the ongoing COVID-19 pandemic, the Company expects to experience delays for

its SERENITY© and REBORN© clinical trials and as well as planned advancements to HCC-011. The Company's short-term objective is to focus on:

1) QIXLEEF™ for advanced uncontrolled cancer pain;

2) CAUMZ™ (REBORN©) for chronic pain and fibromyalgia;

3) ARDS-003 intravenous drug product for the potential treatment of cytokine release syndrome (CRS) and the potential prevention of Acute Respiratory Distress Syndrome (ARDS) development in hospitalized patients with COVID-19 (pending financing or receipt of filed grant application with the Federal Government's Strategic Innovation Fund);

Since the beginning of the COVID-19 crisis and up to the date of this MD&A, due to the Company's strategic virtual set-up, the Company experienced some delays in its research and development and operations. However, the Company does expect future delays in all its clinical activities, excluding ARDS-003, in regions affected by COVID-19 outbreaks. Unfortunately, the start of these trials will thus experience delays as a consequence of (i) hospital and clinical resources being diverted to the treatment of patients suffering from COVID-19 and the testing of potential infected individuals, as well as research for potential treatments and vaccines for COVID-19, and (ii) governmental agencies experiencing delays or disruptions due to a lack of resources or personnel or other business interruptions caused by the current COVID-19 pandemic. The Company will continue to advance the following drug development programs based opportunities provided by changes in the COVID-19 pandemic's impact on key resources needed by Tetra as well as additional funding:

4) CAUMZ™ (SERENITY©) pivotal clinical trials for cancer cachexia, and;

5) HCC-011 to treat hepatocellular carcinoma.

While the SERENITY©, and HCC-011 drug development programs remain priorities of the Company, current and prospective investors are cautioned that such programs may be delayed or disrupted by the current COVID-19 pandemic. In the event that the COVID-19 crisis has a longer duration than currently estimated by management the Company expects that it would, amongst other things, prioritize the development of its ARDS-003 drug program, including the acceleration of its other HU-308 projects. The Company would

prioritize these projects because they have a lower barrier to entry since HU-308 does not involve "controlled substances" or substances regulated under the *Cannabis Act* (Canada). However, the Company expects that obtaining an import-export permit for these latter drugs could be delayed due to a redirection of Health Canada's priorities during the COVID-19 crisis. *See* ***Recent Announcements*** and ***COVID-19 Pandemic its impact and influence on our guidance*** for additional information.

Due to the speed at which the situation has been developing and the uncertainty of its magnitude, outcome and duration, the Company is not able at this time to estimate with certainty the future impact of COVID-19 on its operations, and whether its clinical trials and regulatory filings will in fact be significantly delayed or disrupted. However, based on the recent experience in China, where the epidemic has started to subside, the Company expects that its clinical trials would be delayed or disrupted during at least three to six months. See ***Recent Announcements*** for additional information. Because it is currently not possible to accurately assess the magnitude, outcome and duration of the COVID-19 crisis, the Company may need to prioritize other projects. See ***COVID-19 Pandemic its impact and influence on our guidance***.

In light of this situation, until the Company obtains further indication as to the timing when it can resume its pivotal trials for SERENITY©, the Company turned its attention from CAUMZ™ and HCC-011.

The ongoing COVID-19 pandemic has provided the Company an opportunity to accelerate the development of its PPP-003 drug program as it relates to ARDS-003 intravenous drug product for the potential treatment of cytokine release syndrome. On April 27, 2020, the Company announced that due to ongoing work of the scientific team at Tetra's subsidiary Panag Pharma, who along with academic collaborators have studied the role of the CB2 Receptor in acute immune responses for over a decade. The Company discovered a new indication for PPP-003 that can potentially reduce inflammation and dampen pro-inflammatory cytokine release in patients infected with COVID-19. As a result, the Company decided to carefully examine PPP-003 as a drug candidate to help reduce symptoms of acute lung inflammation and immune system dysregulation in 'at risk' COVID-19 patients.

Based on the available research data on the effectiveness of vaccines for influenza, the Company believes that up to 40% of COVID-19 'at risk' patients will not respond to a COVID-19 vaccine and accordingly will require an alternative treatment to reduce the symptoms of acute lung inflammation and immune system

dysregulation. The ARDS-003 is an intravenous drug and is not intended to neither prevent, cure, or eliminate the COVID-19 virus. The ARDS-003 is intended to reduce the cytokine release syndrome experienced by the COVID-19 patients. As with any new drug candidate, PPP-003 has not yet been shown to be safe or effective in the prevention or treatment of inflammatory cytokine conditions.

Tetra estimates ARDS-003 addressable market to be at $1.5Bn USD. Management believes that under an accelerated timeline, it is possible that a potential drug for cytokine release syndrome could be ready for conditional approval by Health Canada during the third quarter of 2021. This estimated accelerated timeline is based on Health Canada's policy to expedite the review of a drug product shown to improve the outcome of life-threatening conditions, such as COVID-19.

Recent Announcements

March 5, 2020, Tetra announced that, in connection with its previously announced short form prospectus offering of units of the Company for aggregate gross proceeds of $15,500,009, Echelon Wealth Partners Inc., who acted as sole underwriter and sole book runner in connection with the Offering, has exercised its over-allotment option in full, and an additional 4,386,795 Units were issued representing additional gross proceeds of $2,325,001.

March 26, 2020, Tetra announced the results of a survey conducted among US and Canadian patients and physicians which validated the primary endpoint of the SERENITY© pivotal trial. The results confirm that the primary endpoint in the SERENITY© clinical trial is accurate.

April 1, 2020, Tetra announced that it has filed a final short form base shelf prospectus with the securities commissions in each of the provinces of Canada. The base shelf prospectus will allow Tetra and certain of its security holders to qualify the distribution by way of prospectus of up to $50,000,000 of common shares, warrants, units, debt securities, subscription receipts, or any combination thereof, from time to time during the 25-month period that the shelf prospectus is effective.

April 02, 2020, Tetra announced the launch of a study to determine the levels of cannabinoid metabolites (e.g., 7-COOH-CBD), cannabinoid precursors (e.g., CBGA) and minor cannabinoids (e.g., CBN) in the plasma of humans. This study is important to the FDA and Health Canada to define the levels of these compounds

in patients consuming cannabis and Tetra's inhaled drugs QIXLEEF™ and CAUMZ™.

April 14, 2020, Tetra announced that Dr. Sue Sisley's Scottsdale Research Institute received the renewal of its Schedule 1 license from the US Drug Enforcement Agency (DEA). The receipt of the DEA Schedule 1 license is a significant milestone in the advancement of the PLENITUDE© trial and ultimately getting QIXLEEF™ into the market. A fully licensed facility allows Tetra to commence the process of having a licensed producer ship the necessary GMP grade dried pellets containing cannabinoids to the clinical site prior to the start of patient enrollment.

April 15, 2020, Tetra announced that it had received FDA Orphan Drug Designation for its synthetic cannabinoid PPP-003 (HU308) in the prevention of proliferative vitreoretinopathy.

April 16, 2020, Tetra announced that it had received FDA Orphan Drug Designation for its cannabinoid PPP-004 (THC-CBD) in the treatment of epidermolysis bullosa.

May 6, 2020, Tetra announced that it has now completed the modifications to the nonclinical safety program of ARDS-003 to ensure the launch of a Phase 1 trial in healthy volunteers later this year and subsequently be able to initiate a Phase 2 trial in patients with COVID-19 immediately after.

May 13, 2020, Tetra announced that its Board of Directors has accepted the resignation of Mr. Sylvain Chretien as President of the Company. In light of Mr. Chretien's resignation, the Board has decided not to appoint another president at this time.

May 22, 2020, Tetra announced it has closed its previously announced public overnight marketed offering of units of the Corporation, including the partial exercise of the Agents' over-allotment option. A total of 35,191,000 Units of the Corporation were sold at a price of $0.26 per Unit, for aggregate gross proceeds of $9,149,660.

May 26, 2020, Tetra announced granting of a new patent from the Australian Patent Office for patent application number 2016268872. This Australian patent covers pharmaceutical cannabinoid compositions for use in the treatment of ocular inflammation and/or pain. This new patent adds to the United States and European granted patents for the compositions of matter and methods of use for treatment of ocular inflammation and/or pain and ophthalmic formulations in dry eye and uveitis/corneal neuropathic pain.

June 3, 2020, Tetra announced the launch of TALLC Corporation Inc. ("TALLC") a new Quebec company focussed on the development of TA-A001 a novel endocannabinoid CB2 receptor activator with potent anti-inflammatory analgesic properties.

June 4, 2020, Tetra and Storz & Bickel, a subsidiary of Canopy Growth Corporation, (TSX:WEED)(NYSE:CGC), a world-leading diversified cannabis, hemp and cannabis device company, announced that they have finalized a definitive commercial sales agreement for the sale of the Mighty Medic device as part of the CAUMZ™-kit drug-device combination product.

June 22, 2020, Tetra announced the departure of Greg Drohan of the Board of Directors.

June 25, 2020, Tetra announced the grant of an aggregate of 1,535,583 stock options to certain officers, consultants and employees of the Company. Each option is exercisable into one common share of the Company at a price of $0.21 per share. The Options vested on grant and will expire on June 24, 2023.

Recent Financings

During the six months ended May 31, 2020, the Company completed two prospectus financings for total aggregate gross proceeds of $26,974,670 including the over-allotment option exercised on March 5, 2020 by Echelon Wealth Partners Inc. for $2,325,001. Additional details are provided below. The Company intends to use the net proceeds from the two recent financings to focus on the pivotal clinical trials for cancer cachexia (SERENITY©), advanced cancer pain (REBORN©), QIXLEEF™, the new cancer treatment, similar to CAUMZ™ but without any cannabidiol ("CBD"), HCC-011. The Company will also continue the various research and development and regulatory efforts on the Panag products that it purchased in connection with the acquisition of Panag.

Overnight Best-Effort Offering (May 2020)

On May 22, 2020, the Company completed an overnight best-effort prospectus financing including the partial exercise of the Agents' over-allotment option. The Offering was led by Raymond James Ltd. and Canaccord Genuity Corp. and included Echelon Wealth Partners Inc. (collectively the "Agents"). A total of 35,191,000 units of the Company were sold at a price of $0.26 per Unit, for aggregate gross proceeds of $9,149,660. The Company intends to use the net proceeds from its most recent financing to fund

QIXLEEF™'s Phase 2 and Phase 3 PLENITUDE© clinical trials, a biopharmaceutical drug which is being developed for the treatment of uncontrolled pain in advanced cancer patients. Refer to the Company's Base Shelf prospectus dated April 1, 2020 and the prospectus supplement dated May 19, 2020 as filed on SEDAR, for additional information regarding the use of proceeds for this prospectus financing.

Bought Deal Offering (February and March 2020)

On February 13, 2020, the Company announced it had closed its short form prospectus offering (the "Offering"), on a bought deal basis with Echelon Wealth Partners Inc. ("Echelon"), who acted as sole underwriter and sole book runner. A total of 29,245,300 units of the Company were sold at a price of $0.53 per Unit, for aggregate gross proceeds of $15,500,009.

On March 5, 2020, in connection with the above-mentioned Offering, Echelon exercised its over-allotment option in full, and an additional 4,386,795 units were issued on March 25, 2020 representing additional gross proceeds of $2,325,001.

Under the bought deal Offering, each unit consisted of one Common Share and one Common Share purchase warrant. Each warrant entitles the holder thereof to purchase one Common Share at a price of $0.75 until February 13, 2023.

Use of Proceeds – July 2019 Prospectus Offering

In its last two MD&A's covering Q4-2019 and Q1-2020, the Company disclosed how it used funds from the two financings completed in July 2019 and February 2020. In the last half of Q3 -2019 as well as Q4-2019 the Company primarily focussed on advancing CAUMZ™ (SERENITY©) pivotal clinical trials.

February 2020 Prospectus Offering

The following table provides a comparison of disclosure that the Company previously made about how the Company was going to use proceeds from the short form prospectus offering completed on February 13, 2020 against the Company's actual use of such proceeds up to May 31, 2020. All amounts listed below in general and administrative expenditures exclude non-cash expenses. The amounts presented in the table below are approximate.

Purpose	Disclosed Use of Proceeds	Actual Amount as of May 31, 2020
Drugs in Development		
CAUMZ™ – SERENITY© 2020 pivotal clinical trials, manufacturing and other related expenses (PPP011)	$4,855,000	$476,000
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	$154,000
Completion of IND-enabling toxicology relating to PPP003 and Active Pharmaceutical Ingredient manufacturing (HU-308) related to PPP003	$300,000	$452,000 (1)
Regulatory costs for the EMA & PLENITUDE© trials for PPP001 (QIXLEEF™)	$800,000	$827,000 (2)
HCC-011 – Hepatocellular carcinoma (liver cancer) trial and regulatory activities related thereto	$500,000	$33,000
Retail Pharma (OTC)		
Launch AWAYE™ & TERPACAN™ lines of products	$500,000	$1,200
General and Administrative Purposes	$1,170,008	$205,000

(1)Additional budget was reallocated from CAUMZ™ to PPP-003 bringing the projected use of proceeds for the completion of IND-enabling toxicology relating to PPP003 and Active Pharmaceutical Ingredient manufacturing (HU-308) to $452,000. As at May 31, 2020, the Company had used the total funds allocated.

(2)Additional budget was also reallocated from CAUMZ™ to the regulatory costs for the EMA & PLENITUDE© trials for PPP001 (QIXLEEF™). As at May 31, 2020, the Company had used the total funds allocated.

As at May 31, 2020, management still views its flagstone drug development program to be the REBORN© trials for CAUMZ™, however, due to delays resulting from the COVID-19 pandemic, the Company has prioritizing the advancement of its ARDS-003 program and PLENITUDE© trial for QIXLEEF™ until such time that Tetra can safely resume the development of its CAUMZ™ drug programs. As disclosed in the ***Recent Announcements*** and ***COVID-19 Pandemic its impact and influence on our guidance***, the Company may experience delays and/or disruptions in its clinical trials.

Divesture of Hemp Energy Drink ("HED") and discontinued operations

As mentioned in the section "Description of the Company's Business", the Company's Board approved management's formal recommendation for the sale of the HED businesses, following a proposed strategic reorganization of Tetra's ongoing business. The HED business has been classified as held for sale due to the future growth opportunities lying outside the Company's strategic scope, and as a result began the process of divesting of 2714140 Ontario Inc., which contains the Hemp Energy Drink business segment.

The intent of the Company 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 Company would first use its commercially reasonable efforts to obtain approval from the TSXV to repay the Convertible Notes through the issuance of Common Shares of Tetra as a "shares-for-debt" transaction under the rules of the TSXV, failing which the Company would re-allocate some of its funds to be able to repay the Convertible Notes.

The assets and liabilities that were transferred to 2714140 Ontario Inc. were classified as discontinued operations and classified on the Statement of Financial Position as assets / liabilities held for sale. The divestiture will be accounted for at the fair market value, with a gain or loss recognized in Statements of Loss and Comprehensive loss.

As at the date of this MD&A the Company has not completed a divesting transaction and continues to own 100% of the shares of 2714140 Ontario Inc.

During the six months ended May 31, 2020, the Company negotiated the recovery of part of the inventories sold to Kombucha Baby Brewing Company Inc. ("Kombucha") in 2019 as a settlement against Tetra's outstanding trade receivable from Kombucha. The reversal of impairment of trade receivable is based on management's estimate of the fair value of the inventories to be recovered. The Company realised a recovery of historical debt of $1,080,818 (an impairment expense as at May 31, 2019 - $Nil) in its results from discontinued operations for the six months ended May 31, 2020.

The reversal of impairment of trade receivable was based on management's estimate of the fair value of the inventories to be recovered. The Company realised a recovery of historical debt of $1,080,818 (an impairment expense as at May 31, 2019 - $Nil) in its results from discontinued operations for the six months ended May 31, 2020.

In the six months ending May 31, 2020, Kombucha underwent a corporate restructuring and the changed its name to Ultra Wellness Inc. ("Ultra").

On April 9, 2020, Kombucha delivered approximately 236 pallets of inventory with an estimated original cost of $1,080,818 to the Company. 2714140 Ontario Inc. intends to resell this inventory through new distributors. As a result of the recovery of the inventory, the Company recorded a transfer from its accounts receivable to its inventory included in the assets held for sale as at May 31, 2020.

As at the date of this MD&A the Company has not yet divested its Hemp Energy Drink ("HED") business. The HED assets are reflected in the financial statements as held for sale. Tetra is currently in advanced merger and acquisition discussions with several companies for the sale and disposition of 2714140 Ontario Inc., with the goal of an ultimate divesture in 2020. Due to the COVID-19 pandemic and its global economic impact, there has been delays in domestic production and commercialization of HED which has resulted in a significant decrease in sales.

The composition of the assets held for sale and the liabilities directly associated with the assets held for sale as at May 31, 2020 are as follows:

	May 31, 2020	November 30, 2019
	$	$
Cash	**55,167**	245,742
Accounts receivable	**30,671**	56,077
Prepaid expenses	**4,933**	295,410
Advanced revenue sharing payments	**1,464,600**	1,464,600
Inventory	**1,919,803**	568,626
Subtotal	**3,475,174**	2,630,455
Intangible assets	**289,657**	289,657
Assets held for sale	**3,764,831**	2,920,112

Accounts payable	**59,991**	2,049
Convertible debenture	**2,000,000**	2,000,000
Liabilities directly related to the assets held for sale	**2,059,991**	2,002,049

Biopharmaceutical Products Pipeline

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

Considering the expected COVID-19 delays and potential disruptions to the Company's ongoing clinical trials and regulatory filings, the Company rapidly re-assessed its core assets to prioritize advancement of QIXLEEF™ and to fast-track the development of its HU-308 (ARDS-003) drug development program.

DRUG DEVELOPMENT PROGRAM	ODD	PRE-CLINICAL	PHASE 1	PHASE 2*	PHASE 3**	PARTNER	STRUCTURE
PAIN							
Cancer Cachexia (CAUMZ) SERENITY ©				✓			Wholly-owned
Breakthrough Pain (CAUMZ) REBORN ©				✓			Wholly-owned
Uncontrolled Pain (QIXLEEF) PLENITUDE ©				✓			Wholly-owned
Post-operative pain and ocular pain and dry eye syndrome (TA-A001)		✓				TALLC	Joint venture
Post-operative pain (TA-A003)		✓				TALLC	Joint venture
CRS & ARDS							
CRS/ARDS COVID-19 (ARDS-003)		*** ✓					Wholly-owned
Proliferative vitreoretinopathy (PPP003)	✓	✓					Wholly-owned
ONCOLOGY							
Hepatocellular Carcinoma (HCC0011)	✓	✓					Wholly-owned
Chemotherapy induced nausea and vomiting (TA-A002)		✓				TALLC	Joint venture
CHRONIC INFLAMMATORY CONDITIONS							
Irritable Bowel Syndrome		✓			CB2 Therapeutics		Joint venture
Dietary supplements for interstitial cystitis		✓			CB2 Therapeutics		Joint venture

*Pivotal for some indications.
**Pivotal trial.
***Accelerated process.

As mentioned in the section "*Growth Strategy*" the Company has experienced some COVID-related delays that impacted its CAUMZ™ program. In addition, some resources required to advance CAUMZ™ are currently diverted to treat and test COVID-19 infected patients. Additional delays may result as some of the Company's suppliers will also seek to focus on research and development of potential treatments and vaccines for COVID-19. Lastly, drug regulatory governamental agencies will also experience delays or disruptions due to a lack of resources or personnel or other business interruptions caused by the current

COVID-19 pandemic.

Proactively, the Company quickly turned its attention to its second priority, QIXLEEF™ and its PLENITUDE© pivotal clinical trials. PLENITUDE© clinical trials will be held in the USA private clinics. At the date of this MD&A, US private clinics have not been impacted by COVID-19.

Biopharmaceutical – Advanced cancer pain and Inflammation

QIXLEEF™: Target Intended Uses

As an adjunct to standard of palliative care, QIXLEEF™ aims to improve quality of life and help reduce the pain of terminal cancer patients in adults. PLENITUDE©, a phase 2 study approved by the FDA, is a 4-week double-blind, randomized, placebo-controlled, parallel group design trial to evaluate the safety and efficacy of inhaled QIXLEEF™ on uncontrolled cancer pain in 78 adult patients with symptoms related to advanced incurable cancer and uncontrolled pain related to cancer. The Company anticipates results from the PLENITUDE© clinical trial will be part of the drug approval package for QIXLEEF™.

Tetra raised over $9 million dollars to ensure it would have dedicated funds to start its phase 2 clinical trial in 2020 and a second pivotal trial in 2021, along with the necessary toxicology programs and regulatory submissions. The trial is being led by the clinic of Dr. Sue Sisley's of the Scottsdale Research Institute and will be extended to nine additional sites currently in the qualification process across the United States. The first patients are expected to receive their initial drug dose by September 2020 dependent on Aphria providing the cannabis required to make the QIXLEEF™ doses needed for the trial by early August 2020.

On April 14, 2020, the Company announced that the lead site at which it conducts its clinical trials related to the development of its investigational therapeutic QIXLEEF™ (which is being developed for the treatment of uncontrolled pain in advanced cancer patients), received the renewal of its Schedule 1 license from the US Drug Enforcement Agency. This license permits the facility to receive shipments of cannabinoid pellets and is critical to the clinical trials related to QIXLEEF™. Since then, two additional sites with a Schedule I license have been selected to participate in the study. Seven additional sites are in the process of renewing their Schedule I license.

With the completion of the May 2020 financing and the site license renewal in April 2020, Aphria is gearing up to provide the required GMP grade cannabis to be used in the PLENITUDE© trial. Aphria has implemented new procedures as pharmaceutical grade cannabis quality specifications as required by the FDA are different to those of medical cannabis as required by Health Canada to ensure an increased level of patient safety.

Regulators are becoming increasingly concerned about the safety of cannabis and cannabinoid drugs due to the liver toxicity findings associated with Epidiolex. The inhalation route of administration avoids the first pass metabolism. Nevertheless, Tetra must demonstrate the safety profile of its drug following absorption and metabolization. On April 02, 2020, Tetra announced the launch of a study to map out the levels of cannabinoid metabolites (e.g., 7-COOH-CBD), cannabinoid precursors (e.g., CBGA) and minor cannabinoids (e.g., CBN) in the plasma of humans that had smoked or vaporized QIXLEEF™. This study was initiated after having developed and validated methods to quantify the levels of CBD, THC, cannabinoid precursors (such as THCA, CBDA and CBGA), minor cannabinoids (such as Cannabinol, Cannabichromene, Cannabigerol), and the metabolites 7-OH-CBD, 7-COOH-CBD, 11-OH-THC and 11-nor-9-carboxy-THC in the plasma of all human subjects that received QIXLEEF™. Tetra expects this study to be completed in Q3-Q4 2020. Tetra believes that the mapping data from this study will show a better safety profile for the inhalation route of administration. This could explain why patients have purported the safe use of smoked cannabis.

HU-308 (PPP-003): Ocular formulations of cannabinoids

On April 15, 2020, Tetra announced that it has received U.S. Food and Drug Administration (FDA) Orphan Drug Designation for its synthetic cannabinoid PPP-003 (HU-308) in the prevention of proliferative vitreoretinopathy.

Proliferative vitreoretinopathy (PVR) is a vision-threatening condition that develops in approximately 10% of patients who undergo reparative primary retinal detachment surgery and in about 50% of patients with open globe injury. PVR is defined as the growth of membranes on both surfaces of the detached retina and on the posterior surface of the detached vitreous gel. The pathophysiology of PVR includes the formation of a subretinal or epiretinal membrane that can subsequently contract, causing a new retinal

detachment or failure of a surgically corrected detachment. The standard of care involves repeat surgery but unfortunately the outcome is not always successful as surgical intervention does not address the inflammatory basis of the condition and increases the risk of serious ocular infection (e.g. endophthalmitis). Tetra's has demonstrated in its experimental model of VRP that PPP-003 can prevent this condition through activation of CB2R.

The Orphan Drug Act, applicable only to the US market, was created to provide industry with incentives to develop drugs that are designed to treat, or prevent, diseases affecting fewer than 200,000 people in the United States. An application for Orphan Drug Designation (ODD) includes critical aspects such as, the scientific mechanism of action for the drug's role in the target disease, the prevalence of the rare disease in the USA. Typically, the mechanistic rationale involves the company providing experimental data supporting the claim that its drug may be effective. There are important financial benefits to corporations that follow an Orphan Drug development path. If granted, an ODD provides the drug with a status which gives exclusive marketing and development rights as well as financial benefits to help recover part of the clinical development costs. More specifically a 50% tax credit on the cost of clinical trials performed in the USA, a 7 year marketing exclusivity following drug approval, a fast-track type approach to file and review submissions, waiver of the new drug approval fees (estimated at $3 million US), as well as other financial benefits.

Ophthalmic Patents

Tetra has reinforced its Ophthalmic IP Portfolio with a New Australian Patent. This represents the Company's first Australian patent, with the Notice of Acceptance appearing in the Australian Official Journal of Patents on May 7, 2020. This Australian patent (patent application number 2016268872) covers pharmaceutical cannabinoid compositions for use in the treatment of ocular inflammation and/or pain. This new patent adds to the United States and European granted patents for the compositions of matter and methods of use for treatment of ocular inflammation and/or pain and ophthalmic formulations in dry eye and uveitis/corneal neuropathic pain.

The following table includes a list of the ophthalmic patents currently held by Tetra through its wholly owned Panag subsidiary:

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 Inflammation and Pain	PCT	PCT/CA2014/000841	Nov 20, 2014
	Canada	2,931,039	May 18, 2016
	Europe Regional Phase	14864137.6 (3071193)	June 20, 2016 (Jan 8, 2020)
	United States Reg (CIP)	14/722,991 (9,549,906)	May 27, 2015 (Jan 24, 2017)
	PCT	PCT/CA2016/050603	May 27, 2016
	Australia National Phase	2016268872	Dec 21, 2017
	Canada National Phase	2,986,588	Dec 21, 2017
	Europe Regional Phase	16799004.3	Dec 21, 2017

Clinical program

Following the Type B meeting held on June 17, 2019, the FDA accepted the Company´s development program in its response to the Type B meeting. Following FDA's acceptance, the Company 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 1 clinical study in healthy volunteers is planned for late 2020. This clinical study will allow Tetra to evaluate safety and tolerability of the product candidate HU-308, a non-

controlled[2] cannabinoid-derived medicine. Tetra has decided to target Proliferative vitreoretinopathy (PVR) patients due to the smaller trial sizes and its limited budget. As a result of the ongoing COVID-19 pandemic, the Company may experience delays in launch of clinical trials for HU-308 pending availability of clinical sites and the necessary financing to complete the trials.

In the event that the COVID-19 crisis has a longer duration than currently estimated by management of the Company, based on the evolution of the COVID-19 epidemic in China, and that additional delays and disruptions are caused to the Company's clinical trials and regulatory filings, the Company expects that it would, amongst other things, prioritize the development of its PPP-003 drug program, including the acceleration of its HU-308 projects. The Company would prioritize these projects because they have a lower barrier to entry since HU-308 does not involve "controlled substances" or substances regulated under the *Cannabis Act* (Canada). However, the Company expects that obtaining an import-export permit for these latter drugs could be delayed due to a redirection of Health Canada's priorities during the COVID-19 crisis. *See* ***Recent Announcements*** and ***COVID-19 Pandemic its impact and influence on our guidance*** for additional information.

ARDS-003 (HU-308 (PPP-003): Injectable formulation of cannabinoids)

On April 27, 2020, the Company announced to development a sterile intravenous formulation of HU-308 (PPP-003) for COVID-19 patients baptized as ARDS-003, a new indication in response to the ongoing COVID-19 pandemic.

Severe coronavirus disease 2019 (COVID-19) represents viral pneumonia from SARS-CoV-2 leading to acute respiratory distress syndrome (ARDS) with lung inflammation and damage (alveolar damage). ARDS develop in 42% of patients presenting with COVID-19 pneumonia, and 61-81% of those requiring ICU care. Patients with ARDS syndrome experience an exaggerated inflammatory and immune response, with enhanced release of pro-inflammatory molecules - referred to as "cytokine storm". Essentially the immune

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

system is in overdrive/out of control which can lead to further complications including blood clots and scarring or fibrosis.

Drugs that can prevent or decrease the severity of ARDS may potentially result in an improved clinical outcome of this group of patients with the highest mortality. Based on the aforementioned preclinical work performed at Panag Pharma, it is clear that the active molecule found in PPP-003 can reduce inflammation and dampen pro-inflammatory cytokine release, therefore providing rationale to proceed with development of it as a candidate drug to help reduce symptoms of acute lung inflammation and immune system dysregulation in COVID-19 patients at risk.

While Tetra's ARDS-003 drug may prevent or decrease the severity of ARDS therefore potentially resulting in an improved clinical outcome for this group of patients with the highest mortality, this drug is not intended to be a vaccine for the prevention of the disease or a cure of COVID-19. The drug is intended for early Cytokine Release Syndrome (CRS) treatment and might be able to avoid severe courses of COVID-19, such as ARDS.

Since 2014, Panag has been developing PPP-003 to improve inflammation and pain in certain diseases such as dry eye disease, uveitis but also sepsis. PPP-003 is a synthetic cannabinoid drug that selectively acts at the type 2 cannabinoid receptor (CB2R), an important immunomodulatory target. In sepsis, ARDS represents the severe end of lung dysfunction which can result from systemic inflammatory responses or from infection in the lungs, themselves. This cytokine-mediated inflammatory response is very similar to what is seen in viral infections like influenza or Covid-19. Tetra has gathered a significant body of research that has been published in more than ten peer-reviewed journals outlining the role of PPP-003 in the cytokine-mediated response, via specific binding and activation of CB2R. PPP-003 was shown in experimental models to decrease leukocyte adhesion and pro-inflammatory cytokines (IL-6 and TNF) in acute lung injury models similar to what occurs in sepsis. PPP-003 also stops the efflux of inflammatory cytokines like TNF and IL-1ß in acute lung injury induced in other experimental models.

Prior to launch of this new program Panag had already completed preclinical efficacy and proof of concept studies in sepsis, a disease with a similar systemic inflammatory response as ARDS. Furthermore, Tetra

had previously engaged Dalton Pharma Services to develop the active molecule to be fabricated under sterile cGMP conditions for its ophthalmic veterinary and human drug development programs.

Tetra's management believes that under an accelerated timeline, the marketing application of a potential drug for CRS could be submitted for conditional approval by Health Canada during the third quarter of 2021. This estimated accelerated timeline is based on Health Canada's policy to expedite the review of a drug product shown to improve the outcome of life-threatening conditions, such as COVID-19.

To complete the remaining activities for regulatory filings required to bring this new drug into human trials, Tetra has worked over the last two months to launch the following CTA/IND-enabling toxicology studies: microsome and hepatocyte stability studies, protein binding assays, intravenous compatibility, hERG assay for cardiovascular safety, single dose intravenous pharmacokinetic studies in rats and dogs, and reverse mutation and in vitro micronucleus assays for genotoxicity, with additional toxicology studies to be initiated in parallel as Tetra prepares the safety data package to support the administration of this experimental drug to patients with COVID-19. The toxicology program is designed to support a Phase 1 clinical trial in healthy volunteers and a proof of concept Phase 1/2 trial in COVID-19 patients. These trials are designed the to support Phase II trials in either CRS or ophthalmic disease patient populations.

In addition to the ongoing work developing the toxicology and clinical programs, the development, improvement, and optimization of the Active Pharmaceutical Ingredient (API) and finished product manufacturing processes as well as GMP compliance are moving to ensure readiness for a fast initiation of clinical studies.

In parallel to the development activities, Tetra has initiated regulatory activities related to this program. The corporation submitted a meeting request to the FDA, along with an information package as part of the COVID-19 Public Health Emergency: General Considerations for Pre-IND Meeting Requests for COVID-19 Related Drugs and Biological Products. This PIND package contains Tetra's proposed plan to investigate ARDS-003 in patients infected with COVID-19 and its registration strategy to bring this new drug into the market, should safety and efficacy be demonstrated.

The entire, ongoing, nonclinical safety program and Phase 1 human safety trial for ARDS-003 is part of its 2020 budget for the ophthalmic program. The Company designed the nonclinical safety program and Phase I clinical trial to support Phase II trials in either CRS or ophthalmic disease patient populations. Tetra estimates that this combined program will cost approximately $13.3 million. Only $4.7 million of the announced $18 million will be designated to the Phase II trial in COVID-19 infected patients suffering from CRS.

Tetra has applied to the Federal Government's Strategic Innovation Fund for a grant which would cover approximately 75% of the budget for ARDS-003 and would allow the Company to meet the accelerated timeline to complete the Phase II clinical trial in the first half of fiscal 2021 and submit for conditional drug approval. The grant application was submitted early May and the process is in early stages with no certainty that a governmental grant will be awarded to the Company. Even if a grant were to be awarded to Tetra, there is no certainty that it would be sufficient to cover 75% of the program as requested by Tetra. Should the Company fail to secure the necessary funding through the Strategic Innovation Fund, the Company would need to raise funds via equity or debt financing, or via other government grants to support the development of the ARDS-003 Program, which are sources of financing that the Company is exploring at this stage.

Once human studies begin, the research and development team will continue to advance the nonclinical safety studies to ensure readiness for an eventual Phase 2 trial in patients with moderate to severe COVID-19. Completion of these nonclinical safety studies is required to support a new drug submission/application in Canada/USA. The nonclinical studies include longer term repeat dose toxicology, teratology and fertility and early embryonic toxicology.

The Company is not making any express or implied claims that its product can eliminate, cure, or contain the COVID-19 (or SARS-2 Coronavirus) at this time. As with any new drug candidate, PPP-003 has not been shown to be safe or effective in the prevention or treatment of inflammatory cytokine conditions.

Please refer to the disclosure on page 9 for additional information, as well as the discussion on the COVID-19 pandemic in the sections ***Recent Announcements*** and ***COVID-19 Pandemic its impact and influence on our guidance***.

HU-308v (PPP-003v) – Veterinary market

In the previous quarter, the Company 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.

Panag, in partnership with a veterinary ophthalmological team, has initiated a Phase 2 clinical trial in domestic dogs, as a proof-of-concept for its HU-308v (PPP-003v) for eye pain. This study involves domestic pets and not laboratory animals with a goal of providing pet owners with an alternative ophthalmic pain medication for indolent corneal ulcers. Completion of enrollment was planned by April 30, 2020 however, since the COVID-19 measures restricted the ability of owners to bring their pets to the veterinary clinic for trial procedures, this impacted Tetra's ability to complete enrolment as projected by May 1, 2020. An Experimental Studies Certificate (ESC) is granted for a period of one year under the veterinary drug regulations, therefore all study related activities, i.e. treatment and follow-ups, must be completed within that 1-year period. As a result of the COVID-19 enrolment halt, Tetra pro-actively submitted a renewal for the ESC to complete enrolment once COVID-19 restrictions are lifted and on April 30, 2020, the VDD granted the ESC for an additional year. When enrolment halted due to COVID-19, 50% of the study subjects had completed the treatment and follow-up phase of the clinical trial. None of the study subjects had study medication-related adverse effects. The safety and tolerability profile of the PPP-003 ocular drug product was part of the new ESC application for study renewal as well as new data regarding the sterility.

With the New Brunswick government beginning to lift some of the preventive measures, enrolment has been re-initiated and treatment of the remaining 50% of the subjects will begin once veterinary clinics are open to the public.

Biopharmaceutical – Cancer Cachexia and Chronic Pain Segment

CAUMZ™ – SERENITY© and REBORN©: Target Intended Uses

The products in the CAUMZ™ category include, among others: (i) SERENITY© (treatment of cancer cachexia patients), (ii) REBORN© (breakthrough pain oncology) and (iii) fibromyalgia products (non-cancer chronic pain).

During February and March 2020 Tetra conducted a survey in the United States and Canada in order to gather patient and physician feedback about the most bothersome symptoms in advanced cancer patients with cachexia. Patients and physicians received identical questionnaires, however the instructions to each group were different. Patients were asked to describe their personal experience with cancer cachexia, whereas physician responses were based on their perception of their patients with cancer cachexia. A total of 33 American and Canadian patients responded to the survey. According to the surveyed patients, pain (66.7%), fatigue (57.6%), and lack of appetite (45.5%) are the three most bothersome symptoms. Nausea/vomiting (39.4%), worrying (33.3%), feeling irritable (33.3%), change in the way food tastes (30.3%) and difficulty sleeping (27.3%), were also often identified by patients as bothersome. Physicians reported pain (88.9%), fatigue (83.3%), lack of appetite (72.2%), weight loss (55.6%), nausea/vomiting (61.1%), and difficulty sleeping (33.3%) as the most bothersome symptoms they perceive to be experienced by their patients with advanced cancer and cachexia. The results confirm that the primary endpoint in the SERENITY© clinical trial is accurate.

Over the last few months, Tetra has re-assessed the timelines for initiating the REBORN© clinical trial. Tetra has prioritized accelerating REBORN© over SERENITY© to focus on speed to market. REBORN© is designed to assess the safety and efficacy of CAUMZ™ in breakthrough cancer pain. 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. Cancer patients suffering from breakthrough pain are highly medicated with long-acting and shortacting opioids, an opioid cocktail that affects their quality of life and their ability to function normally. The nature and route of administration of CAUMZ™ make it an ideal candidate to rapidly alleviate intolerable episodes of pain of rapid onset and may possibly reduce their occurrences through a chronic treatment. REBORN© is a small trial composed of an open-label, cross-over proof-of concept sub-study followed by a randomized, double-blind placebo controlled sub-study. The lead site for REBORN© has more than 20 years of experience in addiction and pain management and holds an active Schedule I license, a critical requirement to accelerate the start up phase of the REBORN© study. Guy Chamberland, CEO and CRO of Tetra commented, "Although SERENITY© represents a larger potential market, REBORN© can potentially bring CAUMZ™ to the market faster. We believe that a statistically and clinically significant superiority in time-to-relief will have an impact on the approvability of CAUMZ™ by

regulators. In the current opioid crisis, time-to-relief remains a major challenge". Based on our revised assessments, Tetra is now planning to initiate REBORN© in Q4 2020.

The Mighty Medic medical vaporizer has been used in Tetra's research with CAUMZ™ and QIXLEEF including Phase 1 clinical trials and is being used in the SERENITY©, REBORN© and PLENITUDE© clinical trials. Tetra has performed extensive studies on the vaporization of cannabinoids, terpenes and volatile organic compounds when pure compounds or cannabis products are heated in the Mighty Medic. The Mighty Medic is a Class 2 medical device, approved by Health Canada, and the first battery-powered medical vaporizer to be certified. On June 4, 2020, Tetra announced that it has signed a commercial sales agreement with Canopy to ensure the supply of the medical device component of the CAUMZ™-kit. This Agreement will help Tetra to determine the selling price to pharmacies. This Agreement is critical as the corporation advances in potential partnering discussions with pharmaceutical companies for the sale and distribution of the CAUMZ™-kit drug-device combination product. Tetra and Canopy will collaborate to prepare the data and certifications required to obtain marketing approval for the device component from the US FDA. As a result, the Mighty Medic will also be evaluated as part of the drug approval review process.

Tetra is focused on generating intellectual property including use, manufacturing, and innovative molecule protection. Earlier this year, Tetra has signed a co-development definite agreement with MAKScientific. This agreement provides Tetra with access to novel patented new molecules with CB1 and CB2 agonist or antagonist properties. In the long term, this agreement secures patented new drug candidates for Tetra to develop after CAUMZ™ and QIXLEEF™ receive marketing approval. MAKScientific is a recognized world leader in endocannabinoid research and drug development. MAKScientific has developed a pipeline of small molecule drugs that target the cannabinoid receptors (CB1 and CB2) as well as other targets implicated in the endocannabinoid system. Under this agreement, MAKScientific will develop new molecules that will be screened by Tetra for potential efficacy in various indications including cancer, pain and inflammation as well as other potential targets of interest to Tetra.

In the three months ending May 31, 2020, Tetra has continued to collect data on how the drug product behaves over time through its ongoing stability programs, information which is required for continued regulatory filings and which will be used to ultimately determine commercial storage conditions and shelf

life. Tetra has also conducted several additional R&D studies aimed at learning more about the content of the vapor produced by the CAUMZ™ kit, which will ultimately be used to inform formal GMP specifications for the finished drug product. Finally, Tetra has made significant progress on the design of its nonclinical toxicology programs and is currently engaging with Contract Research Organizations (CROs) to execute these programs.

At the date of this MD&A, further development on Fibromyalgia treatments remain a secondary focus for the Company and will be revisited following further advancements in the CAUMZ™.

Biopharmaceutical - Anticancer Segment

HCC-011 anticancer drug: Target Intended Uses

HCC-011 is being developed for the treatment of hepatocellular carcinoma, a form of liver cancer. HCC-011 is manufactured using the methods and modified specifications for CAUMZ™. The Company plans to use some of the SERENITY© clinical trial sites to minimize the clinical trial costs.

Early June 2020, Tetra completed a Type B meeting with the FDA during which, Tetra discussed the nonclinical safety and human clinical pharmacology, and the safety and efficacy requirements to seek marketing approval for HCC-011 as an anticancer treatment. The FDA agreed with Tetra's proposed nonclinical safety program to support the clinical development program and a New Drug Application (NDA). The FDA also agreed with Tetra that a food effect study is not required for HCC-011 as absorption mainly occurs in the lung and is therefore not affected by the liver first pass metabolism effect. This was also confirmed by Health Canada.

Several anticancer drugs have obtained accelerated approval by the FDA based on the outcome of a single arm trial. Tetra requested guidance from the FDA on this potential path, including the development of HCC-011 as an adjunct to Sorafenib, as the drug-drug combination may result in a superior outcome in patients. The FDA provided a response to the proposed trials and options. Tetra must demonstrate the effect of HCC-011 on tumor progression as a monotherapy before aiming for developing HCC-011 as an adjunct to Sorafenib. The FDA preferred an efficacy endpoint of Overall Survival for marketing applications seeking regular approval for the treatment of patients with advanced unresectable or metastatic HCC. In

addition, they stated that Progression-Free Survival (PFS) may be considered in support of regular or accelerated approval, depending on the magnitude of PFS improvement, provided that it is accompanied by an acceptable risk-benefit profile and no decrement in overall survival.

Over the last quarter, Tetra has continued to collect data on how the drug product behaves over time through its ongoing stability programs, information which is required for continued regulatory filings and which will be used to ultimately determine commercial storage conditions and shelf life.

PPP-004: Topical formulation of cannabinoids and Topical Programs

PPP-004 is a topical cream containing a 1:1 ratio of synthetic cannabinoids delta-9 tetrahydrocannabinol (THC) and cannabidiol (CBD) in strengths of 2%, 1%, and 0.5% w/v, with additional formulations containing CBD alone also planned. The base product for PPP-004 (THC and CBD) is a proprietary formulation utilizing Active Pharmaceutical Ingredients (APIs) sourced from qualified Good Manufacturing Practices (GMP) adherent manufacturers, and GRAS (generally regarded as safe) excipients from well-known suppliers. The cream will be packaged in a metered-dose, airless pump system, designed to deliver a consistent dose of API per actuation of the pump and to protect the APIs from known sources of degradation, namely light and oxygen.

In April 2020, Tetra received a U.S. FDA Orphan Drug Designations for PPP-004 (combination THC and CBD, and CBD alone) in the treatment of epidermolysis bullosa. Epidermolysis bullosa is a group of rare diseases that cause fragile, blistering skin and is associated with significant pain and reduced quality of life. Patient management is based on lifestyle changes and home care. If unsuccessful in the control of the signs and symptoms of this disease, further treatment will include medications, surgery and rehabilitation. Epidermolysis bullosa is a condition that commonly progresses despite treatment and can cause serious complications and death. PP004 will be used for management of pain and itch in EB, symptoms that, despite a range of current treatment strategies, significantly affect the quality of life and activities of daily living among EB patients.

The Orphan Drug Act, applicable only to the US market, was created to provide industry with incentives to develop drugs that are designed to treat, or prevent, diseases affecting fewer than 200,000 people in the United States. An application for Orphan Drug Designation (ODD) includes critical aspects such as, the

scientific mechanism of action for the drug's role in the target disease, the prevalence of the rare disease in the USA. Typically, the mechanistic rationale involves the company providing experimental data supporting the claim that its drug may be effective.

There are important financial benefits to corporations that follow an Orphan Drug development path. If granted, an ODD provides the drug with a status which gives exclusive marketing and development rights as well as financial benefits to help recover part of the costs of clinical development. More specifically a 50% tax credit on the cost of clinical trials performed in the USA, a 7 year marketing exclusivity following drug approval, a fast-track type approach to file and review submissions, waiver of the new drug approval fees (estimated at $3 million US), as well as other financial benefits.

As part of its ODD strategy, Tetra received in April 2020 its fourth Orphan Drug Designation for secondary cannabidiol (CBD) formulation of its cannabinoid topical drug PPP-004 in the treatment of epidermolysis bullosa.

Epidermolysis bullosa is a group of rare diseases that cause fragile, blistering skin and is associated with significant pain and reduced quality of life. Patient management is based on lifestyle changes and home care. If unsuccessful in the control of the signs and symptoms of this disease, further treatment will include medications, surgery and rehabilitation. Epidermolysis bullosa is a condition that commonly progresses despite treatment and can cause serious complications and death.

PPP-004 will be used for management of pain and itch in EB, symptoms that, despite a range of current treatment strategies, significantly affect the quality of life and activities of daily living among EB patients "Our preclinical research was completed for taking PPP-004 into human clinical trials. We have a vast experience in the development of topicals with the recent completion of two clinical trials with Awaye™; and expect to rapidly bring this product into trials. Dr. Melanie Kelly, CSO at Tetra Bio-Pharma Inc. confirmed that "In coming days, Tetra will be reaching out to physicians specialized in the treatment of this disease to discuss a potential proof of concept clinical trial".

PPP-002: OpioSpare©: Slow Release formulation of Dronabinol (co-development with IntelGenx)

There have been no developments with PPP-002 during the last three months ended.

Commercial Products and Product Pipeline

Natural Health and OTC Drug Segment

The Company's natural health segment and over-the-counter ("OTC") product will be commercialized by Tetra's subsidiary, Lumiera Health Innovations Inc. Lumiera specializes in commercialization non-cannabinoid-based products for natural health stores and pharmacy self-care within Canada. The Company's NHP 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.
- AWAYE™ PLUS: A topical cream aimed at targeting pain associated with conditions such as post-herpetic neuralgia and/or diabetic neuropathy.
- AWAYE™ *Cold Sore*: A topical cream for the relief of symptoms associated with cold sores and oral herpes.

The OTC portfolio in constituted with 2 DIN OTC products:

- TERPACAN™ Hemorrhoids: a cream containing Beta C + Benzocaine + Phenylephrine 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.

TERPACAN™

Lumiera's OTC drug product line was created to bring self-care therapies to pharmacies and their consumers. Lumiera is now fully focused on the commercialization of these products and is finalizing a commercial supply agreement and a sales representatives' agreement with a contract sales organization

to provide Lumiera with the required manufacturing and sales forces to effectively launch and market the DIN products in Canada.

As at the date of this MD&A, Lumiera entered into an agreement with a Canadian commercial sales organization, Norrizon Sales & Marketing Group Inc. ("Norrizon") for the commercial representation of the the TERPACAN™ line into pharmacy retail channels across Canada. Lumiera will benefit from the expertise of Norrizon, and proven sales record to represent the Company's OTC drug portfolio.

In preparation for commercialization of the TERPACAN™ line with Norrizon, Lumiera has also established a manufacturing capacity development with DeltaPharma in order to be able to produce commercial lots for a Q3 2020 product launch.

Due to the COVID-19 pandemic Lumiera has temporarily halted its mandate to expand the TERPACAN™ line to the United States. The Company has decided to focus on the above domestic commercialization of its TERPACAN™ line and will only entered into discussions with a potential manufacturing partner to secure commercial supply, although there is no assurance that such discussions will allow the Company to secure commercial supply in the United States at a later time.

AWAYE™

The AWAYE™ product line was originally developed by Panag Pharma Inc based on proprietary information supporting the use that a non-cannabinoid ingredient activated the body's CB2 receptors in the endocannabinoid system to relieve pain. Under the Natural Health Product regulations, complementary activity was claimed for the role of the other medicinal ingredients role in activating the TRPV1 receptors to reduce pain transmission.

As at the date of this MD&A, Lumiera entered into an agreement with a Canadian commercial sales organization, Norrizon Sales & Marketing Group Inc. ("Norrizon") for the commercial representation of the the AWAYE™ line into pharmacy retail channels across Canada. Lumiera will benefit from the expertise of Norrizon, and proven sales record to represent the Company's natural health product portfolio.

In preparation for commercialization of the AWAYE™ line with Norizzon, Lumiera has also established a

manufacturing capacity development with DeltaPharma in order to be able to produce commercial lots for a Q3 2020 product launch.

The company signed a service agreement with a Canadian natural health products distributor. This agreement will strengthen logistic and order fulfillment capacity for Lumiera, in order to support sales generated through health food stores segment and online sales platforms.

COVID-19 impact

Due to the impact of the COVID-19 globally pandemic, companies in the healthcare industries had to re-purpose their production and distribution to focus on essential medical goods, which has resulted in delays in getting ingredients from abroad that were required in the manufacturing of certain Lumiera products. During the three months ended May 31, 2020, management has been able to source smaller quantities of these ingredients and has continued manufacturing activities on a smaller scale with first commercial lots to be ready in late Q3 2020.

OVERALL PERFORMANCE AND SELECT FINANCIAL INFORMATION

As at May 31, 2020, the Company had a working capital surplus of $16,263,110 (November 30, 2019 – $1,467,889), including $16,517,767 (November 30, 2019 - $2,037,599) in cash, assets held for sale $3,764,831 (November 30, 2019 – 2,920,112) and current liabilities totalling $4,668,581 (November 30, 2019 - $3,916,169) of which, liabilities directly related to the assets held for sale represents $2,059,991 (November 30, 2019 - $2,002,049). By the nature of its business as a pharmaceutical company principally focused on identification, development and commercialization of drug candidates, the Company must always secure additional financing to be able to fund its ongoing clinical trials. As such, management is evaluating, on an ongoing basis, various alternatives to secure financing to ensure that the Company is able to continue as a going concern. Nevertheless, there is no assurance that these initiatives will be successful.

The following discussion of the Company's financial performance is based on the unaudited condensed consolidated interim financial statements ("financial statements") for the three and six ended May 31, 2020.

Financial Position as at	**May 31, 2020**	November 30, 2019
	$	$
Cash	**16,517,767**	2,037,599
Accounts and sales tax receivable	**337,438**	294,085
Prepaid expenses	**311,655**	132,262
Assets held for sale	**3,764,831**	2,920,112
Equipment	**276,161**	227,316
Intangible assets	**23,325,896**	22,956,273
Equity method investment	**302,513**	-
Accounts payable and accrued liabilities	**(2,608,590)**	(1,914,120)
Liabilities directly related to the assets held for sale	**(2,059,991)**	(2,002,049)
Total equity	**40,167,680**	24,651,478

Assets held for sale and liabilities directly related to the assets held for sale

During the year ended November 30, 2019, the Company began strategic reorganization of its business pursuant to which management decided to divest of the hemp energy drink business unit and as a result, the assets relating to the hemp energy drink unit have been reclassified as held for sale on the Unaudited Condensed Consolidated Interim Statements of Financial Position. As at May 31, 2020, the Company designated $3,764,831 (November 30, 2019 - $2,920,112) as assets held for sale and $2,059,991 (November 30, 2019 - $2,002,049) of current liabilities as liabilities directly relating to assets held for sale (refer to the significant transactions section of this MD&A for more detail).

Intangible assets

Carrying amount	Natural Health Product numbers $	Clinical trials $	Licenses $	Total $
Balance as at November 30, 2018	201,600	7,687,090	750,000	8,638,690
Transferred on acquisition of intellectual property	-	250,000	(250,000)	-
Acquired as part of Panag transaction	1,676,238	12,842,945	-	14,519,183
Assets reclassified as assets held for sale	(198,000)	-	-	(198,000)
Amortization expense	(3,600)	-	-	(3,600)
Balance as at November 30, 2019	**1,676,238**	**20,780,035**	**500,000**	**22,956,273**
Acquired during the period	-	-	397,560	397,560
Amortization expense	(27,937)	-	-	(27,937)
Balance as at May 31, 2020	**1,648,301**	**20,780,035**	**897,560**	**23,325,896**

Natural Health product numbers

As at May 31, 2020, the Company incurred $Nil (November 30, 2019 - $1,676,238) in additional costs related to the acquisition of natural health product numbers. As of the date of this MD&A, and as discussed in the "*Commercial Products and Product Pipeline*" section, a third NPN was granted by Health Canada on March 30, 2020.

A natural product number is an eight-digit number located on natural health products legally licensed for sale in Canada. The Company acquired all formulations, raw material supplier information, trade secrets and intellectual property relative to the natural product numbers. The natural product numbers will be amortized on a straight-line basis over their estimated useful life of 15 years once they are ready for use. As at May 31, 2020, the commercialization of the AWAYE™ product line was underway and as a result management had assessed that the natural health products were now ready for their intended use and has commenced depreciation of these assets. During the three and six months ended May 31, 2020 the Company recorded a depreciation expense of $Nil (2019 - $Nil) and $27,937 (2019 - $Nil) respectively.

Clinical Trials

As at May 31, 2020, the Company has 8 ongoing clinical trials including the 6 clinical trials that were acquired as part of its acquisition of Panag on May 1, 2019. The ongoing clinical trials consist of the Company's SERENITY© trial for cancer cachexia, REBORN© trial for breakthrough pain, PLENITUDE© trial for advanced cancer, PPP-003 trial for painful dry eye and uveitis pain, PPP-004 for pain and inflammation, HCC-011 trial for hepatocellular carcinoma as well as 2 other early stage trials acquired as part of the Panag

transaction. As at May 31, 2020, the Company incurred $Nil (November 30, 2019 - $12,842,945) in additional clinical trial acquisition costs. There were no impairments or dispositions of clinical trial intellectual property in the six months ended May 31, 2020.

Licenses

As at May 31, 2020, the Company incurred $397,560 (November 30, 2019 - $Nil) in additional costs related to the acquisition of licenses. As at May 31, 2020, the Company has 2 active licenses as described below:

- A development and commercialization license of a Dronabinol XL Tablet licensed from IntelGenx Corp. See description for PPP-002 in the "*Biopharmaceutical Products Pipeline*" section for additional information. As at May 31, 2020, the Company incurred $Nil (November 30, 2019 - $Nil) in additional costs.
- An exclusive license to use Vitiprints LLC.'s printing technology for commercial manufacturing of CAUMZ™. Refer to the disclosure made on "*February 13, 2020*" in the section ***Recent Announcements*** for additional information regarding the exclusive licensing agreement with Vitiprints LLC. The milestones and royalty payments related to the agreement are disclosed in the "*Commitments and Contingencies*" section. As at May 31, 2020, the Company has incurred $397,560 (November 30, 2019 - $Nil).

Equipment

During the period ended May 31, 2020, the Company purchased $65,050 (November 30, 2019 - $254,800) of equipment required to produce test lots of the CAUMZ™ drug as required for the ongoing phase 3 clinical trials.

Shareholders' equity

Shareholders' equity is comprised of share capital of $71,045,623 (November 30, 2019 - $56,420,190), warrants of $20,845,481 (November 30, 2019 - $12,568,888), contributed surplus of $4,709,872 (November 30, 2019 - $3,747,899), and accumulated deficit of $56,433,296 (November 30, 2019 - $48,085,499) for a net surplus of $40,167,680 (November 30, 2019 - $24,651,478).

As at May 31, 2020, 281,832,606 (November 30, 2019 – 212,839,511) Common Shares were issued and outstanding. Refer to the Outstanding Share Data section of this MD&A for more detail on the issuance of Common Shares for the six months ended May 31, 2020.

RESULTS OF OPERATIONS

The following is an analysis of the results of operations for the three and six months ended May 31, 2020 compared to the three and six months ended May 31, 2019.

	Three months ended May 31,		**For the six months May 31,**	
	2020	2019	**2020**	2019
	$	$	**$**	$
Expenses				
Research and development	**1,858,022**	1,546,899	**3,531,232**	3,276,244
Stock based compensation	**117,943**	21,951	**344,679**	123,389
General and administrative expense	**2,489,209**	2,193,593	**5,119,912**	4,004,337
Share of loss of investment accounted for using the equity method	**9,987**	-	**9,987**	-
Net loss from continuing operations	**4,475,161**	3,762,443	**9,005,810**	7,403,970
Net (income) from discontinued operations	**220,803**	(487,486)	**(658,013)**	(487,486)
Net loss and total comprehensive loss	**4,695,964**	3,274,957	**8,347,797**	6,916,484

During the three and six months ended May 31, 2020, the Company reported a net loss from continuing operations before other items of $4,475,161 (May 31, 2019 - $3,274,957) and $9,005,810 (May 31, 2019 - $7,403,970), respectively. For discontinued operations, the Company reported a net loss of $220,803 (May 31, 2019 – income of $487,486) and income of $658,013 (May 31, 2019 – income of $487,486), respectively.

Research and development expenses

During the three and six months ended May 31, 2020, Tetra continued its drug development programs, which has resulted in comparable research and development ("R&D") expenses. As the Company's clinical trials progress through the various phases, the costs to complete each phase becomes significantly larger. Tetra's R&D expenses for the three and six months ended May 31, 2020, represent approximately 39% of Tetra's total cash expenses for the same period in the previous year. For the three and six months ended May 31, 2020, R&D on the various projects totalled $1,858,022 (May 31, 2019 – $1,546,899) and

$3,531,232 (May 31, 2019 – $3,276,244) respectively, an increase of $311,123 and $254,988 compared to the same period in the previous year.

Stock-based compensation (non-cash expense)

For the three and six ended May 31, 2020, stock-based compensation, a non-cash expense, increased by $95,992 and $221,290, respectively, compared to the same periods ended May 31, 2019. Stock-based compensation expense is based on the Black-Scholes value attributed to the number of options granted by the Company during the period as well as any options that were granted in a previous period but vested in the current period. During the period ended May 31, 2020, the Company granted a total of 1,200,000 options of which 925,000 were vested during this period. The vested options had a grant date fair value of $344,679 compared to 450,000 stock options vested during the period ended May 31, 2019 with a grant date fair value of $123,389.

General and administrative expenses

General and administrative expenses increased by $295,616 and $1,115,575 for the three and six months ended May 31, 2020, respectively, when compared to same periods in 2019. Refer to the table and explainations below for a detailed variance analysis of the general and administrative expenses.

	Three months ended May 31,		**Six months ended May 31,**	
	2020	2019	**2020**	2019
	$	$	**$**	$
Management fees	**-**	26,970	**145,851**	163,452
Payroll and benefits	**1,169,599**	1,027,006	**2,406,529**	1,463,680
Professional fees	**707,003**	194,342	**1,041,454**	709,670
Exchange and regulatory fees	**90,941**	59,706	**181,698**	92,976
Foreign exchange loss	**68,195**	93,302	**79,967**	244,887
Other income and interest	**(23,049)**	(28,340)	**(56,629)**	(61,760)
Travel and promotion expense	**276,752**	705,275	**903,661**	909,978
Amortization of equipment	**8,892**	-	**16,205**	-
Amortization of intangible assets	**27,937**	-	**27,937**	-
Fees for termination of a contract	**-**	-	**-**	250,000
General and administrative	**162,939**	115,332	**373,239**	231,454
Total	**2,489,209**	2,193,593	**5,119,912**	4,004,337

1- Management fees and Payroll and benefits combined increased by $115,623 and $925,248 for the three and six months ended May 31, 2020 compared to the three and six months ended May 31, 2019, respectively. The cost increase correlates with Tetra's expansion of its professional workforce to 33 employees during the six months ended May 31, 2020 compared to 20 employees during the 6 months ended May 31, 2019. In addition, in Q2-2020, payroll and benefits expenses include severance payments of approximately $80,000 for employees that were laid off by the Company in May 2020 due to the COVID-19 Pandemic. In comparison, in Q2-2019, the Company incurred severance payments of $350,000 for the three months ended May 31, 2019.

2- Travel and promotion expenses decreased by $428,523 and $6,317 for the three and six months ended May 31, 2020 compared to the three and six months ended May 31, 2019, respectively. The Q2 savings in Travel and Promotion are due to global and domestic travel bans related to the COVID-19 Pandemic. Furthermore, the Company took the COVID- 19 pandemic as an opportunity to cease all nonessential travel and promotion expenditures in Q2 and upcoming quarters. The six months savings in 2020 are significantly lower than the savings incurred in Q2-2020 vs. Q2-2019. This variance is explained by the increased travel and promotion fees in Q1-2020 involved in closing February's Bought Deal financing.

3- Professional fees increased by $512,661 and $331,784 for the three and six months ended May 31, 2020 compared to the three and six months ended May 31, 2019, respectively. The increase in professional fees is due to the filing of two prospectuses and the closing of multiple financings in which the Company raised over $26.6 million dollars. The company did not incur similar costs in the six months ended May 31, 2019.

4- Exchange and regulatory fees increased by $31,235 and $88,722 for the three and six months ended May 31, 2020 compared to the three and six months ended May 31, 2019, respectively. The increase in fees is primarily due to the over-allotment closing in March in connection with the February's Bought Deal financing, the filing of the Base Shelf Prospectus in April and the closing of the overnight public offering in May. There were no similar transactions in 2019.

5- Fees for termination of contract decreased by $Nil and $250,000 for the three and six months ended May 31, 2020 compared to the three and six months ended May 31, 2019, respectively. Tetra incurred a one time penalty of $250,000 for terminating a contract in Q1 2019. There were no similar contract terminations in 2020.

6- General and administrative fees increased by $47,607 and $141,785 for the three and six months ended May 31, 2020 compared to the three and six months ended May 31, 2019, respectively. The increase is due to a greater number of employees and projects compared to the three and six month comparative figures, which has translated into increased expenditure in: insurance, permits and licenses, IT services and material and general office expenses for the three and six months ended May 31, 2020.

Discontinued operations

The gain from discontinued operations for the six months ended May 31, 2020, represents the activity associated with the Hemp Energy Drink business, which was classified as held for sale during the year ended November 30, 2019. There were no discontinued operations during the three and six months ended May 31, 2019.

SELECTED QUARTERLY INFORMATION

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

(In $ for stated values, except per share amounts)	Q2, 2020	Q1, 2020	Q4, 2019	Q3, 2019	Q2, 2019	Q1, 2019	Q4, 2018	Q3, 2018
Revenues from continued operations	-	-	-	-	1,320,213 [(1)]	-	112,320 [(1)]	-
Net loss from continued operations	**4,475,161**	4,530,649	3,267,989	3,349,604	3,643,327	3,985,414	4,531,354	(1,851,898)
Net loss (gain) from discontinued operations	**220,803** [(1)]	(878,816) [(1)]	546,941 [(1)]	489,658 [(1)]	-	-	-	-
Net loss (earnings) per share, basic and diluted, from continuing operations	**0.02**	0.02	0.02	0.02	0.02	0.02	0.03	(0.01)

Net loss per share, basic and diluted, from discontinued operations	-	-	-	-	-	-	-	-

(1) During the year November 30, 2019, the Company has reclassified the hemp energy drink business as held for sale and as a result all related revenues and expenses have been reclassified as discontinued operations and are no longer reflected in the financial statements as revenue from continued operations. Prior year's revenues and expenses were not restated as "Net loss from discontinued operations".

Fluctuation in operating results

The Company anticipates that its quarterly and annual results of operations will be impacted for the foreseeable future by several factors including: the timing and launch of new products, the advancement of the company's research and development including any milestones and other payments made pursuant to current and future arrangements.

OFF BALANCE SHEET TRANSACTIONS

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

PROPOSED TRANSACTIONS

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

LIQUIDITY AND CAPITAL RESOURCES

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to achieve optimal returns to shareholders and benefits for other stakeholders. The Board does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business. The Company considers its capital to be equity attributable to equity holders, which is comprised of share capital, reserves and surplus which totalled $40,167,680 as at May 31, 2020 (November 30, 2019 – $24,651,478).

The Company currently has no operating revenues from continued operations and relies primarily on equity financing. As at May 31, 2020, the Company had assets of $44,836,261 (November 30, 2019 - $28,567,647) and a working capital surplus of $16,263,110 (November 30, 2019 – $1,467,889).

On May 22, 2020, the Company completed a public offering, for a total of 35,191,000 units, each consisting of one Common Share and one Common Share purchase warrant at a price of $0.26 per unit, for aggregate gross proceeds of $9,149,660. Each warrant entitles the holder thereof to purchase one Common Share at a price of $0.32 until May 22, 2023.

On February 13, 2020, the Company closed a short form prospectus offering, for a total of 29,245,300 units, each consisting of one Common Share and one Common Share purchase warrant at a price of $0.53 per unit, for aggregate gross proceeds of $15,500,009. Each warrant entitles the holder thereof to purchase one Common Share at a price of $0.75 until February 13, 2023.

In connection with this short form prospectus offering, on March 5, 2020, the Company closed the over-allotment option granted to the underwriter, for a total of 4,386,795 units, each consisting of one Common Share and one Common Share purchase warrant at a price of $0.53 per unit, for aggregate gross proceeds of $2,325,001. Each warrant entitles the holder thereof to purchase one Common Share at a price of $0.75 until February 13, 2023.

Accordingly, as at the date of this MD&A, management believes that the Corporation's cash balance is sufficient to meet its general working capital requirements and contractual obligations for the next 12 months, however, to complete the subsequent phases of its various ongoing clinical trials, the Company will require additional long-term funding.

On April 1, 2020, the Company filed a final short form base shelf prospectus with the securities commissions in each of the provinces of Canada. The base shelf prospectus will allow Tetra and certain of its security holders to qualify the distribution by way of prospectus of up to $50,000,000 of Common Shares, warrants, units, debt securities, subscription receipts, or any combination thereof, from time to time during the 25-month period that the shelf prospectus is effective.

The Company intends to use any future proceeds from the sale of its securities under the short form base shelf prospectus to fund long term clinical trials capital requirements.

LITIGATION

The Company operates in an industry in which, from time to time, it may be named as a party to claims or involved in proceedings, including legal, regulatory and tax related, in the ordinary course of its business. While the outcome of these matters may not be estimable at period end, the Company makes provisions, where possible, for the estimated outcome of such claims or proceedings. Should a loss result from the resolution of any claims or proceedings differ from these estimates, the difference will be accounted for as a charge to net income (loss) in that period.

As at May 31, 2020, and November 30, 2019, management was not aware of any pending or actual claims outstanding against the Company.

COMMITMENTS AND CONTINGENCIES

Milestones in acquisition of Panag

The Agreement for the acquisition of Panag contemplates the payment by the Company to the Vendors of an aggregate amount of up to $15,000,000 in cash in milestone payments upon achievement of certain operational targets associated with marketing approvals and commercialization of both human and veterinary drug products by FDA and the European Medicines Agency (EMA). The Company is committed to fund Panag's research in an amount no less than $1,200,000 annually until 2029. If this funding commitment is not met the $15,000,000 in milestone payment become due and payable immediately. In addition, in the event of a change of control of the Company prior to May 1, 2021, the vendors would be entitled to receive from Tetra an additional $10,000,000. As a triggering event has not yet taken place, the contingent payments have not been reflected in these financial statements.

Contingent payments

The Company is party to certain management and employment contracts. These contracts require that additional payments of approximately $1,944,000 be made upon termination without cause. As a

triggering event has not taken place, the contingent payments have not been reflected in these financial statements.

The Company is party to several contracts related to the research and development of its products. As a result of these contracts the company is committed to future payments of approximately $146,000 which are payable as the contractual services are performed. These services are expected to be performed over the next two years.

The Company is party to several agreements for the research, development and potential commercialization of its products. Potential milestone payments that would become payable upon the achievement of certain research and development milestones approximates $5,050,000 and US$3,000,000 (CAD$4,028,700). Potential milestone payments may become payable upon the achievement of certain commercialization milestones. As a triggering event has not taken place, the contingent payments have not been reflected in these financial statements.

RELATED PARTY TRANSACTIONS

Transactions with key management personnel

	Three months ended		**Six months ended**	
	May 31, 2020	May 31, 2019	**May 31, 2020**	May 31, 2019
	$	$	**$**	$
Management and professionnal fees	**185,000**	17,083	**613,833**	68,333
Payroll and benefits	**397,658**	336,402	**774,637**	627,148
	582,658	353,485	**1,388,470**	695,481
Stock-based compensation	**117,943**	21,951	**344,679**	123,389
	700,601	375,436	**1,733,149**	818,870

Included in management and professional fees, are consulting fees of $230,500 (May 31, 2019 – $12,250) which were paid to 9315-4466 Quebec Inc., a company controlled by a senior officer of one of Tetra's subsidiaries during the six months ended May 31, 2020. As at May 31, 2020, there was a balance of $Nil (May 31, 2019 - $Nil) owing.

OUTSTANDING SHARE DATA

Authorized: the authorized share capital consists of an unlimited number of Common Shares each with no par value.

	Common share continuity schedule
Balance, November 30, 2019	**212,839,511**
Shares issued in bought deal	29,245,300
Shares issued from exercised over-allotment in bought deal	4,386,795
Shares issued in public offering	35,191,000
Shares issued as part of warrants exercised	170,000
Balance, May 31, 2020	**281,832,606**

2020 Fiscal year issuances

A) On May 22, 2020, the Company completed a public offering deal for aggregate gross proceeds of $9,149,660. A total of 35,191,000 units were sold at a price of $0.26 per unit. Each unit consists of one common share and one transferable common share purchase warrant, with a whole warrant entitling the holder to purchase one common share of the Company at a price of $0.32 per share for a period of 3 years following the closing date.

The 35,191,000 warrants issued in connection to the public offering deal listed above have been recorded at an estimated value of $2,902,972 using the proportional method based on the Black Scholes option pricing model, with the following assumptions: share price of $0.18, an average exercise price of $0.32, risk free interest rate of 0.28%, expected life of 3 years, expected volatility rate of 95% (based on the Company's historical volatility for 3 years up to the issuance date) and expected dividend rate of 0%.

In connection with this public offering deal, the Company paid an agent's fee of $640,476 and in addition, issued 2,463,370 agent's warrants as commission, with a whole warrant entitling the holder

to purchase one common share of the Company at a price of $0.26 per share for a period of 2 years following the closing date.

The 2,463,370 compensation warrants listed above have been recorded at an estimated value of $195,265 based on the Black Scholes option pricing model, using the following assumptions: share price of $0.18, an average exercise price of $0.26, risk free interest rate of 0.28%, expected life of 2 years, expected volatility rate of 103% (based on the Company's historical volatility for 2 years up to the issuance date) and expected dividend rate of 0%.

B) In connection with the short form prospectus offering, on March 5, 2020, the Company closed the over-allotment option for aggregate gross proceeds of $2,325,001. A total of 4,386,795 units were sold at a price of $0.53 per unit. Each unit consists of one common share and one transferable common share purchase warrant, with a whole warrant entitling the holder to purchase one common share of the Company at a price of $0.75 per share for a period of 3 years following the closing date.

The 4,386,795 warrants issued in connection to the short form prospectus offering deal listed above have been recorded at an estimated value of $708,608 using the proportional method based on the Black Scholes option pricing model, with the following assumptions: share price of $0.37, an average exercise price of $0.75, risk free interest rate of 1.52%, expected life of 3 years, expected volatility rate of 93% (based on the Company's historical volatility for 3 years up to the issuance date) and expected dividend rate of 0%.

In connection with this short form prospectus over-allotment option, the Company paid an agent's fee of $162,750 and in addition issued 307,076 agent's warrants as commission, with a whole warrant entitling the holder to purchase one common share of the Company at a price of $0.75 per share for a period of 3 years following the closing date.

The 307,076 compensation warrants listed above have been recorded at an estimated value of $49,603 based on the Black Scholes option pricing model, using the following assumptions: share price of $0.37, an average exercise price of $0.75, risk free interest rate of 1.52%, expected life of 3 years,

expected volatility rate of 93% (based on the Company's historical volatility for 3 years up to the issuance date) and expected dividend rate of 0%.

C) On February 13, 2020, the Company completed a short form prospectus offering on a bought deal basis for aggregate gross proceeds of $15,500,009. A total of 29,245,300 units were sold at a price of $0.53 per unit. Each unit consists of one common share and one transferable common share purchase warrant, with a whole warrant entitling the holder to purchase one common share of the Company at a price of $0.75 per share for a period of 3 years following the closing date. The Company's related parties have purchased a total of 332,000 units for aggregate gross proceeds of $175,960.

The 29,245,300 warrants issued in connection to the bought deal listed above have been recorded at an estimated value of $4,724,054 using the proportional method based on the Black Scholes option pricing model, using the following assumptions: share price of $0.37, an average exercise price of $0.75, risk free interest rate of 1.52%, expected life of warrants of 3 years, expected volatility rate of 93% (based on the Company's historical volatility for 3 years up to the issuance date) and expected dividend rate of 0%.

In connection with this bought deal, the Company paid an agent's fee of $1,085,001 and in addition, issued 2,047,171 agent's warrants as commission, with a whole warrant entitling the holder to purchase one common share of the Company at a price of $0.75 per share for a period of 3 years following the closing date.

The 2,047,171 compensation warrants listed above have been recorded at an estimated value of $330,683 based on the Black Scholes option pricing model, using the following assumptions: share price of $0.37, an average exercise price of $0.75, risk free interest rate of 1.52%, expected life of 3 years, expected volatility rate of 93% (based on the Company's historical volatility for 3 years up to the issuance date) and expected dividend rate of 0%.

D) During the period ended May 31, 2020, a total of 170,000 warrants were exercised for gross proceeds of $68,000. The warrants had an average exercise price of $0.40 and an expiry of August 2, 2022.

OUTSTANDING SECURITIES

As at May 31, 2020, the outstanding securities are as follow:

Securities	Expiry Date	Range of Exercise Price	Number of Securities Outstanding
Common Shares	-	-	281,832,606
Options	Up to February 18, 2023	$0.20 to $0.75	4,110,000
Warrants	Up to May 22, 2023	$0.26 to $1.30	125,520,222

The number of outstanding warrants which could be exercised for an equivalent number of Common Shares is as follows:

Number of warrants	Grant date fair value	Exercise price	Expiry date
	$	$	
11,500,000	4,683,395	1.30	March 5, 2021
4,292,000	1,747,795	1.30	March 29, 2021
6,900,000	2,613,352	1.29	November 30, 2021
1,654,078	82,444	0.40	July 12, 2021
2,463,370	195,265	0.26	May 22, 2022
26,833,332	2,736,082	0.40	July 12, 2022
700,100	71,228	0.40	August 2, 2022
29,245,300	4,724,054	0.75	February 13, 2023
2,047,171	330,683	0.75	February 13, 2023
4,386,795	708,608	0.75	February 13, 2023
307,076	49,603	0.75	February 13, 2023
35,191,000	2,902,972	0.32	May 22, 2023
125,520,222	**20,845,481**		

2020 stock options activity

On January 29, 2020, 1,000,000 stock options were granted to a consultant of the Company. The stock options are exercisable at $0.50 and expire January 29, 2025. The stock options have been recorded at a value of $424,621 based on the Black Scholes option pricing model using the following assumptions: a share price of $0.50, an average exercise price of $0.50, risk free interest rate of 1.38%, expected life of stock option of 5 years, expected volatility rate of 127% (based on the Company's historical volatility for 5 years up to the issuance date) and expected dividend rate of 0%.

On February 18, 2020, 200,000 stock options were granted to a consultant company. The stock options

are exercisable at $0.42 and expire February 18, 2023. The stock options have been recorded at a value of $49,457 based on the Black Scholes option pricing model using the following assumptions: a share price of $0.42, an average exercise price of $0.42, risk free interest rate of 1.37%, expected life of stock option of 3 years, expected volatility rate of 93% (based on the Company's historical volatility for 3 years up to the issuance date) and expected dividend rate of 0%.

The vesting terms for these 200,000 options are as follow: 50,000 options on February 18, 2020, 50,000 options on May 18, 2020, and 100,000 options upon a successful listing of Tetra's common shares on the NASDAQ exchange.

Unvested options

As at May 31, 2020, the Company has 133,334 issued and outstanding but unvested stock options. The stock options have been valued at $35,032 based on the Black Scholes option pricing model at the time the options were granted. The Company has not yet recorded a stock-based compensation expense for these options as they have not vested during the current period.

Expired and forfeited options

On May 26, 2020, 250,000 stock options granted on January 29, 2020, to a consultant of the Company were forfeited based on the resignation of the Company's President. The stock options were exercisable at $0.50 and had an expiry date of January 29, 2025. The forfeited stock options had a value of $106,155 based on the Black Scholes option pricing model.

On May 14, 2020, 275,000 stock options previously granted to a former officer of the Company expired. The stock options were exercisable at $0.71 and had an original expiry date of July 24, 2021, which was accelerated to May 14, 2020 due to the retirement of the officer. The expired stock options had a value of $172,635 based on the Black Scholes option pricing model.

On May 1st, 2020, 75,000 stock options granted to an officer of the Company were forfeited. The stock options were exercisable at $0.69 and had an expiry date of December 24, 2022. The forfeited stock options had a value of $41,961 based on the Black Scholes option pricing model.

On March 22, 2020, 200,000 stock options previously granted to an officer of the Company expired. The

stock options were exercisable at $0.71 and had an original expiry date of July 24, 2021, which was accelerated to March 22, 2020 due to the termination of the consulting agreement with the officer. The expired stock options had a value of $125,553 based on the Black Scholes option pricing model.

During the three and six months ended May 31, 2020, the Company realized and recorded as a non-cash expense, in the profit or loss of $117,943 (May 31, 2019 - $21,951) and $344,679 (May 31, 2019 - $123,389), respectively, relating to stock options which vested in the current period.

The number of outstanding options which could be exercised for an equivalent number of Common Shares is as follows:

Options outstanding	Options unvested	Options vested	Grant date fair value	Exercise price	Expiry date
			$	$	
110,000	-	110,000	7,819	0.20	October 22, 2020
750,000	-	750,000	318,466	0.50	May 26, 2021
1,800,000	-	1,800,000	1,134,086	0.71	July 24, 2021
450,000	-	450,000	288,000	0.70	February 23, 2022
400,000	-	400,000	220,809	0.75	April 4, 2022
100,000	33,334	66,666	20,677	0.32	August 15, 2022
225,000	-	225,000	125,882	0.69	December 24, 2022
75,000	-	75,000	55,648	0.69	February 8, 2023
200,000	100,000	100,000	49,457	0.42	February 18, 2023
4,110,000	**133,334**	**3,976,666**	**2,220,844**		

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value

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

Categories of financial instruments

	May 31, 2020	November 30, 2019
	$	$
Financial assets:		
Amortized cost		
Cash	**16,517,767**	2,037,599
Financial liabilities		
Amortized cost		
Accounts payable and accrued liabilities	**(2,608,590)**	(1,914,120)

Financial instruments measured at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs). As at May 31, 2020 and November 30, 2019, the Company does not have any financial instruments recorded at fair value which would require classification in the fair value hierarchy.

RISK FACTORS

The Company's overall performance and results of operations are subject to a number of risks and uncertainties.

Risks relating to Tetra and its Business

The Company's financial statements for the period ended May 31, 2020 show recurring operating losses and negative cash flows which may have an adverse effect on its relationships with current and future collaborators, contract suppliers and investors.

Operating Risk

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 Regulatory Officer, Dr. Guy Chamberland.

The loss of the services of one or more of these individuals could harm Tetra's business due to Tetra's inability to offer compensation packages that are competitive or secure the retention of these key employees.

Tetra's success will depend largely on its continuing ability to attract, develop and retain skilled employees and consultants in our business through competitive compensation packages. 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.

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. These competitors pose a significant risk of Tetra's risk of loss of key personnel as they would be able to offer Tetra employees more attractive compensation packages that Tetra would not be able to match.

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.

Financial risk

The Company's activities expose it to a variety of financial risks in relation to financial instruments. The financial assets and liabilities by category are summarized in Note 18 of the financial statements for the period ended May 31, 2020. The main types of risks are credit risk and liquidity risk.

Risk management is carried out by the Company's management team under policies approved by the Board. The Board also provides regular guidance for overall risk management.

Credit risk

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

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

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at May 31, 2020, the Company had cash of $16,517,767 (November 30, 2019 -

$2,037,599) and current liabilities of $4,668,581 (November 30, 2019 - $3,916,169) of which, liabilities directly related to the assets held for sale represents $2,059,991 (November 30, 2019 - $2,002,049). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

The ability to generate revenue sufficient to sustain the operations of the Company and provide positive cash flow from operations depends upon the ability to successfully commercialize its intellectual property or other product candidates that the Company develops or acquires in the 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; including but not limited to EMA;
- 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 governmental payers;
- setting a commercially viable price for any approved products; and
- being supported in pain clinical practice guideline (CPG's).

Any doubt about the Company'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 Company to obtain financing. Any doubt about the Company's ability to continue as a going concern may also adversely affect the Company'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 Company or potential investors decline to participate in any future financings due to such concerns, the Company's ability to increase its financial resources may be limited. The Company has prepared its financial statements on a going concern basis, which assumes that the Company will be able to meet its commitments, realize its assets and discharge its liabilities in the normal course of business. The Company'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

COVID-19 Pandemic its impact and influence on our guidance

The spread of COVID-19 has affected segments of the global economy and may affect our operations, including the potential interruption of our clinical trial activities and our supply chain. The recent outbreak of COVID-19 originated in Wuhan, China, in December 2019 and has since spread to multiple countries. While the Company has not yet experienced delays in its clinical trials or delays or disruptions in our supply chain, the continuing COVID-19 crisis may result in a period of business disruption, including significant

delays in our clinical trials or delays or disruptions in our supply chain. In addition, there could be a potential effect of COVID-19 to the business at FDA, Health Canada, EMA or other health authorities, which could result in delays of reviews and approvals, including with respect to our product candidates. The continuing COVID-19 crisis could adversely affect our clinical trial operations in Canada and elsewhere, including our ability to recruit and retain patients and principal investigators and site staff who, as healthcare providers, may have heightened exposure to COVID-19 if an outbreak occurs in their geography. Further, some patients may be unable to comply with clinical trial protocols if quarantines or travel restrictions impede patient movement or interrupt healthcare services, or if the patients become infected with COVID-19 themselves, which would delay our ability to conduct clinical trials or release clinical trial results. COVID-19 may also affect employees of third-party contract research organizations located in affected geographies that we rely upon to carry out our clinical trials, which could result in inefficiencies due to reductions in staff and disruptions to work environments. The spread of COVID-19, or another infectious disease, could also negatively affect the operations at our third-party manufacturers or suppliers, which could result in delays or disruptions in the supply of our product candidates. In addition, we may take temporary precautionary measures intended to help minimize the risk of the virus to our employees, including temporarily requiring all employees to work remotely, suspending all non-essential travel worldwide for our employees, and discouraging employee attendance at industry events and in-person work-related meetings, which could negatively affect our business. We cannot presently predict the scope and severity of any potential business shutdowns or disruptions. If we or any of the third parties with whom we engage, however, were to experience shutdowns or other business disruptions, our ability to conduct our business in the manner and on the timelines presently planned could be materially and negatively affected, which could have a material adverse impact on our business and our results of operation and financial condition.

While the SERENITY©, QIXLEEF™, CAUMZ™ and REBORN© drug development programs remain short-term priorities, current and prospective investors are cautioned that such programs may be delayed or disrupted by the current COVID-19 pandemic. Although the Company has not yet experienced any significant delays or disruptions in its business activities as a result of the current COVID-19 pandemic, the Company expects that, during the next 12 months, the Company's operations could be significantly delayed or disrupted as a result of the current COVID-19 pandemic as a consequence of (i) hospital and

clinical resources being diverted to the treatment of patients suffering from COVID-19 and the testing of potential infected individuals, as well as research for potential treatments and vaccines for COVID-19, and (ii) governmental agencies experiencing delays or disruptions due to a lack of resources or personnel or other business interruptions caused by the current COVID-19 pandemic. Due to the speed at which the situation has been developing and the uncertainty of its magnitude, outcome and duration, the Company is not able at this time to estimate with certainty the future impact of COVID-19 on its operations, and whether its clinical trials and regulatory filings will in fact be significantly delayed or disrupted. However, based on the recent experience in China, where the epidemic has started to subside, the Company expects that its clinical trials would be delayed or disrupted during at least three to four months. Because it is currently not possible to accurately assess the magnitude, outcome and duration of the COVID-19 crisis, such crisis may have a longer duration or may result in additional delays or disruptions which are not foreseeable by the Company as at the date of this MD&A. In such event, the Company may need to prioritize other projects.

In the event that the COVID-19 crisis has a longer duration than currently estimated by management of the Company, based on the evolution of the COVID-19 epidemic in China, and that additional delays and disruptions are caused to the Company's clinical trials and regulatory filings, the Company expects that it would, amongst other things, prioritize the development of its PPP-003 drug program, including the acceleration of its HU-308 projects. The Company would prioritize these projects because they have a lower barrier to entry since HU-308 does not involve "controlled substances" or substances regulated under the *Cannabis Act* (Canada). However, the Company expects that obtaining an import-export permit for these drugs could be delayed due to a redirection of Health Canada's priorities during the COVID-19 crisis.

General Risks

Prospects for companies in the biopharmaceutical industry generally may be regarded as uncertain given the nature of the industry and, accordingly, investments in bio pharmaceutical companies should be regarded as speculative. Research and development involves a high and significant degree of risk. An investor should carefully consider the risks and uncertainties discussed in detail in the restated annual

MD&A for the year ended November 30, 2019 filed on March 30, 2020 and the "Risk Factors" section of the Company's Annual Information Form filed on filed on SEDAR March 30, 2020.

APPROVAL

The Audit Committee as delegated by the Board approved the disclosure contained in this MD&A on July 20, 2020. A copy of this MD&A will be provided to any shareholder who requests it from the Company.

DISCLAIMER

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

ADDITIONAL INFORMATION AND CONTINUOUS DISCLOSURE

Additional information about the Company, including the Company's Annual Information Form, is available on SEDAR at (www.sedar.com).

APPENDIX A: "Biopharmaceutical Segment"

Regulatory Framework

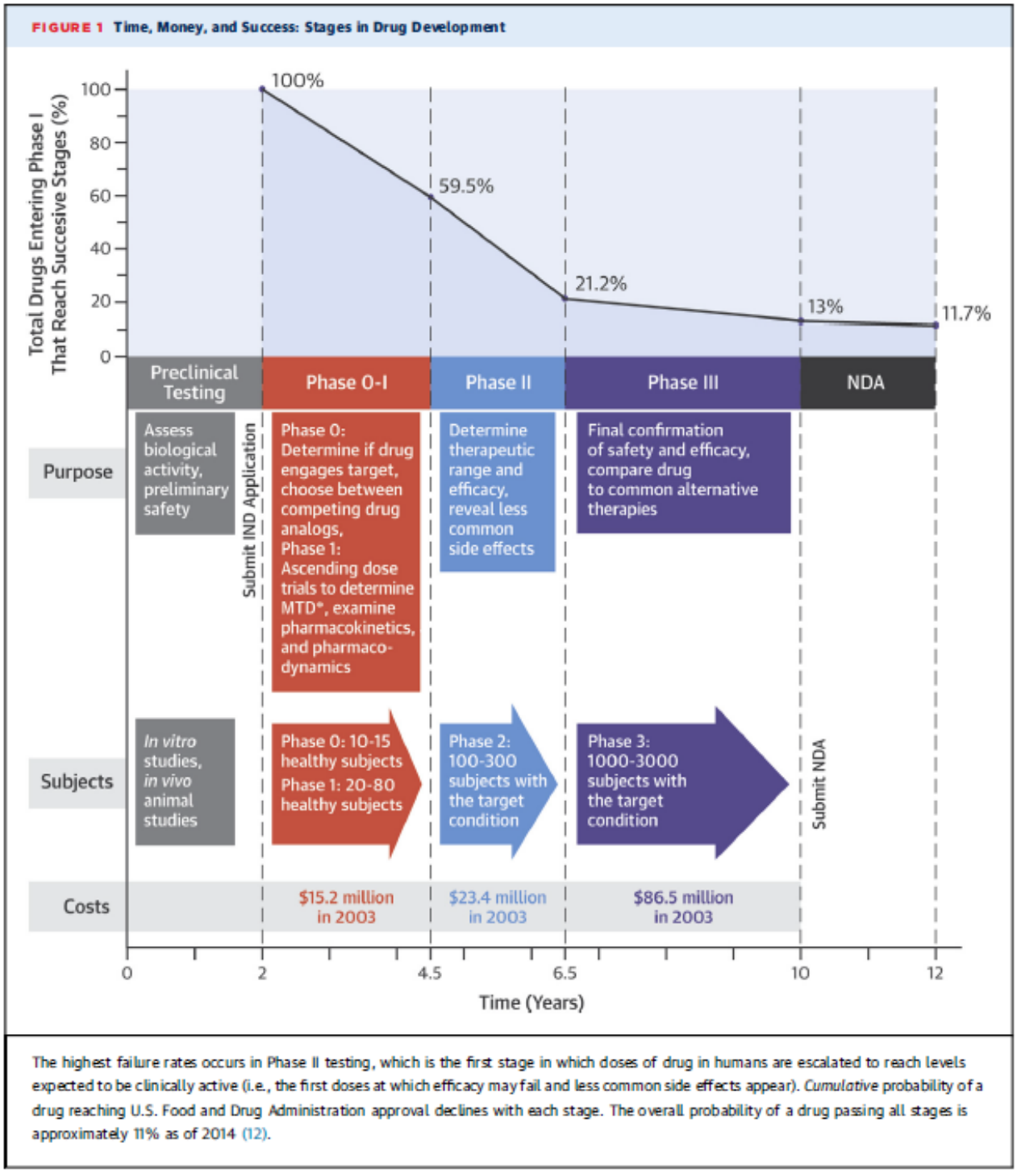
The FDA and Health Canada will ensure scrutiny on drug claims for products containing CBD/THC and will hold the same standard as for prescription drugs. The Company believes itself to be among the most advanced in North America in terms of clinical trial programs with cannabinoid-derived medicines considering its extensive work with Health Canada and the FDA.

The Opioid Crisis

The opioid crisis and epidemic affects millions of people in North America and shows no signs of slowdown. As one of the solutions to this societal problem, there is an increasing demand for alternative to opioids such as cannabis-based drugs that will replace the highly toxic and addictive side effects of opioids. Tetra Bio-Pharma wants to position itself as an important player in this new market and is dedicated to conducting rigorous clinical trials. The goal is to commercialize alternative products to opioids based on scientific evidence.

Regulatory Phases and Timeline

In following chart, as a guideline, we present the regulatory phases and time required from Drug Discovery to the Regulatory Approval process for prescription drugs. In the classical drug development pathway, the drug development process can take up to 15 years. As cannabinoids are unique, in that there is already a large body of preclinical evidence demonstrating safety and efficacy, the Company can significantly speed up the time-to-market and avoid the high costs associated with the Drug Discovery phase. Furthermore, the drug discovery process is high risk with the failure to move to the next phase estimated at 90%.



The highest failure rates occurs in Phase II testing, which is the first stage in which doses of drug in humans are escalated to reach levels expected to be clinically active (i.e., the first doses at which efficacy may fail and less common side effects appear). *Cumulative* probability of a drug reaching U.S. Food and Drug Administration approval declines with each stage. The overall probability of a drug passing all stages is approximately 11% as of 2014 (12).

an Norman G.A. Drugs, Devices, and the FDA: Part 1 – An overview of approval processes for drugs. J Am Coll Cardiol Basic Trans Science 2016;1:170-179.