TETRA BIO-PHARMA INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the six months ended August 31, 2017

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

The financial information in this MD&A is derived from the Company's condensed consolidated interim financial statements for the nine months ended August 31, 2017, to October 25, prepared in accordance with IFRS (International Financial Reporting Standards). The effective date of this MD&A is October 25, 2017.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

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

COMPANY OVERVIEW

On September 28, 2016, the Company formally changed its name from GrowPros Cannabis Ventures Inc. to Tetra Bio-Pharma Inc. The Company's common shares were listed for trading on the Canadian Securities Exchange ("CSE"') under the symbol "TBP" and the OTCQB under the symbol "TBPMF". On August 16, 2017, the Company's common shares are listed for trading on the TSX Venture Exchange ("TSXV"') under the symbol "TBP" and the OTCQB under the symbol "TBPMF".

The principal business of the Company is that of cannabinoid drug development including medical cannabis, consultations and acquisitions, with an open license application to become a producer of medical cannabis in Canada pursuant to Health Canada's Access to Cannabis for Medical Purposes Regulations ("ACMPR"). The Company's head office is located at 200-2742 St. Joseph Blvd., Orleans, Ontario, K1C1G5. Tetra completed the Phase I study protocol for the single dose escalation, pharmacokinetic and pharmacodynamics evaluation of PPP001, pursued the clinical investigation of cannabis-related adverse effects with a special assessment to ensure drug to drug safety when used in combination with opioids, completed the operational aspects to perform the Phase III clinical trial in the third quarter, and will be submitting the clinical trial application to the Therapeutic Products Directorate, Health Canada, in Q4 2017.

Tetra Bio-Pharma Inc. ("Tetra" or the "Company"), was incorporated under the name Mazorro Resources Inc. ("Mazorro") under the Canada Business Corporations Act on May 17, 2007. On December 29, 2014, GrowProsMMP Inc. ("GrowProsMMP") completed an amalgamation agreement with Mazorro and 9048073 Canada Inc., a newly-incorporated subsidiary of Mazorro, in order to effect the November 1, 2014 definitive agreement. Legally, Mazorro is the parent of GrowProsMMP; however, as a result of the share exchange, control of the combined companies passed to the former shareholders of GrowProsMMP, which for accounting purposes is deemed to be the acquirer. For financial reporting purposes the transaction has been accounted for as an acquisition of Mazorro by GrowProsMMP under IFRS 2 Share Based Payment and therefore the financial statements have been prepared as a continuation of GrowProsMMP. As part of the amalgamation agreement Mazorro changed its name to GrowPros Cannabis Ventures Inc.

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

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

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

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

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

Tetra and Aphria entered into a joint supply agreement, with Aphria supplying dried medical cannabis under its ACMPR license. Based on the success of the venture, Tetra and Aphria may expand into other provinces.

The venture is preparing to initiate its commercial operations in the fall 2017 with revenues commencing in Tetra's fourth quarter of 2017. In addition, Tetra tasked a contract manufacturer to develop and commercialize a high quality medical grade pipe for the inhalation of medical cannabis. Tetra will also generate revenues from the sale of this pipe through its medical cannabis sales activities commencing in Q4 2017.

Tetra and Aphria have concluded that there is demand for an evidence-based approach with a pharmaceutical grade cannabis oil product. The demand from medical professionals for a pharmaceutical grade cannabis oil was based both on the lack of scientific evidence to support patient safety and the lack of product quality as shown by the incidences of pesticide use by some Licenced Producers. To address this unmet market demand, Tetra initiated activities to position itself as the leader in pharmaceutical grade cannabis for medical professionals and will also be offering encapsulated cannabis oil through its Aphria partnership. Considering the progressive growth of the medical cannabis oil sales in Canada since 2015, Tetra is confident that it will successfully penetrate this market with its pharmaceutical approach to patient care.

CORPORATE STRUCTURE AND BUSINESS ACTIVITY

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

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

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

Core business

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

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

Secondary business

1) Medical Marijuana Consultation and Acquisition Firm

(1) Development and Commercialization of Cannabis-derived Pharmaceuticals

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

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

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

In summer 2016, the Company submitted two Orphan Drug Designation applications. The Company received questions from FDA in late December 2016 and has 1 year to respond to the information requested. The company is also submitting additional applications to expand its request for Orphan status protection.

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

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

In January 2017, TBP had a Type B pre-IND meeting with the USA FDA to discuss the regulatory requirements for early phase (Phase I), late phase and marketing authorization. In Q3 2017, the corporation initiated discussions with the US Drug Enforcement Agency as it prepares for its next phase of development.

In Q4 2017, the corporation will present its safety, pharmacokinetic and pharmacodynamics to the US FDA to pursue discussions on marketing requirements.

Clinical trials[1]

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

Clinical trials fall under the responsibility of:

Health Canada:

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

FDA:

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

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

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

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

response and frequency of administration as well as the pharmacodynamics response. This data, along with the safety data, is used to define the dose range that can be tested in humans.

The general phases of drug development are:

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

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

Regulatory Process and Industry Interactions:

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

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

Companies will submit a document entitled "Information Package" that contains summaries of the animal testing, chemistry and manufacturing aspects of the product and planned clinical study. The regulators assign a project team to review this information and the regulator completes their assessment before meeting

with the company. This is because companies seek guidance from the regulator and expects the answer to their issue at the pre-CTA (pre-IND) meeting. Generally, the questions to the regulator must be very specific. General questions are addressed by the ICH or the country-specific guidance documents and not via the consultation process. The objective of these consultation meetings is to determine whether the company can proceed and submit the CTA or Investigational New Drug application to the agency and whether there are issues that the company has not addressed that could lead to a delay or rejection of the application.

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

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

Tetra Clinical Trials in 2016-2017:

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

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

Development Phase	**THC-CBD topical cream (Panag Pharma)**	**PPP0001**	**Dronabinol sustained release (IntelGenx)**	**Ocular formulation (Panag Pharma)**	**Cannabis oil program**
Discovery and Lead selection	Not required; formulation based on THC pharmacology.	Not required; formulation based on body of public scientific data.	Not required; formulation based on THC pharmacology.	Not required; formulation based on THC pharmacology.	Not required; formulation based on physician and patient demand.
Preclinical pharmacology and toxicology	Not required; formulation based on scientific literature.	Not required; formulation based on body of public scientific data.	Not required; formulation based on scientific literature.	Not required; formulation based on scientific literature.	Not required; formulation based on ACMPR.

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

*: There is very little information on the absorption, safety, accumulation and pharmacodynamics of consuming medical cannabis oils. Pharmacists have to date refused dispensing these products due to the absence of safety information. These health professionals require clinical data to safety dispense cannabis oils to patients in order to ensure the safety and well-being of the patient.

**: Tetra expanded its collaboration with Santé Cannabis to develop core evidence on the safety and efficacy of cannabis oils in patients. This collaboration is part of Tetra's strategy to effectively penetrate the medical cannabis sales market by positioning itself as the leader in the pharmaceutical evidence-based medical cannabis products.

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

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

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

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

The Company intends on using the PPP001 Phase I data to support safety of THC and CBD in humans. Tetra intends on working with key opinion leaders to integrate this product into the practice of pain management. In addition, the safety data collected from the cannabis oil studies will provide strong supportive data that will reduce the overall product development costs. Bridging strategies are commonly used in the pharmaceutical industry to accelerate-time-to-market and reduce overall development costs. Both of these activities translate into a better return on investment for shareholders as well as earlier access to revenues from sales.

PPP0001 - Target Intended Uses:

As an adjunct to standard of care, helps to reduce the pain and improve the quality of life of patients a malignant cancer with uncontrolled pain in adults. In accordance with Health Canada's policy, TBP will seek a conditional Notice of Compliance for this indication. During the period of Q4 2017, the corporation will expand its target patient population thereby increasing the potential revenue stream from PPP001. These additional indications will be consistent with the risk-benefit of an inhaled cannabis drug and address unmet medical needs.

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

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

- dose-escalation safety with pharmacokinetics,

- safety parameters include assessment of cognitive function (memory, attention, etc.), and

- pharmacodynamics assessments for potential efficacy in reducing pain.

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

The Phase II/III will be a multi-site study in Canada and US performed subsequent to No-Objection from Health Canada and the FDA. The Phase III study will begin in Canada and expand to the USA once the import licenses are obtained. Assuming a successful outcome, Tetra will seek conditional approval for the first target intended use and will subsequently begin submitting for coverage by provincial public insurers. In parallel, the company intends on launching an Expanded Access Program to allow the treatment of patients that are not eligible for the Phase III trial and to collect data for its new target indications.

On September 28, 2017, Tetra announced that it had signed a letter of intent (LOI) with AES Environment Group to develop and commercialize specific products ensuring the safety of caregivers for patients who will use PPP001 or medical cannabis. In the context of a clinical trial with both on site and at home use of PPP001, it is imperative for Tetra to control the quality of the environment of its users and ensure that caregivers, healthcare professionals (HCP) and family members, will not be affected by second hand smoke when patients are inhaling PPP001 or medical cannabis. Tetra is being proactive in addressing the concerns of physicians and Health Canada regarding potential effects of second hand smoke. It is for this reason that Tetra is partnering with AES Environment who will provide devices that will allow healthcare professionals to safely work alongside patients smoking prescribed medical cannabis. As well, the Companies have signed a letter of intent to set up a partnership for the development and distribution of a specialized air purification device for both residential and professional work environments, ensuring quality of the environment during inhalation of Tetra's smokable product PPP001. Both Companies are working together to develop a new type of portable air filter that will be used by patients inhaling medical cannabis or Tetra`s prescription drug PPP001.

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

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

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

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

Canada and US clinical program to support this first intended use (identical claim to that of Dronabinol) involves the conduct of one well-designed clinical trial. A proof-of-concept study in patients will be

performed to minimize the risk associated with bringing this product to the market (i.e., confirm the safety benefits in patients and determine the group sizes). The Company intends on using the PPP001 Phase I data to support safety of THC and CBD in humans. In the USA, the Company intends on submitting a 505(b)(2) marketing application since Dronabinol is already an approved drug. This regulatory pathway will give the Company at least 3 years of market exclusivity.

Ocular formulation of cannabinoids:

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

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

Cannabis oil capsules:

Since 2015, the cannabis oil medical market has continuously grown year after year and is now the major type of cannabis product acquired under ACMPR. This type of product has taken a market lead due to various reasons including the lack of standardized approaches aimed at minimizing side effects in patient's consuming dried cannabis as well as the lack of continuing medical education to physicians on how to prescribe medical cannabis. Despite this dramatic increase in sales, the growth of this market is hindered by the absence of clinical evidence to allow physicians to ethically and safely prescribed cannabis oil.

The corporation accelerated its plans to penetrate this market due to its business model and the need for a pharmaceutical grade product backed with clinical data generated from well-designed clinical trials and not from a collection of case studies. In addition, the corporation is working with its partner Aphria to bring to physicians and patients high quality cannabis oils after the market was negatively surprised by the finding of pesticide contamination.

Tetra intends on using its pharmaceutical expertise to carve an important position within this market and generate significant revenues. In parallel, its R&D staff will use the scientific data to generate future products for unmet medical needs in the pharmaceutical market.

Veterinary market:

Over the last quarter, the corporation has been building a core expertise with clinical veterinarians to target unmet medical needs in the lucrative pet market. Tetra will adapt its current products under development for use in pets. This R&D will have minimal impact on development costs while expanding potential revenues for every dollar invested.

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

On September 20, 2017, Tetra Bio-Pharma announced it had signed a letter of intent (LOI) with a privately-owned specialized healthcare distributor for the development of a new line of products, leveraging Tetra's

clinical and product development expertise. The first product is expected to be launched in Q1 2018 with subsequent products already in development for the remainder of 2018. The Company and its partner will be tapping into the overall Over-The-Counter (OTC) topical analgesics market of more than $300 million in sales in Canada, with the US market reaching over $2.9 billion, according to an IMS analysis. Both companies are expecting to grab a share of the specialized OTC topical analgesics market in a short period of time and could see sales generated from this distribution channel reaching $3 million for Canada in the 1st year. Since the initial launch phase will be focused on the Canadian market, further guidance will be provided as Tetra's partner gets ready to launch in the US.

Secondary businesses

Medical Marijuana Consultation and Acquisition Firm

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

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

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

OVERALL PERFORMANCE

Going concern

As at August 31, 2017, the Company had a working capital surplus of $2,091,290 (November 30, 2016 – 1,180,544), including $2,017,402 (November 30, 2016 - $1,218,639) in cash and current liabilities totalling $295,395 (November 30, 2016 - $191,667). The Company must secure additional financing to be able to fund its ongoing clinical trials and to continue its process for application to obtain a license to produce medical marijuana. Management is evaluating various alternatives to secure the necessary financing so that the Company can continue as a going concern. Nevertheless, there is no assurance that these initiatives will be successful.

Therefore, due to the losses incurred and no revenue generating assets, there remains significant doubt regarding the Company's ability to continue as a going concern.

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

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

As of August 31, 2017, the Company had cash of $2,017,402 (November 30, 2016 - $1,218,639), accounts receivable of $165,378 (November 30, 2016 - $62,703), and total current assets of $2,386,685 (November 30, 2016 - $1,372,211).

Shareholders' equity is comprised of share capital of $7,868,448 (November 30, 2016 - $2,511,021), warrants of $731,774 (November 30, 2016 - $503,195), contributed surplus of $963,493 (November 30, 2016 - $337,992), and a deficit of $6,021,327 (November 30, 2016 - $1,902,885) for a net surplus of $3,542,388 (November 30, 2016 - $1,449,253). Non-controlling interest as at August 31, 2017 was a deficit of $521,498 (November 30, 2016 - $52,709).

During the nine months ended August 31, 2017, the Company reported a net loss of $4,587,231 (August 31, 2016 - $391,091), $468,789 (August 31, 2016 - $4,4224) was attributable to the non-controlling interest.

As at August 31, 2017, 118,790,555 (November 30, 2016 – 85,013,856) common shares of the Company were issued and outstanding.

As at October 25, 2017, a total of 2,501,683 common share purchase warrants were exercised for gross proceeds of $460,436. The warrants had an average exercise price of $0.20 and expired between November 4, 2017 and December 5, 2019.

RESULTS OF OPERATIONS

For the six months ended August31, 2017 compared with the six months ended May 31, 2016

	August 31. 2017	August 31. 2016	**August 31, 2017**	August 31, 2016
	$	$	**$**	$
Operating expenses				
Research and development	**539,529**	-	**2,267,063**	-
Stock based compensation	**312,000**	-	**792,000**	-
General and administrative expenses				
Management fees	**223,047**	164,200	**371,657**	258,440
Payroll and benefits	**101,822**	-	**152,788**	-
Travel and promotion expense	**177,647**	8,019	**596,765**	18,346
Professional fees	**34,712**	17,035	**158,955**	76,677
Exchange and regulatory fees	**54,821**	10,595	**126,048**	24,818
Land lease expense	**5,000**	-	**16,000**	6,000
Impairment expense	**-**	-	**-**	13,899
Depreciation	**1,800**	-	**5,400**	-
Administrative expenses	**33,939**	7,091	**85,437**	21,029
	1,484,317	206,940	**4,572,113**	419,209

Significant variances in expenses from the prior period include:

1) Research and development expenses of $2,267,063 (2016 - $Nil) was due to the Company activities in its clinical trials for PPP001 beginning in Q4 2016 up to Q3 2017. There were no similar activities in Q2 2016. The company projects continuing the clinical development of PPP001 as it

   initiates the Phase II-III trial. Expenses in Q4 2017 will also include those associated with the other clinical development programs announced (PPP002 – 005).

2) Stock based compensation, a non-cash expense, increased by $792,000 during the nine months ended August 31, 2017, compared to the same period in 2016. There were no stock options issued in Q3 2016.

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

   On July 24, 2017, 400,000 stock options were granted to directors and officers of the Company. The stock options are exercisable at $0.80 and expire on July 24, 2021. The stock options have been recorded at a value of $312,000 based on the Black Scholes option pricing model using the following assumptions: share price of $0.80, an average exercise price of $0.80, risk free interest rate of 1.58%, expected life of warrants of 4 years, expected volatility rate of 902% (based on the Company's historical volatility for 5 years up to the issuance date) and dividend rate of 0%.

3) An increase in management fees of $113,257 for the nine months ended August 31, 2017, compared to the prior period. The increase in fees is due to 1) During the period ended August 31, 2017, the Company paid consulting fees totaling $61,000 to Companies managing the operations of its newly incorporated subsidiary GrowPros Agro-tek Inc. 2) During the period ended August 31, 2017, the Company paid consulting fees totaling $86,490 to Companies managing the operations Tetra Bio Pharma Inc. 3) Starting in January 2017, the CEO, CFO and CSO's monthly fees were increased.

4) An increase in travel and promotion expenses of $578,419 for the six months ended May 31, 2017, compared to the prior period. The increase in Q3 2017 is due to the additional marketing and promotion required when the Company shifted its principal focus from being a medical marijuana license application company to a biotech clinical trials company.

5) Professional fees increased by $82,278 during the nine months ended August 31, 2017, compared to the prior period due to the increased legal fees required for preparing a listing application for the TSX Venture and OTCQB.

SELECTED QUARTERLY INFORMATION

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

Quarter Ended	Revenue	Net (Loss) Income	Basic and Diluted Earnings (Loss) per Common Share
	$	$	$
31/08/2017	-	(1,487,514)	(0.01)
31/05/2017	-	(2,004,760)	(0.02)
28/02/2017	-	(1,094,957)	(0.01)
30/11/2016	-	(611,875)	-
31/08/2016	-	(206,852)	-
31/05/2016	-	(121,988)	-
29/02/2016	-	(56,251)	-
30/11/2015	-	(348,193)	(0.01)
31/08/2015	-	145,298	-

OFF BALANCE SHEET TRANSACTIONS

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

COMMITMENTS AND CONTINGENCIES

Management agreement

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

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

Delta 9 Strategic Cooperation Agreement

On March 11, 2016, the Company entered into a Strategic Cooperation Agreement ("Agreement") with Delta-9 Bio Tech Inc. ("DELTA 9") a licensed producer under Canada's Access to Cannabis for Medical Purposes Regulation ("ACMPR"). Should Tetra be granted a license to produce medical marijuana, it will then be in a position to work with Delta 9, under the previously disclosed agreement.

Contingent stock options and warrants

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

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

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

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

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

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

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

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

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

As at August 31 2017, the Company has not made, nor been asked to make its initial contribution of $100,000.

LIQUIDITY AND CAPITAL RESOURCES

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to achieve optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition of a medical marijuana production license. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business. The Company considers its capital to be equity attributable to equity holders, which is comprised of share capital, reserves and surplus which totalled $3,020,890 as at August 31, 2017 (November 30, 2016 – $1,396,544).

The Company currently has no operating revenues and relies primarily on equity financing. As at August 31, 2017, the Company had assets of $3,316,285 (November 30, 2016 - $1,588,211) and a working capital surplus of $2,091,290 (November 30, 2016–$ 1,156,211).

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

INVESTOR RELATIONS ACTIVITY

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

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

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

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

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

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

On August 29, 2017, Tetra announced that it entered into an employment agreement with Anne-Sophie Courtois as Vice-President, Marketing.

On September 18, 2017, Tetra announced that it entered into an employment agreement with Bernard Lessard, MBA, CPA, CMA as Chief Financial Officer.

PROPOSED TRANSACTIONS

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

RELATED PARTY TRANSACTIONS

Transactions with key management personnel

	Three months ended		Nine months ended	
	August 31, 2017	August 31, 2016	**August 31, 2017**	August 31, 2016
	$	$	$	$
Consulting fees	**105,167**	72,000	**357,507**	171,200
Land lease expense	**5,000**		**16,000**	
Salary	**64,649**	-	**85,274**	-
Professional fees	**-**	6,350	**-**	16,350
	174,816	78,350	**458,781**	187,550
Stock-based compensation	**312,000**	87,200	**792,000**	87,200
Compensation warrants	**395,000**	-	**469,000**	-
	881,816	165,550	**1,719,781**	274,750

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

During the three and nine months ended August 31, 2017, consulting fees of $21,000 (2016 - $10,000) and $61,000 (2016 – $19,200) were paid/payable to Sabino Di Paola, the Company's CFO. As at August 31, 2017, there was a balance of $Nil (November 30, 2016 - $Nil) owing to him.

During the three and nine months ended August 31, 2017, consulting fees of $5,000 (2016 – $15,000) and $35,000 (2016 – $30,000) were paid/payable to Woodcliff Capital a company controlled by a director of the Company. As at August 31, 2017, there was a balance of $Nil (November 30, 2016 - $2,455) owing.

During the three and nine months ended August 31, 2017, consulting fees of $69 068 (2016 – $10,000) and $167 494 (2016 – $10,000) were paid/payable to 9315-4466 Quebec Inc. a company controlled by a senior officer of the Company's subsidiary. As at August 31, 2017, there was a balance of $Nil (November 30, 2016 - $Nil) owing. During the nine months ended August 31, 2017, the Company issued 4,000,000 compensation warrants to 9315-466 Quebec Inc., with a Black-Scholes value of $234,500.

During the three and nine months ended August 31, 2017, consulting fees of $37,500 (2016 – $10,000) and $100,000 (2016 – $10,000) were paid/payable to 9206-8618 Quebec Inc. a company controlled by a senior officer of the Company's subsidiary. As at August 31, 2017, there was a balance of $Nil (November 30, 2016 - $Nil) owing. During the nine months ended August 31, 2017, the Company issued 4,000,000 compensation warrants to 9315-466 Quebec Inc., with a Black-Scholes value of $234,500.

On September 19, 2016, Mr. Brown resigned as the CEO of the Company and was no longer considered a related party after that date. During the three and nine months ended August 31, 2017, a company controlled by Ryan Brown charged $5,000 and $68,340 in consulting fees and land lease expenses.

OUTSTANDING SHARE DATA

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

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

2017 Fiscal year issuances

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

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

During the period ended August 31, 2017, a total of 21,229,399 common share purchase warrants were exercised for gross proceeds of $2,995,357. The warrants had an average exercise price of $0.14 and expired between December 20, 2016 and February 16, 2019. .

During the period ended August 31, 2017, the Company issued a total 751,800 common shares for promotional services. The shares were issued with a deemed average price of $0.28 for an aggregate credit to share capital of $210,920. During the period ended August 31, 2017, a total of 4,400,000 stock options were exercised for gross proceeds of $272,000. The stock options had an exercise price between $0.05 and $0, 18 and expired between November 5, 2017 and October 19, 2021.

Common shares and convertible securities outstanding at August 31, 2017, consist of:

Securities	Expiry Date	Range of Exercise Price	Number of Securities Outstanding
Common shares	-	-	118,790,555
Options	Up to February 23, 2022	$0.05 to $0.70	3,550,000
Warrants	Up to September 28, 2018	$0.07 to $0.26	6,266,750
Compensation warrants	Up to June 7, 2020	$0.05	8,000,000
Finders' warrants	Up to September 28, 2018	$0.07 to $0.20	113,520

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

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value

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

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

Credit risk

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

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

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

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at August 31, 2017, the Company had cash of $2,017,402 (November 30, 2016 - $1,218,639) and current liabilities of $295,395 (November 30, 2016 - $191,667). All of the Company's financial liabilities have contractual maturities of less than 30 days, and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

CHANGE IN ACCOUNTING POLICIES

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

INHERENT RISK FACTORS

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

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

Scientific Research and drug development

Competition

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

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

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

Litigation to Protect Company's Intellectual Property

The Company's future success and competitive position depends in part upon its ability to maintain its intellectual property portfolio. There can be no assurance that any patents will be issued on any existing or

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

Clinical testing and Regulatory approval

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

Intellectual Property

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

Legal Proceedings

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

Dependence upon Management

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

Going Concern

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

Substantial Capital Requirements and Liquidity

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

Reliance on Third Parties

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

Unproven market

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

Regulatory Risks

The proposed activities of Tetra are subject to regulation by governmental authorities, particularly Health Canada. Achievement of the business objectives of Tetra are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. Tetra cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would

significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of Tetra.

Change in Laws, Regulations and Guidelines

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

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

Risks Inherent to a Single Supplier

The Company's business involves acquiring medical cannabis for the manufacture of its clinical trial product PPP001. Currently, the Company has a single supplier for this product. As such, the business is subject to supply risks that could delay its clinical program with PPP001, and could have an impact on its submission to Health Canada for drug approval, thereby delaying commercialization and its eventual revenue generation.

Difficult to Forecast

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

Dependence on Suppliers and Skilled Labour

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

Reliance on Key Inputs

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

Product Liability

If licensed as a manufacturer and distributor of products designed to be ingested by humans, Tetra faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of Tetra's products involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of its products alone or in combination with other medications or substances could occur. The Corporation may be subject to various product liability claims, including, among others, that its products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against Tetra could result in increased costs, could adversely affect Tetra's reputation with its clients and consumers generally, and could have a material adverse effect on our results of operations and financial condition of Tetra. There can be no assurances that Tetra will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of Tetra's potential products.

Product Recalls

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

Land Ownership

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

APPROVAL

The Board of Directors of Tetra Bio-Pharma Inc. approved the disclosure contained in this MD&A on October 27, 2017. A copy of this MD&A will be provided to anyone who requests it from the Company.

ADDITIONAL INFORMATION

Officers and Directors:
André Rancourt, Chairman, and Director
Bernard Fortier, CEO and Director
Guy Chamberland, Chief Scientific Officer and Regulatory Affairs of PhytoPain Pharma
Bernard Lessard MBA, CPA, CMA, Chief Financial Officer and Corporate Secretary
Anne-Sophie Courtois, VP Marketing

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

Legal Counsel and Auditors
Stikeman Elliott LLP, Canadian Legal Counsel
UHY McGovern Hurley, Auditors

DISCLAIMER

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

ADDITIONAL INFORMATION AND CONTINUOUS DISCLOSURE

This Management's Discussion and Analysis has been prepared as of October 24, 2017. Additional information on the Company is available through regular filings of news releases and financial statements on SEDAR (www.sedar.com).

(s) Bernard Fortier, MBA
Chief Executive Officer

(s) André Rancourt
Chairman