TETRA BIO-PHARMA INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended August 31, 2022

As used in this Management's Discussion and Analysis ("MD&A"), unless the context indicates or required otherwise, all references to the "Company", "Tetra", "we", "us" or "our" refer to Tetra Bio-Pharma Inc., together with its subsidiaries, on a consolidated basis as constituted on August 31, 2022. This document provides information management believes is relevant to an assessment and understanding of the consolidated result of operations and financial condition of the Company. The MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company for the three months and nine months ended August 31, 2022 (the "Interim Financial Statements"), and in conjunction with the audited consolidated financial statements of the Company, together with the notes thereto and the auditor's report thereon, for the years ended November 30, 2021 and November 30, 2020.

In this MD&A, references to the term "Fiscal 2021" are references to the 12-month period ended November 30, 2021 and references to the term "Fiscal 2022" are references to the 12-month period ending November 30, 2022. In this MD&A, references to the term "Q1 2022" are references to the 3-month period ended February 28, 2022; references to the term "Q2 2022" are references to the 3-month period ended May 31, 2022 and references to the term "Q3 2022" are references to the 3-month period ended August 31, 2022.

This MD&A may contain company names, product names, trade names, trademarks and service marks of other organizations, all of which are the property of their respective owners.

The term "cannabis" has the meaning given to the term "cannabis" in the *Cannabis Act* (SC 2018, c.16) (the "Cannabis Act").

Basis of Presentation and Going Concern Uncertainty

The financial information in the MD&A is derived from the Company's Interim Financial Statements, prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). All amounts presented in the MD&A are presented in Canadian dollars, unless otherwise noted.

The Interim Financial Statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. However, the use of the going concern assumption on which the Interim Financial Statements are prepared may not be appropriate based on the factors described below. The Interim Financial Statements do not include any adjustments to the amounts

and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The Company faces increasingly challenging financial and business conditions, including an inability to raise sufficient equity, equity-linked or debt financing to fully fund execution of its business plans and delays in the clinical trials that the Company has initiated for QIXLEEF™. During fiscal 2022, the Company has explored numerous alternatives to ensure the funding of the Company's clinical trials, service and repay its outstanding credit facilities and decrease its debt to equity leverage level, which level has resulted in a major hurdle for the Company to secure required financing.

In 2021, the Company had a base shelf prospectus which allowed Tetra and certain of its security holders to qualify the distribution by way of the prospectus of up to $50 million of Common Shares, warrants, units, debt securities, subscription receipts, or any combination thereof, from time to time at the discretion of the Company. The prospectus supplement filed in December 2021 provided for an expected use of proceeds based upon net proceeds of up to $5.9 million. The actual net proceeds raised after deducting the underwriters' fees and expenses (but before deducting the other expenses of the offering) were $1.9 million equivalent to 31.41% of the use of proceeds from the filed prospectus. Given this reduction in net proceeds received from the financing, the Company was unable to initiate and complete all of the activities contemplated in the prospectus supplement, as filed. The final base shelf prospectus expired on May 1, 2022 with no further financings completed.

Over the course of 2022, the Company also pursued non-dilutive funding initiatives, including potential commercial and partnering transactions to strengthen its financial position, as well as equity and equity-related financing initiatives with multiple financial institutions, including U.S. and Canadian investment banking firms, institutional investors and financial institutions. The Company has been unsuccessful in obtaining any capital from these initiatives.

In addition, in 2022, the combination of volatile capital markets, difficult operating conditions, delays in initiating the global expansion strategy for QIXLEEF™, the size of AIP's existing debt position and the strength of AIP's associated security rights made it impossible for the Company to raise meaningful amounts of equity, equity-linked or additional debt financing. The Company announced on February 16, 2022, the approval of a $4.5 million participative loan ("IQ Loan") from the ministère de l'Économie et de l'Innovation ("MEI") under the BioMed Propulsion Program, managed by Investissement Québec ("IQ") which was conditional on the achievement of certain objectives and certain financial terms. While the Company's shareholders approved certain terms to this arrangement, to-date, the last conditions have not been achieved and no funds have been received. While the Company initiated a partnership with Cannvalate Pty Ltd on May 5, 2022, whereby financing is available to the Company through seven (7) distinct tranches for aggregate proceeds of $7.5 million, it has only received $500,000 from the closing of the first tranche. Further, while the Company announced on September 8, 2022 that Alpha Blue Ocean had agreed to purchase up to $10 million in the Company's Debentures, Tetra has only received $400,000 so far.

Further, on September 6, 2022, Tetra and Cellvera Global Holdings LLC ("Cellvera") agreed to jointly develop an orally administered treatment, ARDS-003, in combination with the proven broad-spectrum antiviral, Qifenda 400MG (Favipiravir). The companies will jointly develop a combination therapeutic candidate for rapid clearance

of COVID-19 infection and the partnership aims to accelerate the global development of an innovative drug candidate to combat viral diseases by leveraging expertise and resources from both companies. This novel combination therapy is positioned to compete with Pfizer's flagship antiviral therapeutic.

During this period, the Company has continued to implement a number of restructuring measures with the objective of reducing ongoing operating costs and enhancing the Company's ability to raise financing. The Company is also currently looking at different alternatives, including measures which may include a refinancing, restructuring and/or recapitalization of the Company's indebtedness to AIP, a significant equity financing to bridge the Company to value creation catalysts, or the monetization of assets.

As of August 31, 2022, the Company had a working capital deficit of $6,681,648 (November 30, 2021 - $1,352,372), including $483,202 (November 30, 2021 - $4,885,811) in cash, and current liabilities totalling $8,928,587 (November 30, 2021 - $7,301,908). Refer to "Liquidity and Capital Resources" for additional information on the Company's debt facility. As of the date of this MD&A, management does not believe that the Company's cash balance is sufficient to meet its general working capital requirements and contractual obligations for the next 12 months.

Debt refinancing of the Company, the raising of additional capital, licensing partnership and/or the trade sale of some of the Company's operations to make bulk payments to repay outstanding debt and accounts payable, if successful, would potentially alleviate any significant doubt on the Company's ability to continue as a going concern. In the event that debt and/or capital financing is unable to be secured, and/or the licensing partnership or contemplated trade sale fail to materialize, the Company may need to resolve to other means of protecting its assets in the best interests of its shareholders, including foreclosure or forced liquidation and/or seeking creditors' protection.

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern without a significant restructuring and/or financing, and accordingly the appropriateness of the use of the going concern assumption in the preparation of the Interim Financial Statements. To complete the subsequent phases of its various ongoing clinical trials, the Company will require significant additional financing to be able to fund its ongoing clinical trials. Management is evaluating various alternatives to secure the necessary financing so that the Company can continue as a going concern. While the Company has been successful in obtaining financing to date and believes it will be able to obtain sufficient funds in the future and ultimately achieve profitability and positive cash flows from operations, there can be no assurance that the Company will achieve profitability and be able to do so in the future on terms favorable for the Company. Refer to the sections titled "*Financial Risks*" and "*Risk Factors*" below.

The effective date of this MD&A is October 17, 2022.

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 are necessarily based on estimates and assumptions made by management in light of management's experience and perception of historical trends, current conditions and expected future developments, as well as factors that management believes are appropriate. Forward-looking statements in this MD&A include, but are not limited to: statements regarding the ability for the Company to secure the necessary financing or to implement successful restructuring measures so that the Company can continue as a going concern; statements with respect to the anticipated impacts of the ongoing COVID-19 pandemic on the Company's business, including its clinical trials, and the measures that the Company may put in place to address such impacts; the commercialization of Tetra's assets developed from its intellectual property; the expected size and value of the addressable markets for the Company's drug candidates; the Company's expectations regarding its pre-clinical and clinical trial results; the development, manufacturing and commercialization of the Company's drug candidates; the anticipated health benefits of Tetra's drug candidates; the anticipated penetration of the Company's drug candidates in foreign markets; the anticipated timelines for regulatory approvals of the Company's drug candidates; the Company's expectations regarding funding for its pipeline of drug candidates; the Company's potential acquisitions, mergers and strategic partnerships and the benefits that are expected to result therefrom; potential fluctuations in operating results; and the Company's anticipated working capital requirements.

Such statements reflect Tetra's current views with respect to future events and are subject to risks and uncertainties and are necessarily based upon a number of estimates and assumptions using data from publicly available governmental sources as well as from market research and industry analysis and on assumptions based on data and knowledge of the industry which Tetra believes to be reasonable, but are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. However, although generally indicative of relative market positions, market shares and performance characteristics, such data is inherently imprecise. While Tetra is not aware of any misstatement regarding any industry or government data presented herein, the medical cannabis industry involves risks and uncertainties that are subject to change based on various factors. Many factors could cause Tetra's actual results, performance or achievements to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements. In making the forward-looking statements included in this MD&A, the Company has made various material assumptions, including, but not limited to: (i) the Company's ability to obtain funding for its operations, including funding for clinical trials research and to manufacture the active pharmaceutical ingredients used in the research, or the Company's ability to restructure its operations to the extent the Company would be able to secure further financing; (ii) the enrollment in, completion of and obtaining positive results from clinical trials; (iii) the Company's ability to obtain and maintain regulatory approvals including licenses or permits required for controlled substances; (iv) the Company's ability to develop and commercialize, or otherwise monetize, its drug candidates and develop new drugs; (v) the Company's and competitor's costs of production and operation; (vi) the availability of financing on reasonable terms; (vii) the safety and efficacy of the Company's drug candidates and any new drugs; (viii) the assumption that Tetra's current good relationships with its collaborators, suppliers, joint venture partners and other third parties will be maintained; (ix) the Company's ability to enter into collaboration agreements for the licensing, development and ultimate commercialization of its product candidates; (x) the Company's ability to attract and retain skilled staff within the specialized scientific

and managerial nature of the Company's business; (xi) the Company's ability to protect patents and other proprietary rights including trade secrets; (xii) the Company's ability to integrate acquired or licensed products into the Company's existing pipeline; (xiii) Health Canada maintaining its policy to expedite the review of a drug product shown to improve the outcome of life-threatening conditions, such as COVID-19 (xiv) the Company's ability to manage the impacts and effects of the COVID-19 pandemic; (xv) the Company's ability to complete and successfully integrate its potential acquisition, merger and strategic partnership opportunities, and to fully realize the benefits of such transactions; (xvi) the ability of the Company's products to penetrate various geographical markets; (xvii) the Company's ability to continue to conduct clinical trials in the ordinary course; (xviii) the Company's ability to source and maintain licenses from third-party owners; (xix) the assumption that the public perception of the Company's products and technology will remain favorable; (xx) the assumption that the anticipated market for Tetra's potential products and technologies will continue to exist and expand; (xxi) Tetra's ability to advertise and promote its technologies and products effectively and efficiently; (xxii) Tetra's ability to protect its networks equipment, IT systems and software against damage; (xxiii) Tetra's ability to maintain adequate insurance coverage at commercially reasonable rates; (xxiv) the Company's ability to maintain adequate disclosure controls, procedures and internal controls policies; (xxv) Tetra's ability to continue to comply with applicable laws in all material respects; and (xxvi) the Company's ability to complete the conditions for funding of the IQ Loan (as defined herein).

Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. The forward-looking statements in this document 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: (i) Tetra's future operations and its ability to continue as a going concern are dependent upon the identification and successful completion of equity or debt financing; (ii) the Company is subject to all of the business risks and uncertainties associated with any early-stage enterprise, including under-capitalization, cash shortages, limitation with respect to personnel, financial and other resources, lack of revenues, and the risk that Tetra could default on its debt facilities outstanding from time to time; (iii) Tetra may not be able to manage its future growth; (iv) the anticipated markets for the Company's products and technologies may not exist or expand; (v) changes in laws, regulations and guidelines may adversely affect the Company; (vi) Tetra's drug candidates contain substances related to Cannabis, which may generate public controversy; (vii) commercialization risks; (viii) the Company may be unable to identify, discover or license drug candidates; (ix) the Company's drug candidates may fail for a number of reasons; (x) the possibility that none of our drug candidates under development will successfully gain market approval from the United States Food and Drug Administration ("FDA"), Health Canada or other regulatory authorities; (xi) we may have difficulty enrolling or maintaining the enrollment of patients in any clinical trials conducted for our drugs, which may result in the delay or cancellation of such trials; (xii) the Company's reliance on pre-clinical testing and clinical trials; (xiii) the vulnerability of results of planned clinical trials; (xiv) delays in clinical testing; (xv) negative results from clinical trials or studies of others and adverse safety events; (xvi) the Company's reliance on regulatory approvals and the risks of non-compliance with applicable laws; (xvii) the Company's reliance on contract manufacturing organizations; (xviii) interruption or disruptions in the supply of medical cannabis or synthesis of cannabinoids could impact Tetra's business; (xix) Tetra may not be able to successfully market its drugs; (xx) the effectiveness and efficiency of advertising and promotional expenditures; (xxi) the inability of the Company to develop enhancements to its existing products and services or acceptable new products and services that keep pace with rapidly changing developments; (xxii) competition from companies

with greater resources and experience; (xxiii) our reliance on the success of collaboration agreements; (xxiv) our reliance on key personnel; (xxv) employee misconduct or other improper activities; (xxvi) the risk of third-party claims for infringement; (xxvii) Tetra may not be able to protect its patents and intellectual property; (xxviii) Tetra may not be able to protect its trade secrets; (xxix) we may be unable to acquire or in-license any compositions, methods of use, processes or other third-party intellectual property rights from third parties that we identify as necessary for our drug candidates; (xxx) changes in patent laws; (xxxi) the risks associated with acquisitions, dispositions or other strategic transactions; (xxxii) risks associated with entering into agreements with third parties having cross-border cannabis related activities; (xxxiii) legal proceedings; (xxxiv) conflicts of interest; (xxxv) deficiencies in disclosure controls and procedures and internal controls over financial reporting; (xxxvi) the Company's failure to comply with anti-bribery legislation; (xxxvii) the Company's reliance on information technology systems and the risks of damaging cyberattacks; (xxxviii) the failure of our information technology systems; (xxxix) product liability lawsuits; (xl) clinical trial liability; (xli) Tetra's insurance may be insufficient to cover losses that may occur as a result of Tetra's operations; (xlii) the risks posed by international expansion; (xliii) the potential effects and impacts of the COVID-19 pandemic on the Company's business and operations; (xliv) the volatility and fluctuation of the market price of the common shares of the Company (the "Common Shares"); (xlv) holders of warrants have no rights as shareholders until such holders acquire warrant shares; (xlvi) no assurance can be given that an active or liquid trading market for the Common Shares will be sustained; (xlvii) the possible future dilution of our common shareholders; (xlviii) the subordination of shareholders to our lenders; (xlix) the senior ranking of future offerings of debt and equity securities to that of Common Shares; (l) the negative impact of future sales of Common Shares by officers and directors of the Company on the market price for the Common Shares; (li) the limited market for our securities; (lii) our unlisted warrants; (liii) our limited operating history; (liv) the fact that there is no assurance of the Company's future profitability; (lv) the risks associated with our revenue generation and liquidity levels; (lvi) the fact that we do not currently pay dividends; and (lvii) fluctuations in foreign currency exchange rates.

For additional information with respect to risks and uncertainties, readers should carefully review and consider the risk factors described under the heading "Risk Factors" and in the Company's AIF for the year ended November 30, 2021 (the "AIF"), which was filed on SEDAR at www.sedar.com under the Company's profile on February 28, 2022 and those described elsewhere 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 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 at 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

Tetra is a leader in cannabinoid-derived drug discovery and development aimed at bringing novel prescription drugs and treatments to patients and their healthcare providers. Tetra's evidence-based scientific approach has enabled us to develop a pipeline of drug products for a range of medical conditions, including pain, inflammation, and oncology. With patients at the core of what we do, Tetra is focused on providing rigorous scientific validation and safety data required for inclusion into the existing biopharma industry by regulators, healthcare professionals and insurance companies.

The Company has a robust pipeline of multi-patented formulations and drug delivery systems with a unique portfolio of assets in early research and development phase to advanced stage clinical programs. The Company develops drug candidates based on clinical trials authorized[1] in Canada by Health Canada, in the United States by the FDA, and intends to expand its clinical development in Australia and Europe. Tetra's products have the potential to serve many unmet medical needs of patients in multiple markets, including the U.S., Canada, and Europe. More specifically, these projects include:

- QIXLEEF™ is the Company's proprietary investigational new drug currently being studied in two FDA authorized clinical trials. QIXLEEF™ is a botanical therapy with a fixed dosage of THC and CBD. The drug is inhaled using a medical vaporizer and manufactured in Canada in a cGMP facility licensed by the Health Canada.

    - REBORN©1 is a Phase 2 study authorized by the FDA to evaluate inhaled cannabinoids against a class of immediate-release oral opioids for the management of breakthrough cancer pain ("BTcP"). This is a 10-week proof-of concept, open-label randomized study to evaluate the effect of inhaled QIXLEEF™ as compared to morphine sulfate or hydromorphone or oxycodone for the treatment of BTcP in 20 patients. PLENITUDE© is a Phase 2 multicenter clinical trial authorized by the FDA to evaluate the safety and efficacy of inhaled cannabinoids for the uncontrolled pain relief in 78 patients with advanced cancer. It is a 4-week randomized, double-blind, placebo-controlled, parallel group design trial followed by an open label period of 11 months.

- CAUMZ™ is Tetra's second-generation inhaled cannabinoid-derived drug candidate. It is a synthetic version of QIXLEEF™ and will also be investigated in the management of breakthrough cancer pain through the REBORN© trials. REBORN©1 which is being conducted with QIXLEEF™, allows the Company to rapidly gather preliminary data through a proof-of-concept study.

- PPP004 is a topical preparation containing either a standardized amount of CBD or a defined ratio of THC and CBD. The base product is a proprietary pharmaceutical-grade formulation composed of Active Pharmaceutical Ingredients ("APIs") that are manufactured as per Good Manufacturing Practices ("GMP") requirements, and excipients classified as GRAS ("generally regarded as safe"). The cream will be packaged in a metered-dose, airless pump system, designed to deliver a measured dose of API

[1]The term "authorized" is used to state that the regulatory agency, e.g., the FDA, Health Canada, etc., has reviewed the application submitted to receive authorization to conduct a clinical trial in human subjects. FDA (IND Applications for Clinical Investigations: Overview | FDA) and Health Canada (Overview of the Clinical Trial Application Process - Canada.ca) do not formally approve a clinical trial application, instead they do not object to its conduct.

consistently per actuation and to protect the APIs from known sources of degradation, namely light and oxygen. PPP004 was developed to help manage pain and itch in patients with epidermolysis bullosa ("EB") and promote wound healing.

- Studies were initiated early in 2021 on ARDS-003, a patent protected therapeutic developed to treat hyperinflammatory conditions, such as those seen in patients suffering from viral infections, such as SARS-CoV-2. The investigational drug is designed to dampen the cytokine release syndrome and could be administered in combination with dexamethasone and/or antivirals. A study in the LPS Septic Lung model demonstrated statistically significant reduction of serum cytokines and chemokines. After demonstrating a statistically better health score status following infection of mice with SARS-CoV-2, a new study was initiated to assess the impact of ARDS-003 on serum cytokines. This latter study demonstrated statistically significant reduction in serum cytokines on Day 6 post-infection. This study also compared ARDS-003 to Remdesivir. The results of these studies were used to demonstrate to governmental funding agencies the potential role of ARDS-003 in the management of patients infected with viruses, such as SARS-CoV-2.

On the commercialization front, the Company has executed development and commercialization in-licenses of Dronabinol Soft Gel Capsules and of Dronabinol REDUVO™ Adversa™ with IntelGenex Corp. ("REDUVO™) as well as an exclusive license to use Vitiprints LLC's printing technology for commercial manufacturing of Caumz™ and HCC-001.

- REDUVO™ is a soft gel capsule used to treat chemotherapy-induced nausea and vomiting ("CINV") and weight loss and severe nausea in people living with human immunodeficiency virus ("HIV") infection. The active pharmaceutical ingredient in REDUVO™ is dronabinol, also known as THC, a synthetic form of the active natural substance in cannabis.

Strategic update provided February 28, 2022

As announced on February 28, 2022 and since the annual and special meeting of the shareholders held on May 28, 2021, the Board of Directors ("BOD") recommended that the Company focus its operations on two key value creating drug assets. In parallel, the BOD and executive team worked to reduce monthly expenses. Both decisions were key to minimize the yearly financing needs as the Company drives two of its drugs towards marketing approval and commercialization. The two assets that the Company focused on were QIXLEEF™ and REDUVO™.

The Company's goals over the next fiscal year are:

- Rapidly advance QIXLEEF™ through clinical development and continue to advance towards regulatory approval in the United States, Europe, and Canada.
- Obtain the REDUVO™ soft gel market approval in Canada then accelerate REDUVO™ AdVersa® development in the rest of the world.
- Initiate clinical development phase of ARDS-003 (Onternabez) and seek a global out licensing deal with a pharmaceutical company.

The Company has several other drug assets that could enter clinical trials subsequent to government funding and/or co-development partnerships. In addition, any of these assets could be licensed to a biotechnology or pharmaceutical company. The CAUMZ™ drug asset benefits from a bridge to QIXLEEF™ whereby all clinical

achievements of QIXLEEF™ will benefit CAUMZ™, thus reducing clinical requirements for drug approval and lowering the risk of unsuccessful clinical outcomes in pivotal trials.

Fiscal 2022 clinical and pre-clinical activities

Since the strategic update provided by management by way of press release on February 28, 2022, the Company's primary focus has been targeting a drug approval indication related to the reduction of opioids. PLENITUDE© clinical operations were maintained as long term safety and efficacy data will be required for drug approval by regulators. The focused operations led to an average monthly cash burn of $2.5 million during the months of January to August 2021 down to an average of $0.6 million from January to August 2022.

QIXLEEF™

The observed outcomes indicate that the REBORN©1 and PLENITUDE© clinical trials should continue, and enrolment accelerated. The clinical data also demonstrates the importance of accelerating testing in non-cancer patient populations because of the larger potential market size and the critical need for therapies to reduce opioid use. More data are necessary to confirm the role of QIXLEEF™ in pain management and opioid reduction.

REBORN© - Preliminary Safety & Efficacy Outcomes

The REBORN©1 Phase II trial is expected to be completed in 2023. Despite the additional site in the USA and protocol amendments aimed at accelerating enrolment, the impact of COVID-19 on clinical sites remained an issue affecting speed of recruitment and enrolment in 2021 and early Q1 2022. The Company is actively working on opening clinical sites outside of the USA to further accelerate enrolment. The REBORN©2 Phase II/III trial is expected to be initiated in 2023 in the United States, Australia, Canada, and Europe.

The open-label design of the study allowed the Company to verify the performance of the investigational new drug QIXLEEF™ with respect to both efficacy and safety. To date the observed adverse effect profile of QIXLEEF™ is similar to that observed in previous clinical trials. This includes no serious adverse events and no unexpected adverse events.

Preliminary data from over 40 episodes of breakthrough pain in each of the experimental and active treatment groups, suggests that QIXLEEF™ could be an effective analgesic for pain management and allow reduction of the use of opioids, thereby confirming that the clinical trial should continue, and enrolment be accelerated. More data are necessary to confirm the role of QIXLEEF™ in pain management and opioid reduction.

PLENITUDE© - Preliminary Safety & Efficacy Outcomes

As an addition to standard end-of-life care, QIXLEEF™ aims to improve quality of life and help reduce the pain of adults with terminal cancer. PLENITUDE©, a Phase II clinical trial cleared by the FDA, is a 4-week 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 cancer-related pain. Despite the number of activated sites, the impact of COVID-19 on clinical sites remains an issue affecting

speed of recruitment and enrolment. Therefore, the Company is working on plans to open additional sites, in and out of the USA. The PLENITUDE© trial is double-blind thereby limiting the Company's ability to assess the current clinical outcomes with certainty. To date the observed adverse drug event profile in the study patients includes a blend of mild to moderate effects in terms of severity, with the majority being mild. The adverse drug events are similar to that observed in previous clinical trials. This includes no serious adverse events and no unexpected adverse events. With regards to efficacy, the blinded format of the study prevents the Company from confirming any QIXLEEF™ related outcomes. However, the study results demonstrate that the data from many patients shows clinically significant improvement in pain which is maintained over time. The observed outcomes signal that the clinical trial should continue, and enrolment be accelerated.

CAUMZ™

The Company is waiting for results from the REBORN©1 study and additional funding, to determine the next steps related to CAUMZ™. As of the date of this MD&A, all activities related to CAUMZ™ have been halted.

ARDS-003 & PPP-003 ("Onternabez")

ARDS-003 trials were not launched pending government funding or a partnership. The vision for the PPP-003 remains licensing or co-development with a partner.

On March 8, 2022, the Company announced that Health Canada had approved the amendment of a phase I study conducted in collaboration with Dr. Jutras-Aswad and the University of Montreal Hospital Research Centre (Centre de recherche du Centre hospitalier de l'Université de Montréal), ("CRCHUM"). The study will assess the safety profile of low and moderate doses of inhaled CBD and determine the cognitive, behavioral, and biological effects of CBD in adults who occasionally use cannabis. The clinical trial has been authorized by Health Canada, who also recently approved an amendment to the research protocol to increase the dosage of the study drug up to 100 mg of CBD to be assessed in the study. Under the collaboration, Tetra will supply the synthetic cannabidiol investigational drug products and placebo and in exchange will gain access to clinical data collected in the study. The data will include safety, pharmacokinetic, and pharmacodynamic in humans exposed to Tetra's inhaled CBD product.

On June 6, 2022, the Company announced the launch of its new wholly owned subsidiary 'Tetra Bio-Pharma Australia Pty Ltd' ("TBP-AU"), an Australian-based research company focused on the execution of clinical trials in Australia. This represents Tetra's second foreign subsidiary and is in line with the Company's global expansion strategy for QIXLEEF™, and other future drug candidates.

The new subsidiary follows the May 5, 2022 announcement of Tetra's partnership with Cannvalate Pty Ltd ("Cannvalate") for the initiation of the REBORN®, PLENITUDE® and CAUMZ® clinical trials in Australia. Cannvalate is a medical cannabis company bringing in safe and effective cannabinoid-based products to the Australian market. Cannvalate's wholly owned entity, iNGENū, is one of the largest global CROs specializing in cannabinoid clinical trials. By conducting Tetra's clinical trial activities in Australia with iNGENū will allow the Company to

benefit from a 43.5% tax credit on all money spent on clinical trials in Australia, and an increased access to patients seeking participation in trials where the pharmaceutical cannabis drug is provided at no cost.

On July 12, 2022, the Company announced that Akanda Corp. ("Akanda") will supply Tetra with pharmaceutical grade cannabis flower in a microdose cap form, for use in a Storz & Bickel Mighty Medic Vaporizer for global commercialization of Tetra's QIXLEEF™ and related products. In addition, Akanda will act as a Contract Development and Manufacturing Organization (CDMO) for Tetra's clinical drug and commercial supply programs. With this project, Akanda becomes a CDMO in addition to being an EU GMP cannabis manufacturer, marking Akanda's first entry into cannabinoid drug development, which is a new and growing market opportunity for the company, while Tetra secures a stable supply of high-quality ingredients and regulatory-approved services to satisfy clinical trials and commercialization.

Under the multi-year agreement, Akanda will supply Tetra with high-quality, premium THC and CBD flower, and will provide regulatory, quality and pharmaceutical manufacturing services for the QIXLEEF™ clinical drug development and marketing authorization from its Portugal operations. Akanda will provide Tetra with a range of services, including regulatory affairs, quality control and stability testing through Akanda's internal lab, as well as manufacturing capabilities. Upon FDA approval, the anticipated supply commitments could reach over 10 metric tonnes per year.

On August 10, 2022, the Company announced new positive preclinical results from live SARS-CoV-2 virus infection studies as well as a septic lung model, carried out by independent researchers.

These studies explored the potential of ARDS-003 to increase survival metrics following SARS-CoV-2 infection in the humanized ACE2 mouse model. Secondary outcomes evaluated ARDS-003 against an antiviral drug, a clinical standard of care therapeutic used for patients with COVID, in SARS-CoV-2 infected animals. Results indicate that compared to placebo, ARDS-003 dose dependently reduced signs of morbidity and mortality, including respiratory distress. ARDS-003 also outperformed the antiviral drug in reducing multiple proinflammatory mediators (i.e., cytokines) involved in hyperinflammation and immune system dysfunction following viral infection.

Using a recent septic lung model, the administration of ARDS-003 produced a significant reduction of systemic cytokine/chemokine release. In addition, lung histology was improved, peripheral immune hyper activation was reduced, and there was an improvement in capillary perfusion in lung tissue compared to controls. An additional study evaluated in vitro viral infectivity and demonstrated dose dependent inhibition of viral replication.

Fiscal 2022 regulatory activities

On March 17, 2022, the Company received the response letter for a Type C meeting with the FDA for its inhaled cannabinoid-based product, QIXLEEF™. The meeting was held to discuss the nonclinical safety requirements for the marketing approval. The FDA provided guidance on the Company's nonclinical safety program required to submit a marketing application. Drug metabolite testing in animals is a prerequisite and one of the utmost importance for the FDA is the disproportionate amount of CBD metabolite, 7-COOH-CBD, that was found in humans treated with Epidiolex™ compared to animals. The higher amount of 7-COOH-CBD was correlated to hepatotoxicity raising a safety concern on CBD usage in humans. As previously disclosed, the Company was able to demonstrate that the CBD metabolite, 7-COOH-CBD, is only 2.5 times higher in subjects inhaling QIXLEEF™

compared to 40 times higher in CBD oral administration, thereby supporting a better safety profile for inhaled QIXLEEF™. Additionally, the FDA requires a more exhaustive assessment of brain histopathology as the inhalation route of administration facilitates QIXLEEF™ delivery to the brain. A carcinogenicity assessment is required as QIXLEEF™ is intended to be administered on a chronic basis for long-term usage in patients living with pain. Accordingly, the Company will provide the FDA with a bridging strategy to reduce development costs. The requirements for developmental and reproductive toxicology will also require a bridging strategy to ensure that the risks to patients who are pregnant, at risk of becoming pregnant, or breastfeeding are adequately characterized. Despite the extensive information in the literature, bridging strategies are essential to address specific aspects of a prescription drug as well as to link these findings to existing data. The information received from the FDA will allow the Company to align its nonclinical safety strategy for both the USA and European markets.

On May 18, 2022, the Company announced that the European Medicines Agency ("EMA") has classified PPP004 as an orphan medicinal product for the treatment for Epidermolysis bullosa ("EB"). EB is a group of rare medical conditions that result in blistering of the skin and mucous membranes. Blisters occur with minor trauma or friction and are painful. Its severity can range from mild to fatal. EB has no cure, though mild forms may improve with age. Treatment focuses on caring for blisters and preventing new ones. The designation represents PPP004's third orphan drug designation ("ODD"). PPP004 containing CBD only has been granted ODD by both the U.S. FDA and the EMA for treatment of EB. PPP004 containing a combination of THC and CBD has been granted ODD from the U.S. FDA for treatment of EB. EMA Orphan Drug Designation is granted to investigational therapies intended to treat, prevent, or diagnose life-threatening or chronic debilitating conditions or conditions that affect fewer than 5 in 10,000 people in the European Union. An ODD brings several unique advantages, from a cost reduction in drug development, to an accelerated review process and market exclusivity for 10 years. Such strategy is cost and time effective and allows the Company to easily gain market shares in a competitive free environment.

Fiscal 2022 licensing activities

On February 14, 2022, the Company announced the execution of a non-binding term sheet with Avicanna Inc. ("Avicanna") (TSX: AVCN) (OTCQX: AVCNF) (FSE: 0NN) to assess entering into a strategic partnership comprising of three strategic pillars, including:

- The registration and commercialization of Tetra's various prescription products (REDUVO™ AdVersa®, QIXLEEF™ and CAUMZ™) across Avicanna's channels in Latin/South America. This opens the door for Tetra to initiate sales earlier than planned.
- Supply of Avicanna's Active Pharmaceutical Ingredients (APIs) for Tetra's pharmaceutical pipeline. The phyto-cannabinoid APIs would be sourced from Avicanna's low cost and sustainable operations in Colombia.
- Co-development and support for Avicanna's pharmaceutical pipeline for Health Canada and FDA level clinical development and registration.

On February 22, 2022, the Company announced the execution of a licensing agreement with Thorne Health Tech, Inc. ("Thorne HealthTech" or "Thorne") (NASDAQ: THRN), a leader in developing innovative solutions for a personalized approach to health and wellbeing, for the commercialization of Thorne's patent protected prebiotic

dietary supplement in the U.S. market. This agreement includes royalty payments on sales and milestone payments.

Since the strategic update provided on February 28, 2022, the Company confirmed that the further commercialization of the REDUVO™ asset was delayed pending successful new drug approval in Canada.

REDUVO™

On December 30, 2020, the Company submitted its first new drug submission ("NDS") for the REDUVO™ soft gel capsules to Health Canada to obtain approval and a drug identification number ("DIN") for the prescription drug. The submission is currently in the final stage of review by the regulator.

During the period ended November 30, 2021, the Company began pre-launch activities such as, but not limited to, different validation reports, tech transfer, manufacturing setup and Medical Science Liaison ("MSL") touchpoints with healthcare professionals for its REDUVO™ drug candidate. The Company is awaiting official communication from Health Canada to expand manufacturing and launch activities.

On May 10, 2022, the Company announced that its wholly owned subsidiary, Panag Pharma Inc. ("Panag"), and True North Cannabis Corp. ("True North") entered into technology licensing agreement allowing True North to use its highly innovative proprietary liposome encapsulated technology within the formulations to be distributed under the True North brand.

On June 6, 2022, the Company confirmed that it had completed the Annual Licence Review process for its Health Canada Drug Establishment Licence ("DEL") and meets the regulatory requirements of C.01A.009 of the Food and Drug Regulations to maintain its DEL for the distribution of pharmaceuticals, like REDUVO™, in Canada. Any company that intends to distribute pharmaceutical drugs in Canada must obtain a DEL as per Health Canada regulatory requirements. On December 30, 2020, the Company submitted its first New Drug Submission ("NDS") for REDUVO™ to Health Canada to obtain a Drug Identification Number ("DIN") for the prescription drug. The Company is in discussions with Health Canada to address final commentary on the submission.

On September 6, 2022, the Company signed an agreement with Cellvera Global Holdings LLC ("Cellvera"), for the co-development of ARDS-003 as a combination product, with Qifenda 400MG (Favipiravir), a commercial-stage broad-spectrum antiviral drug.

As a monotherapy, compared to placebo, ARDS-003 dose-dependently reduced signs of morbidity and mortality, including respiratory distress following SARS-CoV-2 infection in the humanized ACE2 mouse model. ARDS-003 also outperformed an antiviral drug in reducing multiple proinflammatory mediators (i.e., cytokines) involved in hyperinflammation and immune system dysfunction following viral infection. Other studies have also demonstrated dose-dependent inhibition of viral replication.

Cellvera owns the rights to the brand originator Favipiravir, which has a long and verified history of safety and efficacy and was initially developed by FujiFilm Toyama Chemical Co and approved in Japan (2014) to treat pandemic influenza. Favipiravir is a selective inhibitor of viral RNA-dependent RNA polymerase (RdRP) with potent antiviral activity against single-stranded RNA viruses, including coronaviruses. It targets the protein needed for

the coronavirus to replicate, making it impossible for the virus to copy itself. The broad-spectrum antiviral drug is effective against 12 families of viruses, including Coronaviruses (COVID, MERS, SARS), Filoviruses (EBOLA, MARBURG), Flaviviruses (ZIKA, WEST NILE, DENGUE), RABIES, NOROVIRUS, and many others.

As novel strains of the SARS-CoV-2 virus continue to emerge, preliminary studies on SARS-COV-2 Variants, Omicron and Delta, have shown that Favipiravir maintains its antiviral activity, demonstrating viruses' inability to resist Favipiravir even with prolonged exposure of virus-infected cells to the drug. Favipiravir remains an invaluable asset for emergency preparedness strategies against this constantly evolving COVID-19 virus and other potential future pandemics. Clinical trials of Favipiravir have shown rapid viral clearance and prevention of hospitalization when administered early in the onset of the symptoms.

The parties hypothesize, based on data from AI based in-silico drug discovery platform Prepaire, that a combination product of Favipiravir and ARDS-003 has the potential to allow rapid virus clearance and provide longer-term patient benefits. ARDS-003's cytokine reduction properties may prevent some consequences of SARS-CoV-2 infection, such as severe pulmonary inflammation.

On October 11, 2022, the Company announced that it and Prepaire have jointly submitted a USD 750,000 application to the Office of Biomedical Advanced Research and Development Authority ("BARDA") to use Prepaire™ Shield discovery platform to assess repurposed drugs combined with onternabez, the active substance of ARDS-003, as Chemical Threat Medical Countermeasures. This partnership leverages respective expertise, technology, and capabilities to identify new combination therapies and improve clinical trajectories of patients exposed to pulmonary and nerve chemical agents.

Changes in personnel

On May 30, 2022, the Company announced the appointment of Leslie Auld, H.BSc, MBA, CPA, as Chief Financial Officer and member of the Company's executive team.

RECENT FINANCINGS

On December 21, 2021, the Company completed a public offering for a total of 13,064,000 units consisting of one common share of the Company and one common share purchase warrant at a price of $0.163 per unit, for aggregate gross proceeds of $2,129,432. Each warrant entitles the holder thereof to purchase one common share of the Company at a price of $0.195 until December 21, 2025. In connection with this public offering, the Company paid an agent's fee of $149,060 and, in addition, issued 914,480 agent's warrants as commission, with a whole warrant entitling the holder to purchase one common share of the Company at a price of $0.163 per share until December 21, 2024.

The following table provides a comparison between the Company's expected use proceeds (other than working capital and general corporate) for the December 2021 overnight marketed public offering, against the Company's actual use of proceeds therefrom, up to May 31, 2022.

Activity	Actuals December 2021-May 31, 2022	December 2021 Offering
PPP-001 (QIXLEEF™)REBORN© clinical trials	$ 484,072	$ 314,100
PPP-001 (QIXLEEF™) PLENITUDE© Clinical Trials	$ 233,939	$ 329,805
PPP-001 (QIXLEEF™) CMC and Nonclinical	$ -	$ 314,100
REDUVO™ Product Launch	$ 146,866	$ 659,610
Working Capital	$ 125,640	$ 125,640
General Corporate Purposes	$ 870,281	$ 117,543
Totals	**$ 1,860,798**	**$1,860,798**(1)

(1) Net proceeds after deducting underwriters' fees (but before deducting the expenses of the offering) based on the total gross funds raised through the December 2021 offering.

The prospectus supplement filed in December 2021 provided for an expected use of proceeds based upon net proceeds of up to $5,924,000. The actual net proceeds raised after deducting the underwriters' fees and expenses (but before deducting the other expenses of the offering) were $1,860,798 equivalent to 31.41% of the use of proceeds from the filed prospectus. Therefore, the values in the table presented above were adjusted by 31.41% of the values set out in the prospectus to reflect the net proceeds actually raised. Given this reduction in net proceeds received from the financing, the Company has been unable to initiate and complete all of the activities contemplated in the prospectus supplement, as filed.

On February 16, 2022, the Company announced the approval of a $4.5 million participative loan from the MEI under the BioMed Propulsion Program, managed by IQ. This funding is intended to support the development of ARDS-003 in the indication of acute respiratory distress syndrome whether or not it is caused by COVID-19, as well as in patients with Sepsis. This transaction is conditional on the achievement of certain objectives and certain financial terms. On May 30, 2022, the Company's shareholders approved the grant of common share purchase warrants to IQ, having an exercise price lower than market price, upon the terms and in accordance with the provisions of the offer letter from IQ dated February 4, 2022 and all as more described in the management information circular dated April 18, 2022. Additionally, the shareholders approved the amendment of the Company's articles to change the location of the Company's registered office from the Province of Ontario to the Province of Québec, at a time to be determined at the discretion of the BOD. The IQ Loan is conditional upon numerous closing conditions, including certain conditions precedent for which regulatory approvals are required, and there is no guarantee such approvals will be obtained, or that the Company will be able to fulfil the conditions necessary to obtain funding of the IQ Loan, on a timely basis or at all. As at October 12, 2022, the Company had not satisfied all of the conditions required to receive the funding and has not received the related funds. It is expected that development activities regarding ARDS-003 will resume promptly following the first disbursement under the IQ Loan, once the conditions precedent are satisfied. See the section titled "General Development of the Business – Recent Developments" in the AIF for additional information regarding the IQ Loan.

On May 5, 2022, the Company announced its partnership with Cannvalate Pty Ltd ("Cannvalate"), whereby Cannvalate agreed to acquire common shares of the Company on a private placement basis, through seven (7) distinct tranches for aggregate proceeds of $7,500,000. On May 17, 2022, the Company closed the first tranche of the private placement resulting in the issuance of 8,236,681 common shares at a price of $0.06 per common share for gross proceeds to the Company of $500,000. The subscription price per common share issuable under the first tranche was at a discount of 7% to the 5-day volume weighted average price of the common shares on the TSX on May 4, 2022, the day of execution of the subscription agreement. Under certain circumstances, all tranches may not be completed.

On September 8, 2022, the Company revised the terms of its previously announced financing arrangement (the "ABO Financing") with Global Corporate Finance Opportunities 16 (the "Investor"), an investment vehicle advised by Alpha Blue Ocean ("ABO"), and has closed the first tranche of the ABO Financing on such revised terms, the whole pursuant to the terms of an amended and restated subscription agreement dated September 2, 2022 (the "Amended and Restated Subscription Agreement").

Pursuant to the terms of the Amended and Restated Subscription Agreement, the Investor has now agreed to purchase up to $10,000,000 aggregate principal amount of convertible debentures ("Debentures") instead of up to $6,000,000 principal amount of Debentures as initially agreed upon. In addition, the Company has agreed to a revised fee structure, whereby the Company has paid to the Investor a commitment fee equal to 8% of the total commitment of the Investor, paid as to 3% through the issuance of $300,000 principal amount of Debentures (the "Commitment Debentures") and as to 5% through the issuance of 7,776,050 common shares having an aggregate value of $500,000 (the "Commitment Shares").

As part of the closing of the first tranche of the Financing, the Company issued to the Investor (i) $400,000 principal amount of Debentures, (ii) the Commitment Debentures, (iii) the Commitment Shares, and (iv) warrants to acquire 1,196,172 common shares at a price of $0.0836 per share (the "Warrants"). The Debentures issued as part of the first tranche do not bear interest and will mature on September 7, 2023. The Warrants issued as part of the first tranche have an expiry date of September 7, 2025.

Each closing of a tranche of the ABO Financing is subject to a number of conditions precedent. There is no guarantee that the Company will be able to meet all of the conditions precedent for a particular tranche. Therefore, the actual proceeds that the Company will receive under the terms of the Amended and Restated Subscription Agreement cannot be readily determined at this time.

On September 21, 2022, the Company issued 2,000,000 common shares to ABO upon ABO's conversion of $100,000 of the Commitment Debentures and on September 26, 2022, the Company issued 6,666,666 common shares to ABO upon ABO's conversion of $200,000 of the Commitment Debentures. On October 13, 2022, the Company issued 6,666,666 common shares to ABO upon ABO's conversion of $200,000 of Debentures.

OVERALL PERFORMANCE AND SELECT FINANCIAL INFORMATION

As of August 31, 2022, the Company had a working capital deficit of $6,681,648 (November 30, 2021 – $1,352,372), including $483,202 (November 30, 2021 - $4,885,811) in cash and current liabilities totalling

$8,928,587 (November 30, 2021 - $7,301,908). Refer to "Liquidity and Capital Resources" for additional information.

The Company must secure significant additional financing to be able to fund its ongoing clinical trials. Management is evaluating various alternatives to secure the necessary financing and/or to restructure the Company's operations so that the Company can continue as a going concern. Nevertheless, there is no assurance that these initiatives would be successful or would be sufficient to satisfy any liquidity concerns related to the Company's ability to continue as a going concern. On February 16, 2022, the Company announced the IQ Loan. The IQ Loan is conditional upon numerous closing conditions, including certain conditions precedent and there is no guarantee that the Company will be able to fulfil the conditions necessary to obtain funding of the IQ Loan, on a timely basis or at all. See the section titled "*General Development of the Business – Recent Developments*" in the AIF for additional information regarding the IQ Loan.

The following discussion of the Company's financial performance is based on the Company's Interim Financial Statements.

Financial Position as at	August 31, 2022	November 30, 2021
	$	$
Cash	483,202	4,885,811
Long-Term Investment	146,250	219,375
Sales tax and other receivable	1,582,744	255,713
Prepaid expenses	180,993	808,012
Equipment	626,444	692,252
Equity method investment	-	690,079
Accounts payable and accrued liabilities	(7,268,587)	(4,190,377)
Debenture	(1,660,000)	(3,111,531)
Total shareholders' (deficit) equity	(5,908,954)	249,334

RESULTS OF OPERATIONS

	For the Three Months Ended		For the Nine Months Ended	
	August 31, 2022	August 31, 2021	August 31, 2022	August 31, 2021
Expenses	**$**	**$**	**$**	**$**
Research and development	**1,827,356**	2,438,060	**4,568,246**	9,190,070
Stock based compensation	**167,651**	561,037	**442,339**	1,234,265
General and administration	**1,426,299**	2,718,948	**5,257,365**	9,079,973
Debenture Interest and Fees	**101,502**	145,201	**351,008**	1,749,735
Loss before other (income) expenses	**3,522,808**	5,863,246	**10,618,958**	21,254,043
Other (income) expenses				
Scientific research and experimental development tax credits	**(178,976)**	-	**(2,550,573)**	-
Share of loss from equity method investments	-	136,655	**215,430**	515,512
Net change in the market value of long term investment	**146,250**	(225,000)	**73,125**	219,375
Impairment of equity method investments	-	-	**474,649**	-
Total other (income) expenses	**(32,726)**	(88,345)	**(1,787,369)**	734,887
Net loss and total comprehensive loss	**3,490,082**	5,774,901	**8,831,589**	21,988,930
Total basic and diluted loss per common share	0.01	0.01	0.02	0.06

Results of operations for the three-month period ended August 31, 2022

Loss before other expenses

For the three months ended August 31, 2022, the Company reported loss before other expenses of $3.5 million as compared to $5.9 million for the three months ended August 31, 2021. The decrease in loss before other expenses of $2.4 million is primarily due to a $1.3 million decrease in general and administration expense, $0.6 million decrease in research and development expenses, $0.4 million decrease in stock based compensation.

Research and Development Expenses

During the three months ended August 31, 2022, the Company reported total research and development expenses of $1.8 million as compared with $2.4 million in the same period in Fiscal 2021. In the three months ended August 31, 2022, Tetra continued to focus on its core projects, as announced on February 28, 2022, which were:

- Rapidly advance QIXLEEF™ through clinical development and continue to advance towards regulatory approval in the United States, Europe, and Canada.
- Obtain the REDUVO™ soft gel market approval in Canada then accelerate REDUVO™ AdVersa® development in the rest of the world.
- Initiate clinical development phase of ARDS-003 (Onternabez) and seek a global out licensing deal with a pharmaceutical company.

During the three months ended August 31,2022 the total R&D expenditure was $1.8 million and the largest expenditures in R&D corresponded to $0.6 million on clinical trial expenses; $1.0 million on testing, non-clinical toxicology and other R&D activities; $0.1 million on manufacturing related activities (packaging, purchase of raw materials, laboratory rental and upkeep).; and $0.1 million on R&D specific consultants advising on QIXLEEF™ and Reduvo™.

In comparison, during the same period in Fiscal 2021, the Company was advancing multiple projects simultaneously, as follows:

- in parallel to advancing ARDS-003 at an expedited speed, the Company had also advanced its other priority QIXLEEF™.
- Running the toxicology program of ARDS-003 and manufacturing the clinical trial batch material for ARDS-003, in parallel to PLENITUDE© and REBORN1© clinical trial operations whereby the Company had spent on drug development activities approximately $0.1 million for ARDS-003 and $2.0 million for QIXLEEF™.

Stock-based compensation

For the three months ended August 31, 2022, stock-based compensation decreased by $0.4 million as expense was recognized for performance share units of $0.1 million (2021 - $0.4 million), deferred share units of $nil (2021 - $0.1 million) and stock options of $nil (2021 - $0.1 million). The performance share units were granted in Fiscal 2021.

General and Administrative Expenses

The 48% decrease in general and administrative expenses between Q3 2022 and Q3 2021 corresponds to decreases in all significant categories, as identified below.

	For the Three Months Ended			
	August 31, 2022	August 31, 2021	Change	Change
	$	$	$	%
Management fees	**21,022**	-	21,022	100%
Payroll and benefits	**836,258**	1,016,139	(179,881)	-18%
Professional fees	**360,965**	1,301,001	(940,036)	-72%
Exchange and regulatory fees	**24,604**	132,220	(107,616)	-81%
Foreign exchange loss (gain)	**355**	4,415	(4,060)	-92%
Other income & interest	**(1,935)**	(10,969)	9,034	-82%
Travel and promotion expense	**16,345**	9,506	6,839	72%
Amortization of equipment	**21,936**	20,138	1,798	9%
Amortization of intangible assets	**-**	6,538	(6,538)	-100%
Office, Insurance & Other	**146,749**	239,960	(93,211)	-39%
Total	**1,426,299**	2,718,948	(1,292,649)	-48%

Below is a discussion of certain changes in expenses in the third quarter of fiscal 2022 as compared with the same period in fiscal 2021:

- Payroll and benefits decreased by $0.2 million as more senior staff had left the Company in Fiscal 2021, including the Company's prior CFO, and such roles have been left vacant or such additional responsibilities have been taken on by staff at a lower salary.
- Professional fees decreased by $0.9 million due to the Company's reduced financing and corporate development activities. In the period ending on August 31, 2022, the Company completed 1 tranche of an expected series of private placements (2021 - 1 bought deal and the implementation of an at-the-market offering).

Other (income) expenses

For the three months ended August 31, 2022, the Company reported total other (income) of ($0.03) million as compared to the total other (income) of $(0.09) million during the three months ended August 31, 2021. This other (income) remained relatively unchanged primarily due to a $0.18 million income from scientific research and experimental development tax credits offset by $0.14 million in net change in the market value of long term

investment in fiscal 2022, as compared with $0.14 million loss from equity method investments offset by $(0.23) million net change in the market value of long term investment in fiscal 2021.

Net loss

For the three months ended August 31, 2022, the Company reported a net loss and total comprehensive loss of $3.5 million, or net loss of $0.01 per share, as compared to the net loss and total comprehensive loss of $5.8 million, or net loss of $0.01 per share, during the three months ended August 31, 2021. This decrease of $2.3 million is primarily from a $2.3 million decrease in loss before other expenses, as further discussed above.

Results of operations for the nine-month period ended August 31, 2022

Loss before other expenses

For the nine months ended August 31, 2022, the Company reported loss before other expenses of $10.6 million as compared to $21.3 million for the nine months ended August 31, 2021. The decrease in loss before other expenses of $10.7 million is primarily due to a $4.6 million decrease in research and development expenses, $3.8 million decrease in general and administrative expenses, $1.4 million decrease in debenture interest and fees and $0.8 million decrease in stock based compensation.

Research and Development Expenses

During the nine months ended August 31, 2022, the Company reported total research and development expenses of $4.6 million as compared with $9.2 million in the same period in 2021.

During the nine months ended August 31,2022 the total R&D expenditure was $4.6 million and the largest expenditures in R&D corresponded to $2.0 million on clinical trial expenses; $1.5 million on testing, non-clinical toxicology and other R&D activities; $0.4 million on manufacturing related activities (packaging, purchase of raw materials, laboratory rental and upkeep).; $0.7 million on R&D specific consultants advising on QIXLEEF™ and Reduvo™.

During the nine months ended August 31, 2021, the Company spent on drug development activities approximately $4.6 million for QIXLEEF™; $2.3 million for ARDS-003; $1.0 million on projects related to growth and discovery such as: new indications for Hu308 molecules (Onternabez solution) research related to CB2 molecules and SmartCelle™; $1.0 million for CAUMZ™ manufacturing activities; and approximately $0.2 million for Reduvo™.

Stock-based compensation

For the nine months ended August 31, 2022, stock-based compensation decreased by $0.8 million with performance share units expense being recognized of $0.4 million (2021 - $0.7 million), no deferred share units were granted to the directors (2021 - $0.3 million), stock options expense of $nil (2021 - $0.2 million). The Company granted performance share units in Fiscal 2021.

General and Administrative Expenses

The 42% decrease in general and administrative expenses between the nine month period ended August 31, 2022 and the same period in Fiscal 2021, corresponds to decreases in all significant categories, as identified below.

	For the Nine Months Ended			
	August 31, 2022	August 31, 2021	Change	Change
	$	$	$	%
Management fees	**22,192**	-	22,192	100%
Payroll and benefits	**2,769,974**	3,615,696	(845,722)	-23%
Professional fees	**1,473,929**	3,720,213	(2,246,284)	-60%
Exchange and regulatory fees	**195,823**	380,271	(184,448)	-49%
Foreign exchange loss (gain)	**6,634**	(75,291)	81,925	-109%
Other income & interest	**(7,031)**	(73,408)	66,377	-90%
Travel and promotion expense	**131,649**	104,734	26,915	26%
Amortization of equipment	**65,808**	55,599	10,209	18%
Amortization of intangible assets	**-**	20,459	(20,459)	-100%
Office, Insurance & Other	**598,387**	1,331,700	(733,313)	-55%
Total	**5,257,365**	9,079,973	(3,822,608)	-42%

Below is a discussion of certain changes in expenses in the nine months ended August 31, 2022 as compared with the same period in Fiscal 2021:

- Payroll and benefits decreased by $0.8 million as more senior staff had left the Company in fiscal 2022, including the Company's prior CFO, and such roles have been left vacant or such additional responsibilities have been taken on by staff at a lower salary.
- Professional fees decreased by $2.2 million during the nine months ended August 31, 2022 due to the Company's reduced financing and corporate development activities in 2022 as compared to 2021. The Company completed a single $2.1 million financing in December 2021 and received a $0.5 million private placement, in an expected series of private placements, in fiscal 2022. In the nine month period ending on August 31, 2021, the Company completed 2 bought deals, 1 private placement, one debt refinancing and had implemented an at-the-market program.
- Office, insurance & other decreased by $0.7 million as the prior year figures includes a payment of an extension fee for exclusivity related to the potential acquisition of Targeted Pharmaceuticals LLC ("Targeted") for $631,960.

Other (income) expenses

For the nine months ended August 31, 2022, the Company reported total other (income) of ($1.8 million) as compared to the total other expenses of $0.7 million during the nine months ended August 31, 2021. This improvement of $2.5 million is primarily from the recognition of $2.5 million in scientific research and experimental development tax credits in 2022 for which $nil were recognized in 2021.

Net loss

For the nine months ended August 31, 2022, the Company reported a net loss and total comprehensive loss of $8.8 million, or net loss of $0.02 per share, as compared to the net loss and total comprehensive loss of $22.0 million, or net loss of $0.06 per share, during the nine months ended August 31, 2021. This decrease of $13.2 million is primarily from a $10.6 million decrease in loss before other expenses and $2.5 million decrease in other (income) expenses, as further discussed above.

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 financial statements for those periods, all of which are available on SEDAR (www.sedar.com).

Three Months Ended	Total Revenue ($)	Continuing Operations Total ($)	Discontinued Operations Total ($)	Continuing Operations Per Share ($)	Discontinued Operations Per Share ($)
August 31, 2022	-	(3,490,082)	-	0.01	-
May 31, 2022	-	(3,716,051)	-	0.01	-
February 28, 2022	-	(1,625,456)	-	0.00	-
November 30, 2021	-	(52,175,046)	-	0.12	-
August 31, 2021	-	(5,774,901)	-	0.01	-
May 31, 2021	-	(7,864,253)	-	0.02	-
February 28,2021	-	(8,349,776)	-	0.03	-
November 30, 2020 [(1)]	-	(21,153,452)	(5,322,726)[(2)]	0.02	0.02

Notes:

(1) During the two years ended November 30, 2019, and November 30, 2020, the Company classified 2714140 Ontario Inc. and Lumiera Health Innovation Inc. ("Lumiera") as assets held for sale. This resulted in reclassification of assets and liabilities to the discontinued operations.

(2) As of November 30, 2020, after two unsuccessful attempts to liquidate the assets held for sale, management determined that the fair value less costs to sell substantially all the assets was $nil and a loss was recognized, as part of discontinued operations. The combined net loss from the results of discontinued operations is $5,322,726.

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. Below is a non-exhaustive list of events, risks and uncertainties, material commitments and milestones that can materially affect the Company's future performance including total revenue and profit or loss from continuing operations. See the heading "Risk Factors" below for more information on the risks impacting Tetra's business and operations.

Financial risk factors

The Company is in the research and development stage, has operated and is expected to operate at a loss until one of its lines of business becomes established and therefore will require additional financing in order to complete its research and development and to fund its ongoing and future operations. The failure to raise such capital could result in the delay or indefinite postponement of current business objective, the Company having to protect its assets in the best interest of its shareholders, including seeking creditors' protection or the Company going out of business. The Company's ability to secure any required financing to sustain its operations will depend in part upon prevailing capital market conditions, as well as the Company's business success. There can be no assurance that the Company will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to the Company's management. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences, and privileges superior to those of holders of Common Shares. In addition the Company may enter into transactions to restructure the operations of the Company which may include divestiture of assets of the company or seeking creditors' protection, if necessary.

The Company's activities expose it to a variety of financial risks in relation to financial instruments, including credit risk, liquidity risk and price risk and how the Company manages those risks are described in note 20 to the Company's audited consolidated financial statements for the year ended November 31, 2021. There were no significant changes in the nine months ended August 31, 2022 as compared to the November 30, 2021 except as provided in note 2, Going concern to the Interim Financial Statements.

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

Liquidity and Capital Resources

	For the Three Months Ended		For the Nine Months Ended	
	August 31, 2022	August 31, 2021	August 31, 2022	August 31, 2021
	$	$	$	$
Cash - beginning of period	**1,735,200**	16,235,756	**4,885,811**	2,500,612
Cash used in operating activities	**(873,529)**	(7,551,111)	**(5,182,040)**	(22,273,772)
Cash used in investing activities	-	(139,515)	-	(1,436,272)
Cash provided by (used in) financing activities	**(378,469)**	26,733	**779,431**	29,781,295
Cash - end of period	**483,202**	8,571,863	**483,202**	8,571,863

Operating activities

Cash used in operating activities for the three months ended August 31, 2022 and 2021 was approximately $0.9 million and $7.6 million, respectively. Cash used in operating activities for the nine months ended August 31, 2022 and 2021 was approximately $5.2 million and $22.3 million, respectively. Net cash used in operating activities was lower in the three and nine month periods ended August 31, 2022 which is attributed primarily to reduced expenditures as the Company narrowed its focus for its operations as publicly announced on February 28, 2022.

Investing activities

Cash used in investing activities for the three months ended August 31, 2022 and 2021 were nominal as approximately $nil and $0.1 million, respectively. Cash used in investing activities for the nine months ended August 31, 2022 and 2021 was approximately $nil and $1.4 million, respectively. In 2021, the Company was capitalizing costs related to its parallel to PLENITUDE© and REBORN1© clinical trial operations, in addition to purchasing equipment required to manufacture clinical trial batches of various drug candidates, perform testing, and develop formulations, in compliance with GMP standards.

Financing activities

Cash provided by (used in) financing activities for the three month period ended August 31, 2022 and 2021 was approximately $(0.4) million and $nil, respectively. In 2022, the Company repaid $0.4 million in debenture (2021 - $nil).

Cash provided by financing activities for the nine months ended August 31, 2022 and 2021 was approximately $0.8 million and $29.8 million, respectively. In 2022, the Company completed a public offering (from which the Company originally expected to receive up to $5.9 million but for which net proceeds of only $1.7 million was received) and the first $0.5 million tranche of an expected series of private placements while repaying $1.5 million of its debenture. In the same period in 2021, the Company completed two bought deals, private placement, a debenture refinancing and had warrants exercised.

As at October 12, 2022, the Company had 423,362,824 common shares issued and outstanding, as well as 185,344,330 warrants, 20,600,000 performance share units, 4,104,900 stock options and 1,089,696 deferred share units outstanding. Each stock option, warrant, performance share unit, stock option and deferred share unit is exercisable for one common share.

Adequacy of financial resources

When managing capital, the Company's objective is to ensure that the Company continues as a going concern as well as to achieve optimal returns to shareholders and benefits for other stakeholders. The BOD 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 , which is comprised of shareholders' equity, which totalled a deficit of $5,908,954 as of August 31, 2022 (November 30, 2021 – surplus of $249,334).

The Company currently has no operating revenues from continued operations and relies primarily on equity or debt financing. As of August 31, 2022, the Company had a working capital deficit of $6,681,648 (November 30, 2021 – deficit of $1,352,372).

During the first quarter of 2021, the Company secured a non-convertible debenture financing from a private lender in an aggregate principal amount of $3,000,000. The debenture is secured by a security interest over all assets of Tetra and its subsidiaries. Under the terms of the debenture, the Company is subject to a large number of positive and negative covenants. In the event of a default to (i) make payments required under the terms of the debenture, (ii) comply with the Company's numerous positive and negative covenants, or (iii) otherwise comply with the terms of the debenture, the lender could, in certain circumstances, (i) declare the principal amount of the debenture then outstanding, all accrued and unpaid interest owing in respect thereof and all other monies payable thereunder to be due and payable and such principal and interest shall immediately become due and payable by the Company to the lender, and take possession of the assets of the Company. A default by the Company under the debenture would have a material adverse effect on the Company.

As at November 30, 2021, the Company was in violation of one of the covenants and, as a result, reclassified the loan to current liabilities, resulting in the debentures being revalued at November 30, 2021 to their face value plus accrued interest as a result of the violation. This situation has not yet been resolved. As such, the Company has been following a repayment plan with its lender which has provided waivers for certain affirmative covenants set forth in the Note Purchase Agreement.

As at August 31, 2022, the Company had drawn $3,000,000 (November 30, 2021 - $3,000,000) of the non-convertible debentures and had outstanding principal and interest of $1,660,000 (November 30, 2021 - $3,111,531) on the non-convertible debentures.

The base shelf prospectus allowed Tetra and certain of its security holders to qualify the distribution by way of the prospectus of up to $50,000,000 of Common Shares, warrants, units, debt securities, subscription receipts, or any combination thereof, from time to time at the discretion of the Company. However, at the beginning of fiscal 2022, the Company was faced with a shortfall in its prospectus based financing, in that, the Company originally

expected to receive up to $5.9 million but for which net proceeds of only $1.7 million was received. The final base shelf prospectus expired on May 1, 2022.

Since the beginning of 2022, the Company has monitored its risk of shortage of funds by monitoring forecasted and actual cash flows and maturity dates of existing financial liabilities and commitments and has actively managed its capital to ensure a sufficient liquidity position to finance its operations, including research and development expenses, general and administrative expenses as well as working capital. Over the last few quarters, the Company has identified and undertaken a number of restructuring measures with the objective of reducing ongoing operating costs and enhancing the Company's ability to raise financing.

As of the date of this MD&A, management does not believe that the Company's cash balance is sufficient to meet its general working capital requirements and contractual obligations for the next 12 months. As at August 31, 2022, the Company had a working capital deficit of $6,681,648 (November 30, 2021 –$1,352,372), including $483,202 (November 30, 2021 - $4,885,811) in cash, and current liabilities totalling $8,928,587 (November 30, 2021 - $7,301,908).

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern without a restructuring and/or a significant financing. To complete the subsequent phases of its various ongoing clinical trials, the Company will require significant additional financing to be able to fund its ongoing clinical trials. Management is evaluating various alternatives to secure the necessary financing so that the Company can continue as a going concern. There can be no assurance that the Company will achieve profitability and be able to do so in the future on terms favorable for the Company. Refer to the section "Basis of Presentation and Going Concern Uncertainty" above and the sections titled "*Financial Risks*" above and "*Risk Factors*" below.

On February 16, 2022, the Company announced the IQ Loan. The IQ Loan is conditional upon numerous closing conditions, including certain conditions precedent for which shareholder and regulatory approvals are required, and there is no guarantee such approvals will be obtained, or that the Company will be able to fulfil the conditions necessary to obtain funding of the IQ Loan, on a timely basis or at all. See the section titled "*General Development of the Business – Recent Developments*" in the AIF for additional information regarding the IQ Loan.

On May 5, 2022, the Company announced its partnership with Cannvalate Pty Ltd ("Cannvalate"), whereby Cannvalate agreed to acquire common shares of the Company on a private placement basis, through seven (7) distinct tranches for aggregate proceeds of $7,500,000. On May 17, 2022, the Company closed the first tranche of the private placement resulting in the issuance of 8,236,681 common shares at a price of $0.06 per common share for gross proceeds to the Company of $500,000. The subscription price per common share issuable under the first tranche was at a discount of 7% to the 5-day volume weighted average price of the common shares on the TSX on May 4, 2022, the day of execution of the subscription agreement. Under certain circumstances, all tranches may not be completed.

On September 8, 2022, the Company revised the terms of its previously announced financing arrangement with Global Corporate Finance Opportunities 16, an investment vehicle advised by ABO, and has closed the first

tranche of the ABO Financing on such revised terms, pursuant to the terms of the "Amended and Restated Subscription Agreement.

Pursuant to the terms of the Amended and Restated Subscription Agreement, the Investor has now agreed to purchase up to $10,000,000 aggregate principal amount of convertible debentures ("Debentures"). In addition, the Company has agreed to a revised fee structure, whereby the Company has paid to the Investor a commitment fee equal to 8% of the total commitment of the Investor, paid as to 3% through the issuance of $300,000 principal amount of Debentures (the "Commitment Debentures") and as to 5% through the issuance of 7,776,050 common shares having an aggregate value of $500,000 (the "Commitment Shares").

As part of the closing of the first tranche of the ABO Financing, the Company issued to the Investor (i) $400,000 principal amount of Debentures, (ii) the Commitment Debentures, (iii) the Commitment Shares, and (iv) warrants to acquire 1,196,172 common shares at a price of $0.0836 per share (the "Warrants"). The Debentures issued as part of the first tranche do not bear interest and will mature on September 7, 2023. The Warrants issued as part of the first tranche have an expiry date of September 7, 2025.

Each closing of a tranche of the ABO Financing is subject to a number of conditions precedent. There is no guarantee that the Company will be able to meet all of the conditions precedent for a particular tranche. Therefore, the actual proceeds that the Company will receive under the terms of the Amended and Restated Subscription Agreement cannot be readily determined at this time.

On September 21, 2022, the Company issued 2,000,000 common shares to ABO upon ABO's conversion of $100,000 of the Debentures and on September 26, 2022, the Company issued 6,666,666 common shares to ABO upon ABO's conversion of $200,000 of the Debentures. On October 13, 2022, the Company issued 6,666,666 common shares to ABO upon ABO's conversion of $200,000 of Debentures.

Contractual Obligations

The Company's material contractual obligations are dependent on the counterparty's ability to deliver on pre-determined milestones, which the Company is unable to predict due to their inherently unpredictable nature. Such unpredictability applies to the attainment of Panag's milestones, Therefore, not all contractual obligations referred to in the table above may materialize. Refer to "Commitment and Contingencies" for the estimate of all contracts, including the balance remaining related to the acquisition of Panag.

Off Balance Sheet Transactions

The Company does not have any off-balance sheet arrangements.

Related Party Transactions

Key management includes the Company's directors and senior management team. The remuneration of directors and senior management team was as follows:

	Three Months Ended		Nine Months Ended	
	August 31, 2022	August 31, 2021	August 31, 2022	August 31, 2021
	$	$	$	$
Management & Professional fees	21,022	10,000	22,192	90,000
Payroll and benefits	285,693	474,553	850,231	1,647,554
	306,715	484,553	872,423	1,737,554
Options-based compensation	45,047	140,826	72,387	225,487
Defered share units issued	-	107,042	-	307,041
Performance share units issued	122,604	313,169	369,952	701,737
Total	**474,366**	**1,045,590**	**1,314,762**	**2,971,819**

During the three and nine months ended August 31, 2022, the Company incurred professional services from its Chief Financial Officer of $21,022 and $22,192 (2021 - $nil and $nil) and paid management fees related to the disposal of an inactive subsidiary to an executive of $nil and $nil (2021 - $10,000 and $90,000), respectively.

For the three months ended August 31, 2022, overall compensation decreased by $0.6 million when compared to the same period in Fiscal 2021. For the nine months ended August 31, 2022, overall compensation decreased by $1.7 million when compared to the same period in Fiscal 2021. These decreases are attributed to the reduction of personnel and the deferral of all other forms of compensation (i.e. bonuses and salary increases and of granting of non-cash security-based compensation) during these periods.

Partnerships and Acquisition Opportunities

In the normal course of business, the Company evaluates strategic opportunities, including with respect to marketing and commercialization efforts for its drug candidates with the collaboration of third parties, and/or potential acquisitions, mergers, and disposition of non-core assets. Upon signing a non-binding letter of intent (LOI) or non-binding term sheet, the Company will conduct a more in-depth cost benefit valuation of the partnership opportunity or acquisition and conduct due diligence. If the Company deems the transaction will benefit Company's growth in drug discovery, research and development, clinical trials, as well as accelerate time to commercialize its existing drug candidates, the Company may decide to proceed with the proposed partnership or transaction. All the M&A and partnership activities and disposition of any assets are subject to the Board's approval. These proposals, which are subject to approval of the Board and sometimes regulatory and shareholder approvals, may involve future payments, and share issuances. There is no assurance that these proposals will result in any collaboration or transaction. These transactions may be settled in cash, share issuances or a combination of both. 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.

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 the end of the period, the Company makes provisions, where possible, for the estimated outcome of such claims or proceedings.

As at August 31, 2022 and November 30, 2021, management was not aware of any material pending or actual claims outstanding against the Company that could materially impact Company's operations.

Financial Instruments and Risk Management

The following table provides the carrying and fair values of the Company's financial instruments by category, as well as the associated fair value hierarchy levels.

Financial instruments:	August 31, 2022	November 30, 2021
Financial Assets:	**$**	**$**
Amortized cost		
Cash	**483,202**	**4,885,811**
Sales tax and other receivables	**1,582,744**	**255,713**
FVTPL		
Long-term investment	**146,250**	**219,375**
Financial liabilities:		
Amortized cost		
Accounts payable and accrued liabilities	**7,268,587**	**4,190,377**
FVTPL		
Debenture	**1,660,000**	**3,111,531**

Commitments and contingencies

Milestones in Acquisition of Panag

The agreement for the acquisition of Panag contemplates the payment by the Company to the sellers 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 EMA. As of August 31, 2022, the Company has completed one of the milestones which resulted in contingent payments of $750,000 during the third quarter of Fiscal 2021. As for the remaining balance of $14,250,000 payable under the conditions described above, as a triggering event has not yet taken place, the contingent payments have not been incurred and have not been reflected in the Interim Financial Statements.

The Company is committed to fund Panag's research in an amount of 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.

Contingent Payments

The Company is party to certain management and employment contracts. These contracts require that additional payments of approximately $2,026,005 be made upon termination without cause. As a triggering event has not taken place, the contingent payments have not been reflected in the Interim Financial Statements.

The Company is party to several agreements for the research, development and potential commercialization of its products. Based on the closing exchange rates at August 31, 2022, the Company expects to pay up to $13,800,999 including $6,860,243 (USD 5,232,433), $3,954,720 (AUD 4,400,000) and $10,858 (Euro 8,500). The future payments that are disclosed represent contract payments and are not discounted and are not risk adjusted. The development of any pharmaceutical product candidate is a complex and risky process that may fail at any stage in the development process due to a number of factors.

Guarantee Payments

During Fiscal 2020, the Company provided a financial guarantee in relation to a convertible debenture entered into by Lumiera Health Innovations Inc. ("Lumiera"). The Company has guaranteed all of the outstanding obligations of Lumiera related to this convertible debenture, which includes the remaining principal amount of $1,000,000 plus any accrued and unpaid interest and penalties, on the occurrence of any default event. The Company can settle the outstanding obligations through cash payment or issuance of Common Shares at the market rate subject to regulatory approval. As at August 31, 2022 the Company has assessed the fair value of this guarantee to be $nil. A default by Lumiera under the debenture could have a material adverse effect on the Company if the lender was to require the Company to honour its guarantee.

Debenture

During the first quarter of 2021, the Company obtained a non-convertible debenture financing from a private lender in an aggregate principal amount of $3,000,000. The debenture is secured a security interest over all assets of Tetra and its subsidiaries. Under the terms of the debenture, the Company is subject to a large number of positive and negative covenants. In the event of a default to (i) make payments required under the terms of the debenture, (ii) comply with the Company's numerous positive and negative covenants, or (iii) otherwise comply with the terms of the debenture, the lender could, in certain circumstances, declare the principal amount of the debenture then outstanding, all accrued and unpaid interest owing in respect thereof and all other monies payable thereunder to be due and payable and such principal and interest shall immediately become due and payable by the Company to the lender, and take possession of the assets of the Company. A default by the Company under the debenture would have a material adverse effect on the Company.

As at November 30, 2021, the Company was in violation of one of the covenants and, as a result, reclassified the loan to current liabilities, resulting in the debentures being revalued at November 30, 2021 to their face value plus accrued interest as a result of the violation. This situation has not yet been resolved. As such, the Company has been following a repayment plan with its lender which has provided waivers for certain affirmative covenants set forth in the Note Purchase Agreement.

As at August 31, 2022, the Company had drawn $3,000,000 (November 30, 2021 - $3,000,000) of the non-convertible debentures and had outstanding principal and interest of $1,660,000 (November 30, 2021 - $3,111,531) on the non-convertible debentures.

RISK FACTORS

The Company's overall performance and results of operations are subject to a number of risks and uncertainties. There are a number of risk factors that could cause future results to differ materially from those described herein.

A discussion of the risks to which the Company is subject is presented in the section entitled "Risk Factors" of the Company's AIF for the year ended November 30, 2021, which section is incorporated herein by reference. The AIF was filed on February 28, 2022, on SEDAR (www.sedar.com). See the section entitled "*Forward-Looking Statements*" in this MD&A for a discussion of risks associated with forward-looking statements.

The risks and uncertainties described herein and in the AIF are not the only ones that the Company faces. Additional risks and uncertainties, including those that the Company does not know about now or that it currently deems immaterial, may also adversely affect the Company's business. If any of the following risks actually occur, the Company's business may be harmed, and its financial condition, results of operations and prospects may suffer significantly. If any such risks actually occur, shareholders of the Company could lose all or part of their investment. The acquisition of any of the securities of the Company is speculative, involving a high degree of risk and should be undertaken only by persons whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Company should not constitute a major portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Shareholders should evaluate carefully the risk factors associated with the Company's securities described in the AIF, along with the risk factors described elsewhere in this MD&A. See the section entitled "*Forward-Looking Statements*" in this MD&A for a discussion of risks associated with forward-looking statements.

Risk Factors Relating to Tetra and its Business

Going Concern Risk

The Company's financial statements have been prepared on a going concern basis under which the Company is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. However, as of the date of this MD&A, management does not believe that the Company's cash balance is sufficient to meet its general working capital requirements and contractual obligations for the next 12 months. Tetra's future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing additional equity or debt financing or in achieving profitability, or that such additional equity or debt financing will be completed on terms satisfactory to the Company and would be sufficient to satisfy any liquidity concerns related to the Company's ability to continue as a going concern. Certain adverse conditions and material uncertainties cast doubt upon the ability of the Company to continue as a going concern without a significant restructuring and/or financing. These include:

- The Company has cash-on-hand of approximately $150,000 as at the date of this MD&A;
- the Company has a working capital deficiency (excess current liabilities over current assets);
- the Company has an obligation to repay $1,660,000 for principal and accrued interest to a private lender under a non-convertible debenture;
- the Company currently has no marketed products and no sources of revenues other than equity or debt financings, and there can be no assurance as to the Company's ability to maintain or obtain sufficient financing sources for operations or to meet future obligations.

Due to these adverse conditions and material uncertainties, the use of the going concern assumption in the preparation of the Company's financial statement may not be appropriate. This could result in material adjustments to the amounts and classifications of assets and liabilities in the Company's financial statement should the Company fail to continue as a going concern. The financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should it be unable to continue as a going concern. If the Company is unable to continue as a going concern, it may be forced to seek relief under applicable bankruptcy and insolvency legislation, which may negatively affect the price and volatility of the Common Shares and any investment in such shares could suffer a significant decline or total loss in value and would subject the Company to additional risks related to such proceedings.

External Environment and Inflation Risk

Since fiscal 2020, the Company has experienced inflation which has resulted in higher than usual operating costs, and this trend continued in Q2 2022. Inflation has impacted patient recruitment costs, raw material replenishment cost and the cost of hiring skilled labor to ensure the Company remains on track with the scheduled manufacturing, clinical and regulatory milestones. The overall increase in such costs was caused by several external factors including but not limited to general uncertainties caused by global supply chain constrictions and the global COVID-19 pandemic. Both factors have resulted in the Company's need to pay premium fees for patient recruitment, consulting, and labour as well as raw materials. There is no assurance that continued inflation will not have similar impacts on Tetra's operations during Fiscal 2022.

COVID-19 Pandemic

The spread of COVID-19 continues to affect segments of the global economy and may affect the Company's operations, including the potential interruption of its clinical trial activities and its supply chain. While the Company experienced fewer delays than anticipated in clinical trials or delays or disruptions in its supply chain, the continuing COVID-19 crisis may result in additional business disruptions, including delays in its clinical trials or delays or disruptions in its supply chain. In addition, the COVID-19 pandemic could potentially negatively impact the business of the FDA, Health Canada, the European Medical Agencies (EMA) or other health authorities, which could result in delays of reviews and approvals, including with respect to its drug candidates. The continuing COVID-19 crisis could adversely affect its clinical trial operations in Canada and elsewhere, including its 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 that the Company relies upon to carry out its clinical trials, which could result in

inefficiencies due to reductions in staff and disruptions to work environments and could result in delays or disruptions in the supply of the Company's drug candidates. In addition, the Company may take temporary precautionary measures intended to help minimize the risk of the virus to its employees, such as maintaining that all employees work remotely, suspending all nonessential travel worldwide for its employees, and discouraging employee attendance at industry events and in-person work-related meetings, which could negatively affect its business. The Company cannot presently predict the scope and severity of any potential business shutdowns or disruptions. If the Company or any of the third parties with whom it engages, however, were to experience shutdowns or other business disruptions, the Company's ability to conduct its business in the manner and on the timelines presently planned could be materially and negatively affected, which could have a material adverse impact on its business and its results of operation and financial condition.

Current and prospective investors are cautioned that the Company's programs may be delayed or disrupted by the current COVID-19 pandemic. As a result of the current COVID-19 pandemic, the Company's operations could be delayed or disrupted as a result of the current COVID-19 pandemic as a consequence of the factors discussed above. Due to the speed at which the situation has been developing and the uncertainty of its magnitude, outcome and duration, including by reason of the rapid spreading of mutants and variants, including the Omicron variant, 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 be subject to significant delays and disruptions. 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.

ADDITIONAL INFORMATION AND CONTINUOUS DISCLOSURE

Management's Report on Internal Controls Over Financial Reporting

On June 25, 2021, Tetra announced that Jean-François Boily resigned as Chief Financial Officer ("CFO") of the Company effective July 16, 2021. On May 30, 2022, the Company confirmed that Leslie Auld had joined Tetra as its new CFO.

For Q3 2022, in accordance with the requirements of NI 52-109, the Company has filed certifications signed by Mr. Guy Chamberland, acting as the CEO of the Company, and Ms. Leslie Auld, acting as the CFO of the Company, that, among other things, report on the design and effectiveness of disclosure controls and procedures, and the design and effectiveness of internal control over financial reporting. As indicated in such certifications, management has designed disclosure controls and procedures to provide reasonable assurance that:

1. Material information relating to the Company is made known to the CEO and the CFO, particularly during the period in which interim filings are being prepared; and
2. Information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

Management has also designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in

accordance with IFRS. The control framework management used to design the Company's internal control over financial reporting is the Committee of Sponsoring Organizations ("COSO").

There have been no changes in the Company's internal controls over financial reporting during the twelve months ended November 30, 2021, or during the first nine months ended on August 31, 2022, that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Management of the Company have determined to limit the scope of design of Disclosure Controls and Procedures and internal control over financial reporting to exclude controls, policies and procedures of TALLC Corporation Inc. ("TALLC") and Targeted. This scope limitation is in accordance with section 3.3(1)(a) of NI 52-109, which allows for an issuer to limit the design of Disclosure Controls and Procedures and internal control over financial reporting for a proportionately consolidated entity in which the issuer has an interest. Summary financial information regarding TALLC and is included in the Interim Financial Statements.

Due to its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Management's projections of any evaluation of the effectiveness of internal control over financial reporting as to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the Company's condensed consolidated interim financial statements in compliance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period; however, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

I. The recoverability of capitalized intangible assets and equipment which are included in the condensed consolidated interim statements of financial position.
II. The Company measures the cost of stock-based payment transactions with employees and directors by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for stock-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, dividend yield of the share option and forfeiture rate.
III. Estimating fair value for warrants and broker and finder warrants requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate

also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, dividend yield of the share option and forfeiture rate.

IV. Management decision that a provision is needed for the contingency represents management estimates and the eventual resolution of the liability may differ based on additional information and the occurrence of future events.

The Interim Financial Statements have been prepared in accordance with IFRS on a going concern basis, which assumes the realization of assets and discharge of liabilities in the normal course of business within the foreseeable future. Management uses judgment in determining assumptions for cash flow projections, such as anticipated financing and future commitments to assess the Company's ability to continue as a going concern. A critical judgment is that the Company continues to raise funds going forward and satisfy their obligations as they become due. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The key estimates and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described in detail in Note 4 of the Company's Interim Financial Statements.

CHANGES IN ACCOUNTING POLICIES

Critical accounting estimates and assumptions, as well as critical judgments used in applying accounting policies in the preparation of the Company's condensed interim consolidated financial statements, were the same as those applied to the Company's annual consolidated financial statements for the year ended November 30, 2021.

APPROVAL

The BOD approved the Interim Financial Statements and the disclosure contained in this MD&A on October 17, 2022. 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 AIF, filed on SEDAR (www.sedar.com) on February 28, 2022. The information contained herein is not a substitute for a detailed investigation or analysis on any particular issue. No securities commission or securities regulatory authority has reviewed the accuracy of the information presented in this document.