

TETRA BIO-PHARMA INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the twelve months ended November 30, 2021



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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 November 30, 2021. 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 audited consolidated financial statements, together with the notes thereto and the auditor's report thereon, for the years ended November 30, 2021 and November 30, 2020 (the "Annual Financial Statements").

In this MD&A, references to the term "Fiscal 2020" are references to the 12-month period ended November 30, 2020; 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.

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 Annual Financial Statements, prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar amounts are in Canadian dollars unless otherwise noted.

The Annual 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. These Annual 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.

As of November 30, 2021, the Company had a working capital deficit of \$1,352,372 (November 30, 2020 –deficit of \$3,168,772), including \$4,885,811 (November 30, 2020 - \$2,500,612) in cash, and current liabilities totalling \$7,301,908 (November 30, 2020 - \$6,749,759). As of November 30, 2021, the Company was in breach of certain covenants associated to its debt facility. However as of the date of this MD&A the Company had cured all defaults. Refer to "Liquidity and Capital Resources" for additional information on the Company's debt facility.

Approximately 90% of the contractual obligations correspond to obligations related to R&D and clinical trial operations. Accordingly, 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.

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 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

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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 February 27, 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 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

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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; (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) 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; (ii) 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; (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)

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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; (lix) the fact that there is no assurance of the Company's future profitability; (lx) the risks associated with our revenue generation and liquidity levels; (lxi) the fact that we do not currently pay dividends; and (lxii) 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" in the Company's annual information form 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. 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.

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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 cancer. 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 authorized¹ in Canada by Health Canada, in the United States by the FDA, and intends to expand its clinical development in Brazil, Europe and India. Tetra's products have the potential to serve many unmet medical needs of patients in multiple markets, including the U.S., Canada and Europe.

A successful biopharmaceutical company requires a pipeline of patent protected molecules, formulations, and various delivery systems that can become its next generation therapeutics. As Tetra continues to focus on the biopharmaceutical sector, the Company's intention is to grow rapidly into a fully vertically integrated pharmaceutical company whereby Tetra Bio-Pharma Inc., the parent company, will be responsible for the commercialization of novel drugs that are discovered, developed, and clinically tested by any of its subsidiaries while securing distributors in the rest of the world.

Subsidiaries

As at November 30, 2021, the Company had four active wholly owned operational subsidiaries: PhytoPain Pharma Inc. ("PhytoPain"), Panag Pharma Inc. ("Panag"), Tetra Bio-Pharma Europe Ltd, and ENJOUCA Inc.

¹The 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.

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Active Subsidiary	Principal Activities	Principal Projects
PhytoPain Pharma Inc.	Drug development & clinical trials	QIXLEEF™ CAUMZ™ ARDS-003 (Oternabaz nano-emulsion) Reduvo™
Panag Pharma Inc.	Discovery & development of patent protected molecules & compounds	PPP-003 (Oternabaz eye drops) Topical products – pain and skin care*
Tetra Bio-Pharma Europe Ltd.	European Market Authorizations, orphan drug applications and clinical trials	QIXLEEF™
ENJOUCA Inc.	Licensing	ENJOUCA™***
*Licensed to partners for commercialization.		
**Fabricated using raw materials harvested under Good Production Practices (GPP)		

As of the date of this MD&A, the Company also has two inactive subsidiaries, being Minerra Mazorro s.r.l. de c.v. and 2714140 Ontario Inc. The Company intends to dissolve Minerra Mazorro s.r.l. de c.v. in the future and to dispose of 2714140 Ontario Inc. for a nominal consideration.

ENJOUCA Inc.

On February 3, 2021, Tetra announced the creation of a wholly owned subsidiary called ENJOUCA Inc. Jurisdictions differ greatly in terms of regulatory requirements surrounding medical cannabis, which means that in some territories, QIXLEEF™ can be commercialized as a medical cannabis product. As a result, Tetra's strategy is to launch QIXLEEF™ under the trademark ENJOUCA™ as a medical cannabis product within those territories using its robust clinical package. ENJOUCA™ branded products will be distributed through existing medical cannabis channels. For other jurisdictions, QIXLEEF™ will remain a prescription drug product and commercialized to the major global markets. As a prescription drug, QIXLEEF™ will be available by prescription only, through pharmacies. See *"Biopharmaceutical Products Pipeline"* below for additional information on QIXLEEF™. As Tetra continues to focus on the biopharmaceutical sector, it is currently anticipated that the Company will dispose of its ownership of ENJOUCA Inc. or of its assets.

Equity Method Investment

To mitigate its research and development risk and to advance its novel leading drug compounds, in Fiscal 2020 and early 2021, Tetra made investments in Targeted Pharmaceuticals, LLC ("Targeted") and TALLC Corporation Inc. ("TALLC") to diversify its intangible asset portfolio.

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Investment Name	Investment Purpose	Principal Areas
Targeted Pharmaceuticals, LLC	Provides an opportunity to collaborate with Targeted and George Mason University's (GMU) National Center for Biodefense and Infectious Diseases (NCBID) scientists to: (a) evaluate Tetra's ARDS-003 with and without antiviral drugs to prevent and treat SARS-CoV-2 in animals; and (b) advance research and development of an Antiviral and Central Nervous System Program using Tetra's ARDS-003 (to expand potential market through a partner).	ARDS-003 (Oternabaz Nano-emulsion)
TALLC Corporation Inc.	To develop an alternative to nonsteroidal anti-inflammatory drugs (NSAID) with rapid onset and long duration to target Photorefractive Keratectomy (PRK), Keratoconus, cataracts, and dry eye disease. To develop NSAID drugs for the ocular PRK, Keratoconus and Cataract surgeries using Tetra's key asset HU-308 (Oternabaz Solution)	Ocular Market

Targeted Pharmaceuticals, LLC.

In the second half of Fiscal 2020, Tetra acquired a 20% minority stake of the total issued and outstanding membership units of Targeted. Targeted holds a license to certain intellectual property owned by the NCBID. This strategic partnership enables Tetra to study in depth its ARDS-003 drug (Oternabaz nano-emulsion) with aim to understand the market potential and ARDS-003's (Oternabaz nano-emulsion) efficacy on patients with hyperinflammatory syndrome induced by viral infection.

The Company continues to believe in the strong relationship with GMU and the scientists from NCBID, and the ability to develop intellectual property with ARDS-003 (Oternabaz) for antivirals, encephalitis and other areas. However, given the focus and prioritization on commercialization of Reduvo™, the advancement of clinical trials for QIXLEEF™ and ARDS-003 (Oternabaz) development dependent on securing government funding, the Company has determined to pause any work additional work on ARDS-003 (Oternabaz). This includes any new work to be done on the development of intellectual property and additional work that may be outsourced to GMU or Targeted. Tetra will continue to work with Targeted/GMU using this facility as a contractual research entity.

TALLC Corporation Inc.

In December 2020, Tetra made its fourth and final payment in the amount of \$312,500 to acquire the remaining 12.5% in TALLC's ownership structure that was missing to complete Tetra's ownership of 50%. The other 50% is owned by Altus Formulation Inc. ("Altus"). Both Tetra and Altus gave TALLC the right to use their intellectual property to develop novel formulations and intellectual property to treat painful ophthalmic indications.

TALLC is a pre-clinical stage biopharmaceutical ophthalmic medicines company whose primary focus is on cataract surgery, PRK (photorefractive keratectomy laser eye surgery) and keratoconus² surgeries. This rare ocular pain specialization allowed TALLC to file its first orphan drug designation ("ODD") application. The orphan drug designation is defined by the FDA as the designation provided under the Orphan Drug Act that provides for granting special status to a drug or biological product to treat a rare disease or condition upon request from a sponsor.

² Keratoconus is a rare eye condition in which the cornea cannot hold its shape, causing poor vision that is unable to be fully corrected by glasses past the early stages. After validating front of the eye indications, TALLC will look to expand its research to back of eye indications.

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With the growing need for new eye medicines³ for a growing market of various painful eye conditions, TALLC aims to develop an alternative to NSAID⁴ drugs in the multibillion-dollar ocular pain and dry eye disease market⁵. The right to use Tetra's and Altus' intellectual property enabled TALLC to develop a series of therapeutics to create new intellectual property, such as enantiomeric⁶ blend for ophthalmic products, which includes the development of a novel SmartCelle™ nanotechnology, and TA-A001.

SmartCelle™ nanotechnology is expected to allow delivery of highly insoluble molecules and is designed to provide improved access to cornea and the back of the eye. The novel combination of SmartCelle™ delivery system and TA-A001 formulation have already demonstrated potency in models of ocular pain and inflammation and was already transferred for manufacturing to a contract development and manufacturing organization (CDMO).

Enabled by SmartCelle™, TA-A001's potent anti-inflammatory properties offered a new approach to painful ocular inflammatory treatment with ability to deliver drug throughout the eye. It goes to further support TALLC's hypothesis that SmartCelle™ nanotechnology increases corneal access. In addition to improved corneal access, the molecule in TA-A001 is expected to provide fast onset, long duration relief to counter pain and inflammation of corneal surgeries including those for the blinding orphan indication keratoconus⁷. Conventional NSAID and corticosteroids are contraindicated for keratoconus surgery. Preclinical data suggests SmartCelle™ TA-A001 combination can also treat other indications such as wet and dry age-related macular degeneration and dry-eye syndrome.

Since TALLC's strategic pivot to focus on new eye therapeutics for painful eye conditions, the research and formulation development performed over the last twelve months already demonstrated early signs of efficacy with SmartCelle™ TA-A001 combination. These positive signs of efficacy encouraged TALLC to continue its research and development of the SmartCelle™ nanotechnology and TA-A001, to further determine if such combined formulation would increase the pain relief and anti-inflammatory effects in corneal hyperalgesia model. In combining TA-A001 with SmartCelle™, TALLC developed a novel formulation TA-P2005, which has proven to be significantly more effective than the conventionally formulated drug.

In parallel to pursuing its research of various formulations for its SmartCelle™ TA-A001 asset, TALLC is also exploring other potential value-added alternatives for TA-A001 and TA-A002. Both are topical treatments and have potential to treat glaucoma and dry-eye disease.

In Fiscal 2021, Tetra invested \$400,000 to advance the SmartCelle™ TA-A001 technology. If successful, this technology could be used by Tetra to expand its market potential of its core asset HU308. The Company is

³<https://www.prnewswire.com/news-releases/ophthalmic-drug-market-size-worth-60-3-billion-by-2028--cagr-6-4-grand-view-research-inc-301228107.html>

⁴ Nonsteroidal anti-inflammatory drugs (NSAID) are members of a drug class that reduces pain, decreases fever, prevents blood clots, and in higher doses, decreases inflammation.

⁵ Global Ophthalmic Drugs Market Size Report, 2021-2028. Source: <https://www.grandviewresearch.com/industry-analysis/ophthalmic-therapeutics-drug-market/segmentation>

⁶ Enantiomeric is defined as the chemical property of molecules that mirror each other. Source: LibreTexts, 2020.

⁷ Keratoconus surgery requires removal of the top layers of the highly enervated cornea and the pain has been described as 'excruciating'.

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considering the future of this asset and is determined to find the best path forward to ensure this product and technology can move forward with minimum delays.

Shared Venture

CB2 Therapeutics Inc.

On October 22, 2019, the Company entered into a shared venture agreement with Thorne Research Inc. and Onegevity Health, LLC in connection with CB2 Therapeutics Inc ("CB2"). During Fiscal 2021, CB2 became an entity 100% managed by Panag and thus consolidated with the results of the Company. CB2 maintains a commercial partnership with Thorne HealthTech and will be used as a vehicle to license non-pharmaceutical products. The partnership is based on a royalty-free license to develop and commercialize a global product for inflammatory conditions with high unmet needs or that are poorly served with existing therapies. In addition, as part of the agreement, CB2 would also commercialize wellness products in the United States through its partnership with Thorne HealthTech. The current pipeline of products includes a cannabis waste prebiotic for improved gut health, and two novel Phytosome® formulations, through Indena S.p.A. ("Indena"), for the treatment of bowel conditions: a medical food product and an oral supplement.

Throughout Fiscal 2021, CB2 began Pharmacokinetics/Toxicology study for its (E)- β -caryophyllene Phytosome (BCP-P), related to its medical food product for the treatment of bowel conditions. CB2 engaged in a co-development agreement with Indena for a Palmitoylethanolamide Phytosome (PEA-P), a second product taken orally for the treatment of bowel conditions. Indena developed and manufactured the PEA-P and once completed, shipped it to CB2 for internal testing. After initial internal testing was completed, the PEA-P was sent to Panag labs at Dalhousie University for further analysis. The aim of the study is to assess analgesic and anti-inflammatory properties of the novel PEA-P to treat symptoms of ulcerative colitis. It is anticipated that the PEA treatment will provide additional evidence for the involvement of the Endocannabinoid System (ECS) in gut inflammation, including validation of CB2 receptor as an effective drug target for therapeutic management of symptoms of ulcerative colitis. CB2 completed an initial regulatory evaluation, and it was determined that a self-affirmed GRAS route is the best regulatory approach with the FDA. Thorne will be taking the appropriate steps to finalize this.

During Fiscal 2021, a PCT patent application was filed with the Canadian Intellectual Property Office by the Company through Panag, for Cannabis Plant Residue and Use Thereof, PCT Patent Application No. PCT/CA2021/050886, with a filing date of June 28, 2021.

Despite multiple discussions throughout Fiscal 2021 with Martin Bauer Group and ProDigest the projects and study could not move forward. At the beginning of Fiscal 2022, Tetra's management decided to align Panag's strategy to that of the Company's focus on QIXLEEF™ and REDUVO™. Therefore, Panag will endeavor to secure development partnership agreements where it is expected that the partner(s) would assume the costs of final development activities by in exchange for receiving from Panag an exclusive license to distribute and sell the commercial product, with Panag receiving royalties on net sales.

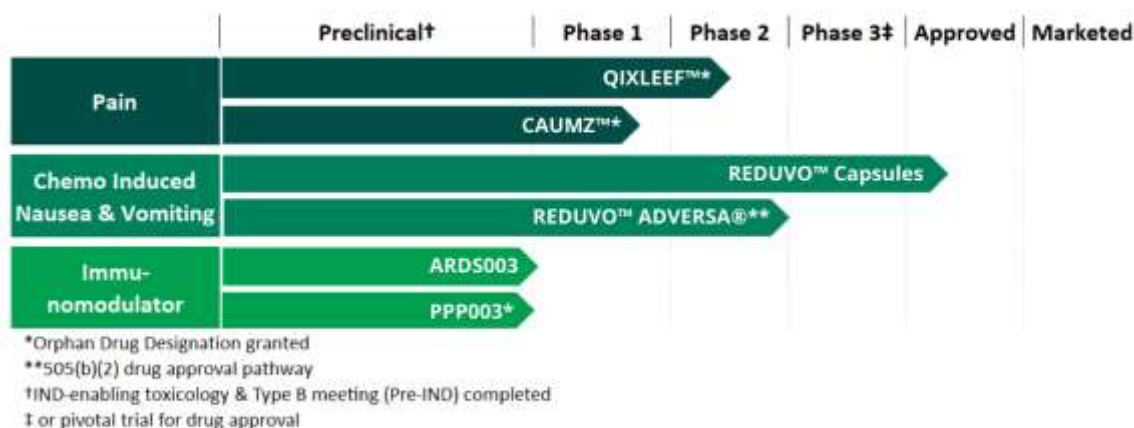
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MAKScientific LLC

In Fiscal 2020, Tetra entered into a co-development agreement with MAKScientific, LLC, a recognized global leader in endocannabinoid research and development. To date, Tetra has completed its evaluation of MAKScientific compounds in a primary cell-based assay relevant to idiopathic pulmonary fibrosis (IPF). Through evaluation, it was determined that the AM6545 compound that Tetra was initially interested by, is not aligned to Tetra's priorities and scope of work. In March 2021, Tetra terminated its current co-development related to the AM6545 compound. Tetra has identified and will further evaluate additional MAKScientific compounds that could potentially be a better fit with the Company's direction, and if deemed necessary will initiate co-development negotiations moving forward.

BIOPHARMACEUTICAL PRODUCTS PIPELINE

The table below summarizes all clinical⁸ and regulatory work we are currently performing on all our products⁹:



The activities listed in the pipeline above were developed based on estimates and assumptions made by management considering management's experience and perception of historical trends, U.S. Drug Enforcement Agency ("DEA") clinical site licensing performance, current conditions and expected future developments, as well as factors that management believes are appropriate. Refer to the section titled "*Caution Regarding Forward-*

⁸ Tetra built a bridging strategy between QIXLEEF™ and CAUMZ™ to accelerate its development program. Management has halted the development of CAUMZ™ pending the outcome of its REBORN® QIXLEEF™ clinical trial. This trial will provide a proof-of-concept for both drug assets.

⁹ The Company provides regular updates to its pipeline through its website: <https://tetrabiopharma.com/pipeline/>

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Looking Statements" of this MD&A for cautionary statements regarding our estimates and assumptions. Tetra is in constant communication with its vendors and partners monitoring COVID-19 and its impact on current projects.

QIXLEEF™

QIXLEEF™ is a botanical investigational new drug with a fixed ratio of THC and CBD that meets USA cGMP regulatory requirements. The product will be first indicated in patients with cancer suffering of uncontrolled breakthrough pain (REBORN® trials) then in patients with advanced cancer with inadequately controlled pain (PLENITUDE® trials). QIXLEEF™, with its innovative and proprietary dosing data, provides fast acting relief from pain, offering patients a viable, safe, and opioid-reduction option for pain management. The product will be first indicated in patients with cancer suffering of uncontrolled breakthrough pain (REBORN® trials) then in patients with advanced cancer with inadequately controlled pain (PLENITUDE® trials). As further described below, the observed outcomes to date indicate that the REBORN®1 and PLENITUDE® clinical trials should continue, and enrolment accelerated. To date, 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 is necessary to confirm the role of QIXLEEF™ in pain management and opioid reduction.

Advanced cancer pain is defined by the International Association for the Study of Pain as “unpleasant sensory and emotional experience associated with actual or potential tissue damage”. Pain is a common symptom associated with a cancer diagnosis. Market studies performed on behalf of Tetra for advanced cancer pain in the United States estimate the addressable market at more than USD\$900 million by 2030¹⁰. This figure takes in consideration the off-label market, which will continue to demand non-opioid treatments.

QIXLEEF™ is designed to be inhaled through a vaporizer, the Mighty Medic, a first battery-powered, Class 2 medical vaporizer device, approved by Health Canada. The Mighty Medic vaporizer has been used in Tetra's research with QIXLEEF™ including Phase I clinical trials and is being used in the REBORN® and PLENITUDE® clinical trials.

QIXLEEF™ has been granted Orphan Drug Designation from the FDA and the European Medicines Agency as a potential treatment for complex regional pain syndrome (CRPS), a chronic neuropathic pain condition.

Defining THC and CBD metabolites in human plasma is a critical step for the FDA and Health Canada to characterize the safety profile of the drug product in patients consuming cannabis. In 2020, Tetra developed and validated methods to identify 11 different cannabinoids in human samples. Pharmacokinetic analysis of CBD metabolism in humans exposed to inhaled QIXLEEF™ revealed a promising safer safety profile of QIXLEEF™ in the liver, unlike oral CBD. Both active substances of QIXLEEF™, THC and CBD, showed a relative bioavailability four to five times higher than THC and CBD oral administration, outlining the competitive advantage of QIXLEEF™ over currently approved cannabinoid-based drugs.

The extensive characterization of absorption and metabolism of THC and CBD provides a unique insight on the mechanism of action of QIXLEEF™ that can be leveraged in future clinical trials submission.

¹⁰ DelveInsight syndicated market research results, Market Insights, Epidemiology and Market Forecast 2030; 2020.

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As the Company continues to advance QIXLEEF™ towards the ultimate milestone of marketing approval, Tetra plans to initiate Phase III and NDA-filing (New Drug Application) enabling toxicology. In addition, Tetra plans to initiate research studying the interactions between the active medicinal ingredients which is required for the NDA of a drug-drug combination product.

REBORN

QIXLEEF™ is being evaluated in for the management of breakthrough cancer pain in the REBORN© trials. REBORN© is designed to assess the safety and efficacy of QIXLEEF™ on time to onset of action for QIXLEEF to rapidly alleviate breakthrough pain in patients with cancer. We are assessing whether QIXLEEF may be a potential alternative to immediate-release oral opioids for pain relief.

The REBORN© clinical trial was designed with two parts. REBORN©1 is a phase II trial and is aimed at testing the hypothesis that inhaled cannabinoids can provide very fast relief from pain and helping to determine the required sample size to demonstrate superiority to immediate release oral opioids in pivotal trials. REBORN©1 allows the Company to rapidly gather preliminary data through a proof-of concept study. The study protocol was authorized by the FDA and approved by the Ethics Committee in the first quarter of Fiscal 2021 and is conducted in the U.S. only. The lead clinical site was qualified and was granted the protocol-specific Schedule I license by the Drug Enforcement Administration. The site started the enrolment activities in May 2021. In order to accelerate the enrolment, the study protocol was amended to include two additional immediate release oral opioids (hydromorphone and oxycodone) in addition to immediate release morphine sulfate as study drug comparators. Given the delay inherent to the DEA administration review process to accordingly amend the Schedule I license of the lead site, the Company qualified a second clinical site to support patient enrolment. The second site was fully activated in September 2021, with ethics committee approval and Schedule I license granted, which are critical steps for allowing shipment of study medication to the site.

Should REBORN©1 trial be successful, the Company intends to pursue the development of QIXLEEF™ in the same therapeutic indication with a REBORN©2 clinical study. REBORN©2 will be a phase II/III intended to determine (1) the optimal dose, meaning the dose at which therapeutic effect is achieved with a good safety profile to rapidly alleviate pain intensity in breakthrough pain episodes and (2) confirm preliminary efficacy data of the study drug as assessed in REBORN©1 trial.

The REBORN©1 Phase II trial is expected to be completed in 2022. The REBORN©2 Phase II/III trial is expected to be initiated in 2022 in the United States or Europe. The Company's ability to complete clinical trials is subject to a number of risk factors and assumptions. Refer to the sections titled "Caution Regarding Forward-Looking Statements" above and "Risk Factors" below for additional information.

The activation of the second site for REBORN©1 was delayed by two months by the DEA due to its internal administrative review process. With this second site activated in early September 2021, the Company is working on increasing patient enrolment. Similarly, the amendment of the study protocol expanding to three immediate-release oral opioids will lead to an increase in the enrolment rate per month. The amendment which was approved in July 2021 became active at the clinical site at the end of August 2021 after DEA revision and release of the amended Schedule 1 license. Despite the additional site in the United States and protocol amendments aimed at accelerating enrolment, the impact of COVID-19 on clinical sites remained an issue affecting speed of recruitment

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and enrolment in 2021 and the first quarter of 2022. The Company is actively working on opening clinical sites outside of the United States to further accelerate enrolment. The REBORN[®]2 Phase II/III trial is expected to be initiated in 2022 in the United States, Australia, Canada and Europe.

The open-label design of the study allows the Company to verify the performance of the investigational new drug both 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. With regards to efficacy, 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 to the Company that the clinical trial should continue, and enrolment should be accelerated. More data is necessary to confirm the role of QIXLEEF[™] in pain management and opioid reduction. The promising results confirmed to the Company the potential of the drug to alleviate pain in the non cancer patient population, offering a valuable alternative therapy to reduce opioids consumption in a larger market size.

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

PLENITUDE

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. On September 2, 2020, the Company announced that it had initiated the in-life Phase II of the clinical trial operations. The Company had initially estimated that the activation of 10 clinical sites would take less than 6 months. Up to now, only 6 clinical sites qualified to conduct the PLENITUDE trial have been granted a study-specific Schedule I license. The DEA revision process is a lengthy two-step process, requiring approval at the state and at the federal levels, and was highly affected by the COVID-19 pandemic. The Company strategically initiated the selection of additional clinical sites as back-up sites to increase the likelihood of the clinical sites being granted a Schedule I license. For context, during the calendar year of 2021 the DEA had only issued Schedule 1 licenses to 6 of the 10 originally planned sites. The delays by the DEA are associated with the impact of COVID-19 on its internal resources. While the Company had estimated completion of 50% by the end of the fiscal year, site activation delays and COVID-19 impeded such milestone from being attained. Tetra is currently working with different partners on increasing enrolment. Tetra is currently working with different partners on increasing enrolment. These delays do not impact the time-to-submission of the QIXLEEF[™] NDA. As mentioned before, despite the number of activated sites, the impact of COVID-19 on clinical sites remains an issue affecting speed of recruitment and enrolment. The Company

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is working on mitigation plans to address these issues, which includes opening additional sites not limited to the United States.

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 should be accelerated. The clinical data also demonstrates the importance to the Company 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.

In August 2020, Tetra announced that it had a first meeting with the Malta Medicines Authority ("MAA") which resulted in clarifications and the identification of milestones necessary to complete a compliant clinical trial application. To ensure the application is compliant with both the local Malta and European authorities, Tetra requested scientific advice and protocol assistance on REBORN[®]2 and PLENITUDE[®]2 to the Malta European Medicines Authority in April 2021. This step is taken to ensure alignment of QIXLEEF[™] clinical development program with the European Medicines Agency to seek guidance to meet the requirements and expectations for a marketing authorization. In September 2021, Tetra received the Scientific Advice Assessment (SAA) Report from the Malta Medicines Authority. The SAA Report provided positive feedback on Tetra's drug development plan for QIXLEEF[™] and eligibility for submitting a Marketing Authorization Application (MAA) under Directive 2001/83/EC (Directive). The report endorses Tetra's proposed plan to address the nonclinical safety requirements for submitting an MAA for QIXLEEF[™] and the Company's quality program for QIXLEEF[™] as a medicine. In addition, the report discusses the assessment of both the PLENITUDE[®] and REBORN[®] clinical programs with regards to an MAA. The SAA Report provided guidance on the endpoints and other aspects of the protocol. The REBORN[®]2 trial was identified as pivotal for the MAA because of its dose-response endpoint requirements of the Directive. Depending on the outcome in the REBORN1[®] and REBORN2[®] clinical trials, full Marketing Authorization would require confirmation of the outcome of REBORN1[®].

If the REBORN[®] trial demonstrates a better safety profile and a faster onset of pain relief, the Company intends to submit Fast Track and Priority Review Designations to FDA. Subsequently, if those designations are granted, the Company plans to submit the QIXLEEF[™] NDA for marketing approval based on the clinical data of REBORN[®]1 trials. In addition to the clinical data of REBORN[®] trials, QIXLEEF[™]'s safety can also be supported by the long-term safety data derived from the PLENITUDE1[®] clinical trial. This regulatory strategy allows the Company to optimize its investment in the QIXLEEF[™] clinical program.

REDUVO[™]

The Company has a portfolio of potential drug products that target chemotherapy-induced nausea and vomiting (CINV). The portfolio includes the following three products: REDUVO[™] soft gel capsule, REDUVO[™] AdVersa[®] mucoadhesive tablet, and REDUVO[™] inhaled THC-based product.

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As previously announced, the Company signed a definitive agreement to acquire the exclusive rights to sell Dronabinol soft gel capsules in Canada with a United States-based strategic partner. Dronabinol soft gel capsules are prescribed for the treatment of HIV-related anorexia associated with weight loss and CINV. The agreement comes with a complete Dronabinol Data Pack. 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.

Furthermore, the Company entered into an amended and restated license agreement with IntelGenx Corp., a Canadian leader in pharmaceutical films, to acquire additional worldwide exclusive rights for the mucoadhesive delivery technology. Tetra is planning to file a 505(b)(2) application in the United States in 2023. This new technology, namely the REDUVO™ AdVersa® mucoadhesive tablet, will offer more flexibility to patients who are experiencing issues associated with swallowing soft gel capsules. While the indication of CINV will remain the same as for the soft gel, this new technology is expected to limit the first-pass metabolism, improve bioavailability, as well as reduce gastro-intestinal exposure and related side-effects, and finally enhance product stability. Preliminary human data indicate that the side-effect profile may be lessened without affecting efficacy.

During Fiscal 2021 the Company began pre-launch activities such as different validation reports, tech transfer, manufacturing setup and Medical Science Liaison (MSL) touchpoints with healthcare professionals for its REDUVO™ drug candidate. As of the date of this MD&A the Company is still waiting for official communication from Health Canada on the DIN to expand manufacturing and launch activities. It is important to keep in mind Health Canada has prioritized vaccines and COVID-19 related treatments, diverting the department's key personnel to review and expedite these files. This explains the delays in communication and feedback from Health Canada.

ARDS-003 (Onternabez)

As part of its prioritizing activities, the Company has halted the development activities pending funding from government. This is part of the Company's decision to maintain lower R&D expenses. On February 16, 2022, the Company announced the IQ Loan, which will 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 patent with Sepsis. 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. 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 "*Subsequent Events*" for more information on the IQ Loan.

ARDS is a severe lung condition that causes low blood oxygen. This disease is characterized by acute hyperinflammation driven by excessive production of cytokines such as IL-6 and TNF- α , as well as other pro-inflammatory immune modulators which result in organ failure and death. The most common cause of ARDS is

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Sepsis, a serious and widespread infection of the bloodstream. According to the World Health Organization (WHO), between 2022 and 2026,¹¹ sepsis will affect close to 54 million individuals worldwide.

The increase in the Sepsis diagnostics will consequently increase Sepsis-induced ARDS. The Delveinsight report on ARDS estimates the global addressable market value of ARDS induced by Sepsis to rise from USD \$918 million in 2017 to USD \$3 billion by 2030. For the study period covering 2017 to 2030, CAGR was estimated at 9.55%¹².

Tetra's drug candidate, ARDS-003 (Oternabaz nano-emulsion), is an optimized sterile nano-emulsion of a synthetic compound that meets pharmaceutical quality standards for an intravenously administered drug. This new therapeutic is aimed at preventing and treating the serious, life-threatening inflammatory response associated with COVID-19 (or other viral infections that induce a severe inflammatory reaction), cytokine release syndrome and Sepsis.

In the late part of Fiscal 2020, the Company announced it completed preclinical studies demonstrating an anti-inflammatory and anti-fibrotic effect of its new drug candidate, ARDS-003 (Oternabaz nano-emulsion), in an animal model of lung injury known as "induced pulmonary fibrosis". Pulmonary fibrosis occurs when lung tissue is scarred, often as a result of extreme or prolonged inflammation. This scarring results in a stiffening of lung tissue that may lead to respiratory problems and, in extreme cases, respiratory failure. The results of Tetra's preclinical studies demonstrate that ARDS-003 reduces levels of key inflammatory markers, such as the cytokine interleukin 6 (IL-6), and proinflammatory cytokines (TNF α , IL-1 β). Importantly, this anti-inflammatory effect was reflected in reduced fibrosis measures when the lung tissue was analyzed after 20 days of treatment.

To further confirm that a comparable effect may occur in humans, ARDS-003 (Oternabaz nano-emulsion) was studied using models of inflammation in human lung cells and was similarly found to reduce the activation of fibrosis-associated inflammatory pathways. Together, these results present positive evidence for the use of ARDS-003 (Oternabaz nano-emulsion) as an experimental therapeutic treatment for patients with severe inflammatory disorders, such as COVID-19.

On October 22, 2020, the Company announced that it signed a research collaboration agreement with Targeted to evaluate ARDS-003 (Oternabaz nano-emulsion) at the George Mason University National Center for Biodefense and Infectious Diseases (NCBID). As a result, ARDS-003 (Oternabaz nano-emulsion) is being evaluated in Sars-CoV-2 infected animals to further understand its potential as a preventive and therapeutic medicine. On May 28, 2021, the Company announced positive results from initial studies in Sars-CoV-2 infected animals. Daily Health Scores (DHS) were assessed in animals treated with vehicle (no drug) or ARDS-003 at Day 7 post infection/treatment compared to sham animals (no infection, no treatment). The DHS were scored on clinical signs including overall appearance, mobility, signs of COVID-19 including respiratory distress and body condition, in order to generate an overall composite health score. Higher scores are indicative of poor clinical prognosis. Infected animals dosed with ARDS-003 (10 mg/kg) resulted in lower DHS scores at 7 days compared to no-treatment (vehicle) with some of the ARDS-003 treated mice having a DHS score comparable to the no-infection control group animals. A lower dose of 3 mg/kg ARDS-003 (Oternabaz nano-emulsion) did not result in any

¹¹ Source: Global Report on the Epidemiology and Burden of Sepsis: Current Evidence, Identifying Gaps and Future Directions. Geneva: World Health Organization; 2020.

¹² Source: Idem.

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significant benefit to infected animals. Additional studies are planned to further determine the dose range and treatment regimen that provides optimal clinical benefit in SARS-CoV-2 infected mice as well as to describe the underlying mechanisms contributing to this benefit. Through continued studies, the research team will gain tremendous knowledge on the role which a cytokine release modulating drug may play in COVID-19 and other viral infections. Tetra's efforts and focus on ARDS-003 (Oternabaz nano-emulsion), can potentially provide a nonsteroidal therapy to reduce systemic inflammation which will dampen the ARDS response, which is currently an unmet need. According to the 2016 study published by the NCBI¹³, the incidence of ARDS in adult patients with Sepsis is about 6%-7% in Western countries. For patients ill of COVID-19, of the total ICU admissions, 75% will develop ARDS, which is the leading cause of mortality in COVID-19 patients¹⁴. Despite global vaccination efforts for COVID-19 and the existence and development of steroids-based therapies to combat inflammation, the demand for nonsteroidal alternative therapies to treat ARDS is expected to rise exponentially in the upcoming years.

On December 2, 2020, the Company announced it completed Investigational New Drug (IND) enabling toxicology. Successful completion of the non-clinical safety studies is required to submit a Clinical Trial Application in Canada and an IND in the United States for ARDS-003 for clinical trials in humans. The non-clinical safety data demonstrate that the API and the sterile injectable drug product ARDS-003 (Oternabaz nano-emulsion) are both safe for use in humans. The toxicology program was designed to meet the international standards established by the International Council for Harmonisation (ICH) for enabling a first-in-human clinical trial and included general toxicology in two species, specific studies to assess toxicity in major organ systems (cardiovascular, respiratory, nervous system) and genotoxicity.

In addition, on March 26, 2021, the Company announced it had entered into an agreement with Targeted to initiate additional studies on ARDS-003. As a result, the following studies were conducted before the management's decision to halt clinical and manufacturing activities on ARDS-003 pending further funding. First, a preliminary study conducted in June 2021 on HIV determined that viral replication is significantly decreased when ARDS-003 (Oternabaz nano-emulsion) is used in combination with a standard antiviral drug to treat HIV. In other words, it clears the virus significantly better than the standard antiviral drug alone. These results suggest that in addition to immunomodulator properties, ARDS-003 demonstrates strong antiviral effects in humans. Second, a study in the LPS Septic Lung model demonstrated statistically significant reduction of serum cytokines and chemokines. Third, after demonstrating a statistically better health score status following infection of mice with COVID-19, 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, and also compared ARDS-003 to Remdesivir. The results of the second and third 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 COVID-19.

In March and April 2021, the Company announced it had received positive feedback from Health Canada and the FDA on its pre-clinical trial and pre-IND applications for ARDS-003 (Oternabaz nano-emulsion), receiving support for Tetra to file CTA and IND applications for ARDS-003 to be studied in COVID-19 patients at risk of developing ARDS. Upon recommendation of the authorities, the Company developed an adaptive study protocol to allow

¹³ Source: Sepsis and Acute Respiratory Distress Syndrome: Recent Update. Kim & Hong: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4823184/>

¹⁴ Source: Nature Portfolio "Dampening Inflammation in COVID-19 Response"

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concomitant recruitment of healthy volunteers and COVID-19 patients and assessed the feasibility to conduct the sub-study on patients in Canada, US, Brazil and India. The Company continues to have discussions with various government departments regarding funding for the clinical program of ARDS-003 asset.

The clinical trial enabling regulatory process is different for a Sars-CoV-2 indication. Regulatory agencies in Canada and in the United States have reduced the CTA/IND review periods to approximately 10-14 days. This period does not allow the agencies to review the nonclinical safety package of a new molecular entity. Therefore, prior to submitting the CTA/IND request, the Company must first provide the nonclinical safety data in a pre-IND/CTA format.

Once human studies are launched, the research and development team will continue to advance the nonclinical safety studies to ensure readiness for an eventual Phase II trial. Completion of these nonclinical safety studies is required to support a new drug submission/application in Canada/the United States. The nonclinical studies include longer term repeat dose toxicology, as well as developmental, fertility, and early embryonic toxicology.

The Company believes that this drug will play a significant role in addressing the needs of the anti-inflammatory and antiviral drug markets. However, as with any new drug candidate, ARDS-003 has not yet been shown to be effective in the prevention or treatment of inflammatory conditions in humans. One of the major drawbacks of the current corticosteroid treatments is the general immunosuppression which suppresses the body's immune system and its ability to fight infections and other diseases¹⁵. In the case of vaccination, the efficacy of vaccines to prevent ARDS response is estimated to be at 95%. Finally, the current COVID-19 pandemic will neither be the first nor the last respiratory virus which our society will be faced with. Other COVID-19 predecessors include severe acute respiratory syndrome (SARS) in 2003 and the Middle East Respiratory Syndrome (MERS) in 2012. These predecessors revealed that corticosteroid-based treatments could exacerbate lung injury in infected patients¹⁶. ARDS-003 appears to have its unique mechanism of action, which is not expected to induce side-effects commonly associated with other inflammatory treatments including steroids¹⁷. The use of low-dose dexamethasone is part of standard of care for COVID-19 and has been correlated with decreased COVID-19 mortality and reduction in need for mechanical ventilation.¹⁸ Given that the anti-inflammatory effect of ARDS-003 (Oternabaz nano-emulsion) is broader than the anti-inflammatory effect of dexamethasone and presents a safer safety profile, it is believed that the addition of ARDS-003 (Oternabaz nano-emulsion) to dexamethasone standard of care treatment will result in additional benefit for the patients. However, please refer to the "Risk Factors" section of this MD&A for additional disclosure on the COVID-19 pandemic.

Management continues to believe that its ARDS-003 drug candidate will benefit from an accelerated timeline, since the drug would meet the eligibility criteria of an unmet medical need and a treatment for life-threatening condition. Additionally, as part of its regulatory strategy, the Company intends to submit a request for advance consideration under the Notice of Compliance with conditions (NOC/c) policy and a request for priority review to accelerate both the new drug submission (NDS) to Health Canada and the submission review by Health Canada. If ARDS-003 qualifies for a NOC/c and the priority review is granted, the Company's request can be subject to a

¹⁵ Source: *Idem*.

¹⁶ Source: *Idem*.

¹⁷ Source: Nature Portfolio "Dampening Inflammation in COVID-19 Response"

¹⁸ Source: The BMJ Journal "Drug Treatments for COVID-19: living systematic review and network meta-analysis". Sterne et al 2020; Siemieniuk et al 2020.

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six-month timeline as per Health Canada's policy. The Company will also apply to similar expedited development/review programs with the FDA and EMA.

PPP0-003

The Company has maintained its decision not to invest funds on the clinical development of this ophthalmic drug pending the signing of a co-development or licensing agreement with another biotechnology or pharmaceutical company.

Uveitis is defined by the Mayo Clinic, as a form of eye inflammation that affects the middle layer of tissue in the eye wall (uvea)¹⁹. The uveitis specific market research report forecasts addressable market in the United States to reach USD \$900 million by 2030, a 49% increase from the uveitis market size observed in 2017²⁰. For the study period covering 2017 to 2030, CAGR is estimated at 3.7%¹⁵.

It should be noted that the active molecule in ARDS-003 (Oternabaz) is also being studied in a new formulation as eye drops, to reduce inflammation and pain in certain diseases such as uveitis, diabetic retinopathy, and other painful ocular conditions. This drug program is called PPP-003 (Oternabaz solution). Both ARDS-003 and PPP-003 have the same active substance (Oternabaz solution), which represents a great advantage to accelerate the PPP-003 drug development by leveraging the data collected in the clinical development of ARDS-003. Advancements in ARDS-003 and PPP-003 may allow Tetra to enter a multibillion dollar the market for ARDS, sepsis and uveitis.

As of the date of this MD&A, the veterinary dog trial remains suspended due to restrictions related to the COVID-19 pandemic in the province of New Brunswick and due to the Company's prioritization of other projects ahead of PPP-003 veterinary.

GROWTH STRATEGY

The Company develops drugs that adhere to Canadian, United States, and European prescription drug regulations. The main focus is in the therapeutic area of pain, inflammation, and chemotherapy-induced nausea and vomiting. to provide physicians and patients an alternative to opioids. These medicines would be a safe, effective and non-addictive alternative for reducing the need of opioids. The Company has a robust novel pipeline that uses multiple delivery systems. Regulatory strategies are implemented to accelerate the path to commercialization and achieve value generating milestones.

The Company remains committed to its innovative ARDS-003 (Oternabaz) program to treat Sepsis and ARDS, as it continues its discussions and compliance efforts to meet the government bodies' criteria required to secure funding. The Company however decided not to proceed into clinical trials without this secured funding and instead

¹⁹ Uveitis, Mayo Clinic. Source :<https://www.mayoclinic.org/diseases-conditions/uveitis/symptoms-causes/syc-20378734#:~:text=Uveitis%20is%20a%20form%20of,redness%2C%20pain%20and%20blurred%20vision>.

²⁰ "Uveitis: Market Insights, Epidemiology and Market Forecast—2030." Delveinsight, Healthcare Consulting and Market Research.

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dedicate all of its resources to achieving two other key milestones: advancement of QIXLEEF™ trials and REDUVO™ marketing approval.

Following the Company's 2021 annual and special meeting of shareholders, the new board of directors of the Company recommended that the Company focus its operations on two key value creating drug assets. In parallel, the board of directors of the Company and executive team worked with 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 focused operations lead led to an average monthly cash burn of \$3.1 million during the months of January 2021 to August 2021 down to an average monthly cash burn of \$1.2 million from September 2021 to November 2021. The prudent management of costs and prioritization of projects allowed the Company to end Fiscal 2021 with \$4.8 million of cash on hand.

In the case of QIXLEEF™, the primary focus has been targeting a drug approval indication related to reduction of opioids. PLENITUDE® clinical operations were maintained as long term safety and efficacy data will be required for drug approval by regulators.

The Company has several other drug assets that could enter clinical trials subsequent to government funding or to 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™. All clinical achievements of QIXLEEF™ will benefit the CAUMZ™ drug product thereby reducing the clinical requirements for drug approval and lowered risk of unsuccessful clinical outcomes in pivotal trials. The REDUVO™ AdVersa® asset was delayed pending successful new drug approval in Canada. ARDS003 trials were not launched pending government funding or a partnership. The vision for the PPP-003 remains licensing or co-development with a partner. The Company is still exploring co-development opportunities with pharma players involved in ophthalmology. There is no guaranty that funding will be provided by any government bodies or that any co-development opportunities will materialize. The Company will provide further updates as they are known.

On February 16, 2022, the Company announced the approval of the IQ Loan, which will 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. 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 "*Subsequent Events*" for more information on the IQ Loan.

To distinguish itself, the Company's business model is supported by three key pillars:

1. **Clinical trials:** Clinical trials are regulated by the drug registration authorities of each country and International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH) guidelines are an essential component of Tetra's drug development programs. Pioneering research initiatives form the cornerstone upon which the Company is built.
2. **Patented formulations and delivery systems:** The Company has both granted patents and filed patent applications. See list of patents in the table "*Patents*" on page 32. A separate family of patents has been

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filed to protect the delivery of our drugs via inhalation. The Company also uses advanced medical devices, formulations, and delivery systems to optimize patient care.

3. **Pharmaceutical quality:** Quality is at the forefront of what the Company does to ensure safety and efficacy. Adherence and compliance of Good Manufacturing Practice (GMP) requirements and regulations are mandatory and a critical aspect of the drug regulations.

The Company continues to adapt and navigate through a period of widespread uncertainty. See "COVID-19 Pandemic" in the "Risk Factors" section of this MD&A.

Milestones Attained During Fiscal 2021:

Despite COVID-19 related delays impacting key areas of our business (regulatory, manufacturing, and clinical trial enrollment), the Company has made progress in advancing priority assets and delivering on key results.

Product	Milestones	Value
QIXLEEF™	✓ Initiated REBORN®1 Clinical Trial ✓ Initiated PLENITUDE® Clinical Trial ✓ Amended REBORN®1 study protocol to facilitate enrolment ✓ Expanded clinical trial sites to expedite enrolment ✓ Announced positive initial clinical data from both trials. ✓ Received Orphan Drug Designation (ODD) from the European Medicines Agency as a potential treatment for Complex Regional Pain Syndrome (CRPS), a chronic neuropathic pain condition ✓ Scaled manufacturing production to GMP standard (in house) to meet clinical trial demand ✓ The Malta Medicines Authority, through a Scientific Advice Assessment Report, endorsed Tetra's proposed nonclinical development and quality programs for QIXLEEF™ and provided clarity on clinical requirements for registration of QIXLEEF™ in Europe. ✓ The FDA granted Tetra a Type C meeting to discuss safety and labelling requirements for obtaining marketing approval under the 505(b)(1) regulatory pathway for QIXLEEF™. ✓ Received Orphan Drug Designation (ODD) from the European Medicines Agency as a potential treatment for Complex Regional Pain	Advancing clinical assets through trial activities. Evidence of strong regulatory strategy, execution, and compliance demonstrated by clinical trial authorization in the United States. Evidence of strong multidisciplinary internal expertise and compliance working in a controlled substances environment. Reducing risk by securing Orphan Drug Designation.

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Product	Milestones	Value
	Syndrome (CRPS), a chronic neuropathic pain condition	
REDUVO™	✓ Submitted preclinical, clinical, pharmacovigilance and manufacturing packages for New Drug Submission. ✓ Received a notice of compliance for its Drug Establishment License (DEL) following an audit by the Drug GMP Inspection Program of Health Canada ✓ Completed all manufacturing and regulatory conditions for sales in Canada. ✓ Secured manufacturing and distribution of product. ✓ Designed pharmacovigilance strategy ✓ Performed gap analysis to ensure compliance of Tetra Quality Management System for pharmacovigilance activities. ✓ Developed a robust sales strategy for Canada.	Demonstrated internal multidisciplinary expertise, i.e., regulatory, clinical, quality assurance and commercial. Validated Tetra's regulatory compliance with requirements for a marketed prescription drug in Canada.
ARDS-003 (Onternabez)	✓ Completed Pre-IND and Pre-CTA meetings with Health Authorities. ✓ Completed formulation development and manufacturing of drug product to GMP standards. ✓ Submitted multiple patents in Canada, United States, and Europe. ✓ Submitted funding applications for government support to advance project. ✓ Through a key partnership with Targeted, discovered key antiviral properties of ARDS-003. ✓ Tetra and Targeted entered into a second agreement to further its collaboration and co-development activities to advance an Antiviral Central Nervous System Program with ARDS-003.	Ensure readiness for clinical trial initiation. Protecting shareholder value by securing intellectual property. Identified non-dilutive partnerships to complete or initiate project. Strengthening clinical assets through research and development
Securing Partnerships	✓ Secured distribution agreements with DanCann Pharma to monetize its Dronabinol and botanical portfolio ✓ Conversations with True North to commercialize its NHP products ✓ Engaged Sepsis survivor, Christine Caron, as Patient Partner	Creating a robust distribution pipeline in Europe and Canada. Ensuring meaningful collaboration and patient engagement in research.

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Product	Milestones	Value
	✓ Actively seek and qualify for partnerships and licensing opportunities	

The Company has established the following priorities for Fiscal 2022:

I. Commercialization of REDUVO™:

- ✓ Obtain DIN from Health Canada for Tetra's first prescription drug
- ✓ Finalize manufacturing of REDUVO™ according to GMP standard
- ✓ Launch Reduvo™ for Canadian market

II. Advancement of Clinical Trials:

- ✓ Finalize REBORN^{®121} clinical trials in the United States
- ✓ Advance PLENITUDE[®] clinical trial – to further accelerate QIXLEEF™'s path to marketing approval
- ✓ Evaluate the acceleration of clinical trials in destination other than the United States
- ✓ Initiate REBORN^{®2} clinical trial in the United States or Europe.
- ✓ Ensure the readiness of ARDS-003 (Onternabaz nano-emulsion) to initiate clinical trials if funding is received

III. Collaborations and Partnerships:

- ✓ Identify potential partners to license and commercialize cannabinoid-based formulations and natural health product formulations
- ✓ Identify potential partners to advance ARDS-003

RECENT FINANCINGS

During Fiscal 2021, the Company completed two prospectus financings, one private placement and one debt financing, for aggregate gross proceeds of \$30,805,461.

The Company intends to use the net proceeds from the recent financings principally to focus on the QIXLEEF™ and REDUVO™ drug development programs, for working capital and for general corporate purposes. The Company will also continue to implement its strategy prioritizing QIXLEEF™ and REDUVO™ which includes developing strategic partnerships for the Panag products that it purchased in connection with the acquisition of Panag. Through these partnerships, it would be expected that the partner would take over the next stages of development in exchange for commercial rights and Tetra would obtain royalties on net sales.

²¹ The REBORN clinical trials are aimed at demonstrating the superiority of QIXLEEF™ over three immediate-release oral opioids and helping to determine the required sample size for a pivotal trial. Refer to the section entitled "Breakthrough Cancer Pain: QIXLEEF™ and CAUMZ™" for further disclosure on this program.

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Bought Deal (May 2021)

On May 17, 2021, the Company completed a short form prospectus offering on a bought deal basis for aggregate gross proceeds of \$10,000,000. A total of 25,000,000 units were sold at a price of \$0.40 per unit. Each unit consists of one common share and one common share purchase warrant entitling the holder to purchase one common share of the Company at a price of \$0.51 per share for a period of 2 years following the closing date.

On May 21, 2021, in connection with its previously announced bought deal offering which closed on May 17, 2021, Echelon Wealth Partners Inc., as lead underwriter on behalf of a syndicate of underwriters including Canaccord Genuity Corp. and Leede Jones Gable Inc., exercised their over-allotment option in full, resulting in the issuance of an additional 3,750,000 units, and an additional \$1,500,000 of gross proceeds to the Company.

Bought Deal (March 2021)

On March 2, 2021, the Company completed a short form prospectus offering on a bought deal basis for aggregate gross proceeds of \$14,421,000. A total of 65,550,000 units (including the exercise in full of the over-allotment option granted to the underwriters by the Company) were sold at a price of \$0.22 per unit. Each unit consists of one common share and one common share purchase warrant entitling the holder to purchase a one common share of the Company at a price of \$0.28 per share for a period of 3 years following the closing date.

Private Placement (February 2021)

On February 3, 2021, the Company completed a non-brokered private placement of 11,085,064 units at a price of \$0.17 per unit for aggregate gross proceeds of \$1,884,461. Each unit consists of one common share and one warrant, with a whole warrant entitling the holder to purchase one common share of the Company at a price of \$0.21 per share for a period of 2 years following the closing date.

Variances in Use of Proceeds

During the twelve months ended November 30, 2021, the Company raised \$14,421,000 from the March 2021 bought deal and \$11,500,000 from the May bought deal. In addition, the Company closed a non-brokered private placement for aggregate gross proceeds of approximately \$1,884,461, as described above. The entire net proceeds from this placement were used for working capital and general corporate requirements.

Bought Deal (March 2021)

The following table provides a comparison between the Company's expected use of proceeds (other than working capital and general corporate) disclosed in the prospectus for the March 2021 bought deal against the Company's actual use of proceeds therefrom, up to November 30, 2021.

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Activity	FY 2021 Actuals March-November 21	Bought Deal and Over-allotment March 2021
Drugs in Development		
ARDS-003 Phase I Clinical Trials in healthy volunteers for ARDS	\$- ⁽¹⁾	\$2,500,000
ARDS-003 Phase I and Phase II Clinical Trials	\$2,364,030 ⁽²⁾	\$2,600,000
ARDS-003 Drug Manufacturing	\$500,000 ⁽³⁾	\$500,000
PPP-001 (QIXLEEF™) expenses related for PLENITUDE© and REBORN© clinical trials	\$3,049,330 ⁽⁴⁾	\$3,049,330 ⁽⁸⁾
Future potential acquisitions (includes Targeted Acquisition) and growth opportunities	\$826,611 ⁽⁵⁾	\$500,000
Working Capital	\$3,173,389 ⁽⁶⁾	\$3,500,000
General Corporate Purposes	\$998,170 ⁽⁷⁾	\$762,200
Total	\$10,911,530	\$13,411,530⁽⁹⁾

- (1) Since the completion of the March 2021 bought deal and up to November 30, 2021, the Company has not spent any of the available funds allocated to ARDS-003 Phase 1 clinical trials in healthy volunteers as the project is halted while the Company awaits decisions from several government agencies in order to secure additional funding to initiate and complete the clinical trials. As announced in May 2021, Tetra completed a consultation process with both the U.S. FDA and Health Canada for ARDS-003. This mandatory regulatory process included the review of Tetra's nonclinical safety data package as well as the clinical trial protocols. Based on the feedback received from Health Canada, the Phase 1a and 1b protocols were modified to a single protocol with an adaptive study design. The Phase 1a will be performed in healthy volunteers and the Phase 1b in hospitalized COVID-19 patients with severe pneumonia. As an adaptive study design, the Phase 1b will be initiated concurrently to the Phase 1a and involves Safety Review Committee and Data Safety Monitoring Board oversight. See the section titled "Growth Strategy" in this MD&A for additional details.
- (2) Since the completion of the March 2021 bought deal and up to November 30, 2021, the Company has spent approximately \$2,364,030 on ARDS Clinical trials preparation. Out of this total, approximately \$ 942,857 were spent on the testing and toxicological activities required to ensure the finished drug product is up to the standard required for clinical trials. Approximately \$697,000 were spent on payments to the clinical research organization ("CRO") partners required for the initiation of the clinical trials. Approximately \$521,920 were spent on research and development activities related to the active pharmaceutical ingredient. Finally, approximately \$202,253 were spent on consultants advising the Company on several matters including regulatory filings. The \$ remaining 235,970 were reallocated to general corporate purposes. As of the date of this MD&A all funds allocated to this category were depleted.
- (3) Since the completion of the March 2021 bought deal and up to November 30, 2021, the Company has spent \$500,000 on the manufacturing of the finished drug product for the clinical trials. Out of this total, approximately \$444,000 were spent in the purchase of raw materials. Approximately \$56,000 were spent in formulation development activities required to scale production. As of the date of this MD&A, all funds allocated to this category were depleted.
- (4) Since the completion of the March 2021 bought deal and up to November 30, 2021, the Company has spent approximately \$3,049,330 on activities related to QIXLEEF™. Management decided to prioritize the development of QIXLEEF™ (see footnote 8 below and the section titled "Growth Strategy" section in this MD&A for additional details). Approximately \$1,219,600 were spent on expenses related to clinical trial protocols, including: selection

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and qualification of clinical sites; set-up of a central pharmacy facility for distribution of clinical sites in the United States; database building and maintenance; clinical site compensation for performing study-specific procedures and set-up of pharmacovigilance services among others. Approximately \$872,400 were spent on testing activities. Approximately \$608,290 were spent on the purchase of raw materials. Approximately \$349,040 were spent on manufacturing related activities such as labor, shipping fees and clinical trial insurance. As of the date of this MD&A all funds allocated to this category were depleted.

- (5) Since the completion of the March 2021 bought deal and up to November 30 2021, the Company has spent \$826,611 on projects related to growth activities. Out of this total, approximately \$326,611 were re-allocated from working capital. Approximately \$461,752 were spent in R&D related to the usage of the HU308 (Oternabaz solution) molecule for ocular research. Approximately \$253,000 were spent on research of HU308 (Oternabaz solution) molecule for its antiviral and oncological properties with Targeted. Approximately \$111,859 were spent on research related to CB2 components and molecules. Management believes exploration of additional resources is key to delivering value to shareholders. As of the date of this MD&A, all funds allocated to this category were depleted.
- (6) Approximately \$326,611 initially allocated to working capital was reallocated to invest in growth opportunities. See footnote 5 above. As of the date of this MD&A, all funds allocated to this category were depleted.
- (7) The Company utilized these funds to repay debt in order to improve its balance sheet and to cover other liabilities. \$235,970 were re-allocated from ARDS-003 Phase I and II Clinical trials, given the delays as the Company awaits government funding. See Footnote 1 for further details. As of the date of this MD&A, all funds allocated to this category were depleted.
- (8) \$2,149,330 were allocated to this line item from the funds raised through the exercise by the underwriters on the over-allotment option. The Company decided to allocate the additional funds to be able to run two clinical trials in parallel, in order to complete the clinical trials on an expedited basis.
- (9) Net proceeds after deducting the underwriters' fees (but before deducting the expenses of the offering) based on the total gross funds raised through the March 2021 bought deal, including the exercise by the underwriters of the overallotment option in full.

Bought Deal (May 2021)

The following table provides a comparison between the Company's expected use proceeds (other than working capital and general corporate) described in the prospectus for the May 2021 bought deal, against the Company's actual use of proceeds therefrom, up to November 30, 2021.

Activity	FY 2021 Actuals March-November 21	Bought Deal and Over- allotment May 2021
Drugs in Development		
ARDS-003 Phase I and Phase II Clinical Trials	\$ ⁽¹⁾	\$900,000
ARDS-003 Drug Manufacturing	\$200,693 ⁽²⁾	\$1,500,000
PPP-001 (QIXLEEF TM) PLENITUDE [®] Clinical Trials	\$1,091,943 ⁽³⁾	\$2,000,000
PPP-001 (QIXLEEF TM) REBORN [®] clinical trials	\$1,835,434 ⁽⁴⁾	\$1,050,000
Commercial Activities for Reduvo TM	\$423,962 ⁽⁵⁾	\$1,000,000
Working Capital	\$1,450,000	\$1,450,000
General Corporate Purposes	\$4,208,873 ⁽⁶⁾	\$2,795,000 ⁽⁶⁾
Total	\$9,210,905	\$10,695,000⁽⁷⁾

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- (1) Since the completion of the May 2021 bought deal and up to November 30, 2021, and as the project is halted while the Company awaits decisions from several government agencies regarding funding; management decided to re-allocate \$900,000 to general corporate purposes. As of the date of this MD&A all funds allocated to this category have been depleted.
 - (2) Since the completion of the May 2021 bought deal and up to November 30, 2021, the Company has spent approximately \$200,693 for ARDS-003 manufacturing. Out of this total, approximately \$102,000 related to the purchase of equipment required for the manufacturing process for the emulsion and approximately \$98,693 were spent on direct manufacturing costs related to the finished drug product. From the \$1,299,307 remaining, \$785,434 were reallocated to REBORN[®] clinical trials category. See Footnote 5. The remaining \$513,873 were reallocated to General Corporate Purposes. As of the date of this MD&A all funds allocated to this category have been depleted.
 - (3) Since the completion of the May 2021 bought deal and up to November 30, 2021, the Company has spent approximately \$1,091,943 on activities related to the PLENITUDE[®] clinical trial. These funds were spent on CRO fees related to clinical trial fees and setup for clinical trial protocols.
 - (4) Since the completion of the May 2021 bought deal and up to November 30, 2021, the Company has spent approximately \$1,835,434 on activities related to the REBORN[®] clinical trial. These funds were spent on CRO fees related to the setup of clinical sites, setup for clinical trial protocols and activities related to increase and accelerate enrollment. \$785,434 were reallocated from the ARDS-003 manufacturing category. As of the date of this MD&A all funds allocated to this category have been depleted.
 - (5) Since the completion of the May 2021 bought deal and up to November 30, 2021, the Company has spent approximately \$423,962 on activities related to the commercialization of Reduvo[™]. Out of this total, approximately \$102,000 were spent on fees associated with the Health Canada review, approximately \$203,370 were spent on market research and distribution strategies, and approximately \$118,592 were spent on consultants for advice on specific marketing and regulatory activities.
 - (6) The Company used the net proceeds resulting from the exercise of the over-allotment option by the underwriters for general corporate purposes. \$900,000 were reallocated from the ARDS-003 Phase 1 and Phase II Clinical Trials (see footnote 1 for further details). \$513,873 were reallocated from ARDS-003 manufacturing (see footnote 2 for further details). As of the date of this MD&A all funds allocated to this category have been depleted.
 - (7) Net proceeds after deducting the underwriters' fees (but before deducting the expenses of the offering) based on the total gross funds raised through the May 2021 bought deal, including the exercise by the underwriters of the overallotment option in full.

OVERALL PERFORMANCE AND SELECT FINANCIAL INFORMATION

As of November 30, 2021, the Company had a working capital deficit of \$1,352,372 (November 30, 2020 – deficit of \$3,168,772), including \$4,885,811 (November 30, 2020 - \$2,500,612) in cash and current liabilities totalling \$7,301,908 (November 30, 2020 - \$6,749,759). As of November 30, 2021, the Company was in breach of certain covenants associated with its debt facility. However as of the date of this MD&A the Company had cured all defaults. Refer to “Liquidity and Capital Resources” for additional information on the Company’s debt facility.

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 so that the Company can continue as a going concern. Nevertheless, there is no assurance that these initiatives would be successful. 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,

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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 "*Subsequent Events*" for more information on the IQ Loan.

On May 17, 2021, the Company closed a bought deal financing for total gross proceeds of \$11,500,000, including the exercise in full of the over-allotment option granted to the underwriters by the Company under such offering. On March 2, 2021, the Company closed a bought deal financing for total gross proceeds of \$14,421,000. On February 3, 2021, the Company completed a non-brokered private placement for total gross proceeds of \$1,884,461 to bridge its working capital and general corporate requirements. These funds allowed Tetra to cover its liabilities and continue with operations. Please refer to the "Risk Factors" section of this MD&A and the sections "*Financial Risks*" and "*Liquidity and Capital Resources*" below.

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

Financial Position as at	November 30, 2021	November 30, 2020
	\$	\$
Cash	4,885,811	2,500,612
Long-Term Investment	219,375	804,375
Accounts and sales tax receivable	255,713	653,311
Prepaid expenses	808,012	427,064
Equipment	692,252	434,513
Intangible assets	-	23,193,613
Equity method investment	690,079	1,325,057
Accounts payable and accrued liabilities	(4,190,377)	(4,749,759)
Convertible debenture	-	(2,000,000)
Non-convertible debenture	(3,111,531)	-
Total shareholders' equity	249,334	22,588,786

Revaluation of Equity Method Investments

The Company's investments in Targeted have not, as of November 30, 2021, resulted in developed commercial assets and have not generated positive cashflow from operations. Management has determined that Targeted will require a significant investment to complete the required clinical trials, studies and other efforts needed to commercialize these assets under the FDA and Health Canada approvals in order to bring these products to that market.

During Fiscal 2021, in accordance with IAS 36 – *Impairment of Assets*, the Company determined that the recoverable amount of the equity investments in Targeted did not support their continued value and revalued the

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asset in the last quarter of Fiscal 2021, which is presented as a revaluation of equity investments of \$651,187 in the Company's consolidated statement of loss and comprehensive loss.

Intangible assets

The Company's intangible assets represent Tetra's drug development program in its various early to advanced-stage clinical phases.

On May 1, 2019, the Company announced that it completed the acquisition of Panag pursuant to a share purchase agreement dated January 30, 2019 (the "Agreement"), between the Company and the former shareholders of Panag. Following the closing of the acquisition, Panag became a wholly owned subsidiary of the Company. As part of the acquisition of Panag, the Company acquired various intangible assets with a purchase price allocation of \$14,519,183, approximately \$12,842,945 were included in the clinical trial value and \$1,676,238 were included in the product numbers category.

On September 2, 2020, the Company announced that it had initiated the in-life phase of the PLENITUDE[®] clinical trial operations. PLENITUDE[®] is a 4-week double-blind, randomized, placebo-controlled, parallel group design trial to evaluate the safety and efficacy of inhaled QIXLEEF[™] to relieve uncontrolled cancer related pain in 78 adult patients with advanced incurable disease. As at November 30, 2021, the Company had not completed the enrollment for the trial which has resulted in management uncertainty in regards to the timing of completion and the ultimate commercialization of QIXLEEF[™]. As at November 30, 2021, the Company had capitalized approximately \$8,437,090 in acquisition and other costs related to the development of QIXLEEF[™] as well as CAUMZ[™] (the synthetic second generation of QIXLEEF[™]).

During the period from May 1, 2019 to November 30, 2021, the Company capitalized certain licensing agreements to support its clinical activities. As at November 30, 2021, the Company had capitalized \$3,198,414 of licensing agreement costs.

The above assets are not yet available for use as management has determined that it will require a significant investment to complete in an expedited and timely manner the required clinical trials, studies and other efforts needed to commercialize these assets under the United States Food and Drug Administration and Health Canada approvals in order to return these products to that market.

The COVID-19 pandemic has increased the difficulty of partnering these clinical programs and licenses to obtain the required development funding. The main reasons can be attributed to: (i) the pandemic has disrupted the business of the drug development-oriented companies that are the logical partners for these assets (due to fewer normal-course procedures being done) and thereby constrained the new product budgets of such companies; (ii) ongoing restrictions on physical travel (i.e., closed borders, quarantines, etc.) are making it more difficult to advance negotiations, conclude partnerships, and manage off-site clinical trial work; (iii) difficulty in patient recruitment, as patients are kept away from hospitals and staff is limited to cover non COVID-19 related treatments; and (iv) all regulatory agencies have experienced significant delays in processing applications as the regulatory agencies transition to remote working and have diverted key personnel to advancing COVID-19 related treatments and vaccines. The COVID-19 delays impacted and deferred the Company's ability to generate revenue.

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Carrying Amounts (\$)	Product Numbers	Clinical Trials	Licenses	Total
Balance as at November 30, 2019	1,676,238	20,780,035	500,000	22,956,273
Disposals	(1,280,000)	-	-	(1,280,000)
Impairment loss	(396,238)	-	-	(396,238)
Acquired during the year	-	-	1,913,578	1,913,578
Balance as at November 30, 2020	-	20,780,035	2,413,578	23,193,613
Acquisition during the Period	-	-	818,496	818,496
Amortization expense	-	-	(33,660)	(33,660)
Revaluation of Intangible Assets	-	(20,780,025)	(3,198,414)	23,978,449
Balance as at November 30, 2021	-	-	-	-

The Company disclosed in various news releases in 2020 and 2021 that it is still in the process of actively looking for ways to speed up enrollment to complete its REBORN[®] and PLENITUDE[®] clinical trials. That said, the impairment to the above noted intangible assets is a function of IFRS' requirement for a Company to assess its long-life assets for potential indicators of impairment and not an assessment of management's beliefs in the current status and overall potential of the clinical trials. The core principle of IAS 36 indicates that intangible assets should be subject to impairment and re-evaluation based on the expected future cash flows that the asset, in current form, will produce. During the last quarter for the period ended November 30, 2021 upon the required impairment analysis, it was determined that future cash flows of the assets had changed significantly because of the conditions mentioned above. The asset valuation model is also sensitive to discount rates and long-term growth rates.

In addition to the revaluation of the intangible assets, the investments in Targeted have not as of November 30, 2021, developed commercial assets and have not had positive cashflow from operations. Management has determined that the companies will require a significant investment to complete the required clinical trials, studies and other efforts needed to commercialize these assets under the United States Food and Drug Administration and Health Canada approvals in order to return these products to that market. During the year ended November 30, 2021, in accordance with IAS 36 – Impairment of Assets, the Company determined that the recoverable amount of the equity investments did not support their continued value and revalued the asset in the fourth quarter of Fiscal 2021, which is presented as a revaluation of equity investments of \$651,187 in the consolidated statement of loss and comprehensive loss.

According to the accounting standard, impairment of assets can be reversed if the circumstances that cause the impairment loss are favorably resolved. The Company will continue to evaluate the recoverability of its assets on a yearly basis, as work progresses on its portfolio. See Note 7 of the Annual Financial Statements for additional information.

Equipment

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Equipment	\$
Balance as at November 30, 2019	227,316
Additions	241,582
Amortization expense	(34,385)
Balance as at November 30, 2020	434,513
Additions	336,026
Amortization expense	(78,287)
Balance as at November 30, 2021	692,252

During the three months ended November 30, 2021, the Company purchased equipment valued at \$11,250 compared to \$51,277 during the three months ended November 30, 2020. The equipment purchased in the three months ended November 30, 2021, corresponds to equipment related to maintenance of the production facility.

During the twelve months ended November 30, 2021, the Company purchased manufacturing equipment valued at \$ 336,026 (November 30, 2020 - \$241,582). This equipment is required to manufacture clinical trial batches of various drug candidates, perform testing, and develop formulations, in compliance with the GMP standards. This equipment was instrumental for the compliant rating received from Health Canada and for production of QIXLEEF™ and ARDS-003 clinical trial batches.

RESULTS OF OPERATIONS

The following is an analysis of the results of operations for the three and twelve months ended November 30, 2021, compared to the three and twelve months ended November 30, 2020.

	For the Twelve Months Ended		For the Three Months Ended	
	November 30, 2021	November 30, 2020	November 30, 2021	November 30, 2020
Expenses	\$	\$	\$	\$
Research and development	11,937,637	11,654,727	2,747,567	5,055,349
Stock based compensation	1,054,299	565,615	(179,966)	-
General and administration (includes Debentures & Fees)	13,019,183	8,664,641	2,189,475	2,123,351
Net loss from continuing operations before other items	26,011,119	20,884,983	4,757,076	7,178,700
Other Items				
Share of loss from equity method investments	949,291	268,468	433,779	153,273
Net change in the market value of long term investment	585,000	-	365,625	-
Revaluation of equity method investments	651,187	-	651,187	-
Revaluation of intangible assets	23,978,449	-	23,978,449	-
Total other items	26,163,927	268,468	25,429,040	153,273
Net loss from continuing operations	52,175,046	21,153,451	30,186,116	7,331,973
Net loss or (gain) from discontinued operations	-	5,322,726	-	4,248,092
Net loss and total comprehensive loss	52,175,046	26,476,177	30,186,116	11,580,065

For the three months ended November 30, 2021, the Company reported a net loss from continuing operations of \$30,186,116 compared to a net loss of \$7,331,973 during the three months ended November 30, 2020. 82% of

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the net loss corresponds to the revaluation of equity method investments for \$651,187 and the revaluation on intangible assets for \$23,978,449. The revaluation exercise was completed in the last quarter for fiscal 2021.

For the twelve months ended November 30, 2021, the Company reported a net loss from continuing operations of \$52,175,046 (November 30, 2020 - \$21,153,451). In the twelve months ended November 30, 2021, the Company had \$nil transactions from discontinued operations (November 30, 2020 - \$5,322,726). The increase in the net loss is due to the revaluation of intangible assets for \$23,978,449 (November 30, 2020- \$nil) and the revaluation of equity method investments for \$651,187 as described above.

Research and Development Expenses

During the three-month and twelve-month periods ended November 30, 2021, Tetra continued its drug development programs. Investors should be aware that as the Company's clinical trials progress through the various phases, the cost to complete each phase becomes significantly larger.

Tetra's R&D expenses for the three months ended November 30, 2021, represent approximately 58% of Tetra's total operating expenses for such period. For the three months ended November 30, 2021, R&D costs total \$2,747,567, compared to \$5,055,349 during the three months ended November 30, 2020, representing a decrease of \$2,307,782 (46%) compared to the prior year. The decrease corresponds to management's focus and prioritization of its three priorities. In comparison, during Fiscal 2020, the Company was advancing all of its projects.

Tetra's R&D expenses for the twelve months ended November 30, 2021, represent approximately 46% of Tetra's total operating expenses. For the twelve months ended November 30, 2021, R&D costs total \$11,937,637 (November 30, 2020 – \$11,654,727) an increase of \$282,910 (2%) compared to the prior year.

During the twelve months ended November 30, 2021, in parallel to advancing the drug development program for ARDS-003, the Company was also advancing two clinical trials for QIXLEEF™. Running the toxicology program of ARDS-003 and manufacturing the clinical trial batch materials for ARDS-003, in parallel to PLENITUDE© and REBORN1® clinical trial operations, resulted in a 2% increase in R&D expenses when compared to the same period in 2020. During the twelve months ended November 30, 2021, the Company spent on drug development activities approximately \$5,976,707 for QIXLEEF™; \$3,064,723 for ARDS-003; \$1,026,611 on projects related to growth and discovery such as: new indications for Hu308 molecules (Oternabez solution) research related to CB2 molecules and SmartCelle™; \$980,000 for CAUMZ™ manufacturing activities; and approximately \$423,962 for Reduvo™. The remaining \$465,634 corresponds to expenses related with the upkeep of the manufacturing facility to GMP standards and funding commitments with different universities and research programs. The CAUMZ™ activities were related to the manufacturing of clinical trial drugs and had been committed to in late 2020. As mentioned before, CAUMZ™ activities are currently halted, pending the outcome of the REBORN® trials and additional funding.

Stock-based compensation (non-cash expense)

For the three months ended November 30, 2021, stock based compensation decreased by \$179,966 (November 30, 2020 \$nil) as a result of an adjustment in the amortization of PSUs, factoring delays in product launches. For

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the twelve months ended November 30, 2021, the Company incurred a non-cash expense of \$1,054,299 related to stock-based compensation, compared to the twelve months ended November 30, 2020, of \$565,615.

For the twelve months ended November 30, 2021, the Company incurred a non-cash expense of \$1,054,299 related to stock-based compensation, compared to the twelve months ended November 30, 2020, of \$565,615.

Stock-based compensation is composed of three instruments: options, Deferred Share Units ("DSUs") and Performance Share Units ("PSUs"). Stock-based compensation expenses for options and DSUs are based on the Black-Scholes value attributed to the number of options and DSUs granted by the Company during the period. Stock-based compensation expense for the PSUs is based on the Geometric Brownian motion model as well as any PSUs that were granted in a previous period but vested in the current period. As of November 30, 2021, the number of options outstanding was 5,577,250 with a grant date fair value of \$885,995; the number of DSUs outstanding was 1,484,430 with a recorded value of \$307,041; and the number of PSUs outstanding was 21,600,000 with a recorded value of \$390,469. See "Outstanding Share Data" below for more information.

General and Administrative Expenses, including Debenture Interest and Fees

The Company incurred general and administrative expenses, including debenture interest and fees ("GA expenses") of \$2,189,475 during the three months ended November 30, 2021, compared to GA expenses of \$2,123,351 during the three-months ended November 30, 2020. The 3% increase corresponds to fees and interests associated to the debenture. These fees have offset the Company's strategy in reducing expenditures and limiting non-core expenditures. Refer to "Liquidity and Capital Resources" for additional information on the Company's debenture.

GA expenses increased by \$4,354,542 to \$13,019,183 for the twelve months ended November 30, 2021 (November 30, 2020 – \$8,664,641). The increase is primarily related to interest and fees associated to the debenture. In addition, for the majority of Fiscal 2021, the Company had several executives on payroll.

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	For the Twelve Months Ended	
	November 30, 2021	November 30, 2020
	\$	\$
Management fees	-	109,388
Payroll and benefits	4,660,950	3,560,358
Professional fees	4,346,271	2,435,375
Exchange and regulatory fees	398,562	509,976
Foreign exchange loss	(74,537)	124,713
Other income & interest	(105,025)	(98,013)
Travel and promotion expense	165,829	982,240
Amortization of equipment	78,287	34,385
Amortization of intangible asset	33,660	-
Impairment expense	-	396,238
Office, Insurance & Other	1,619,633	609,981
Debenture Interest & Fees	1,895,553	-
Total	13,019,183	8,664,641

For the three months ended November 30, 2021, management fees and payroll decreased by \$104,623 when compared to November 30, 2020. The decrease corresponds to reductions in personnel during the final quarter. For the twelve months ended November 30, 2021, management fees, combined with payroll and benefits, increased by \$991,204 when compared to the period ended November 30, 2020. The increase for the twelve months corresponds to the addition of executives for much of the fiscal year 2021. During the same period, the Company terminated an executive, resulting in severance payments.

For the three months ended November 30, 2021, professional fees decreased by \$70,812 when compared to the prior year. The decrease corresponds to a decrease in financing and M&A activities during the fourth quarter of 2021. For comparison in the three months ended November 30, 2020, the Company was in negotiations related to the sale of Lumiera. For the twelve months ended November 30, 2021, professional fees increased by \$1,910,896 when compared to the twelve months ended November 30, 2020. The increase in fees is due to the multiple financing activities completed during the period ended on November 30, 2021, including two bought deals, one private placement, one debt refinancing and the implementation of an ATM program. By comparison, during the same period in 2020, the Company completed only two financings.

For the three months ended November 30, 2021, travel and promotional fees decreased by \$8,970 when compared to the prior year. Travel and promotion expenses decreased by \$816,411 for the twelve months ended November 30, 2021, when compared to the period ended November 30, 2020. The promotional expenses incurred during the twelve months ended November 30, 2021, were related to advertisements in a scientific journal publication earlier in the year and fees associated by pre-launch and promotional activities related to Reduvo™.

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For the three months ended November 30, 2021, exchange and regulatory fees decreased by \$76,622 when compared to three months ended November 30, 2020. The decrease corresponds to a reduction of financing activities when compared to the three months ended November 30, 2020. Exchange and regulatory fees decreased by \$111,414 for the twelve months ended November 30, 2021, compared to the period ended November 30, 2020. The decrease corresponds to the timing of financing. In Fiscal 2020, the Company had completed the filing of a base shelf prospectus in April.

For the three months ended November 30, 2021, office, insurance and other fees decreased by \$36,535 when compared to the prior year. The decrease corresponds to cost saving strategies that include reduction of non-core services. Office, insurance and other expenses increased by \$1,009,652 for the twelve months ended November 30, 2021, compared to the period ended November 30, 2020. The largest portion of the increase is due to the extension fee for exclusivity related to the potential acquisition of Targeted in a total amount of \$631,960 (USD 500,000). Approximately \$169,031 were insurance costs for the period. Approximately \$123,000 corresponds to a license fee required for Reduvo™ and the drug establishment license with Health Canada.

Selected Annual Information

The following table provides selected historical financial information and other data of the Company which should be read in conjunction with our Annual Financial Statements and related notes.

	Year ended November 30		
	2021	2020	2019
	\$	\$	\$
Revenue	-	-	-
Net loss and total comprehensive loss	52,175,046	26,476,177	15,282,933
Total basic and diluted loss per common share	(0.12)	(0.10)	(0.08)
Continuing operations	(0.12)	(0.08)	(0.07)
Discontinued operations	-	(0.02)	(0.01)
Selected Consolidated Financial Position Data			
Total Assets	7,551,242	29,338,545	28,567,647
Total non-current liabilities	-	-	-
Dividends declared for the year	-	-	-

Over the three-year period, the net loss increased year-over-year driven by increases in R&D expenses, related to the growth in the number of clinical trials, acquisition and development of intellectual property and attraction and retention of key personnel. For the year ended November 30, 2021, the increase in comprehensive loss is due in large part to the revaluation of the intangible assets, which represents \$23,978,449 of the loss for the period.

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).

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Three Months Ended	Total Revenue (\$)	Profit or (Loss)				Assets (\$)
		Continued Operations Total (\$)	Discontinued Operations Total (\$)	Continued Operations Per Share (\$)	Discontinued Operations Per Share (\$)	
November 30, 2021	-	(30,186,116)	-	0.12	-	7,551,242
August 31, 2021	-	(5,774,901)	-	0.01	-	36,986,970
May 31, 2021	-	(7,864,253)	-	0.02	-	44,019,863
February 28, 2021	-	(8,349,776)	-	0.03	-	28,194,788
November 30, 2020 ⁽¹⁾	-	(7,331,973)	(4,248,092) ⁽²⁾	0.02	0.02	29,338,545
August 31, 2020	-	(5,374,195)	(1,174,120) ⁽²⁾	0.02	-	41,615,883
May 31, 2020	-	(4,475,161)	(220,803) ⁽²⁾	0.02	-	44,836,231
February 29, 2020	-	(4,530,649)	878,816 ⁽²⁾	0.02	-	39,842,835

(1) During the two years ended November 30, 2019, and November 30, 2020, the Company classified Hemp Energy Drink 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 Risks

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 objectives 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, from time to time, the Company may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase

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the Company's debt levels above industry standards.

The Company's activities expose it to a variety of financial risks in relation to financial instruments. The financial assets and liabilities by category are summarized in Note 20 of the Company's Annual Financial Statements.

Risk management is carried out by the Company's management team under policies approved by the board of directors of the company (the "Board"), which also provides regular guidance for overall risk management.

Credit risk

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

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's exposure to liquidity risk is dependent on its purchasing commitments and obligations and its ability to raise funds to meet commitments and sustain operations. The Company manages liquidity risk by continuously monitoring its actual and forecasted working capital requirements, and actively managing its financing activities.

As at November 30, 2021, the Company had a working capital deficit of \$1,352,372 (November 30, 2020 – deficit of \$3,168,772), including \$4,885,811 (November 30, 2020 - \$2,500,612) in cash and current liabilities totalling \$7,301,908 (November 30, 2020 - \$6,749,759). 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 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. 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.

Other than the Company's long-term debt facility, all of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity. The ability to generate revenue sufficient to sustain the operations of the Company and provide positive cash flow from operations depends upon the ability to successfully commercialize its intellectual property or other drug candidates that the Company develops or acquires in the future.

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Market risk

Our business and financial results are affected by fluctuations in world financial markets, including the impacts of foreign currency exchange rate and capital market movements. We evaluate our exposure to such risks on an ongoing basis and seek ways to manage these risks to an acceptable level, based on management's judgment of the appropriate trade-off between risk, opportunity, and cost. Currently, the Company does not hold any market risk sensitive instruments whose value is subject to market price risk.

External Environment and Inflation Risk

In Fiscal 2020, the Company experienced inflation which resulted in higher than usual operating costs, and this trend continued during Fiscal 2021. Inflation 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 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 resulted in the Company's need to pay premium fees for patient recruitment, consulting, and labor as well as raw materials. There is no assurance that continued inflation will not have similar impacts on Tetra's operations during Fiscal 2022.

Foreign Currency Rate Risk

In Fiscal 2021, Tetra's transactions were exposed to the fluctuating U.S. dollar and Euro foreign exchange rates. For the period, the Company recorded a gain of \$74,537. However, for Fiscal 2022, the Company expects similar patterns of foreign currency risk as in Fiscal 2020, considering the largest expenditures are projected to be outside Canada. In Fiscal 2020, 16% representing approximately \$3,400,000 of the Company's total expenses relative to its drug development programs, upcoming manufacturing and commercialization activities. An appreciation in the U.S. dollar exchange rate by 10% in Fiscal 2020 resulted in a decrease in shareholder equity of \$787,000. In Fiscal 2021 and Fiscal 2020, the Company had an immaterial number of transactions in Euro.

Interest Rate Risk

The Company is not exposed to interest rate risk related to the effect of interest rate changes on borrowings outstanding. Tetra currently does not hold financial instruments for speculative purposes.

Liquidity and Capital 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 Board does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business. The Company considers its capital to be equity attributable to equity holders, which is comprised of share capital, reserves and deficit totalled \$249,334 as of November 30, 2021 (November 30, 2020 – \$22,588,786).

The Company currently has no operating revenues from continued operations and relies primarily on equity or debt financing. As of November 30, 2021, the Company had a working capital deficit of \$1,352,372 (November 30, 2020 – deficit of \$3,168,772).

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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 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 of November 30, 2021, the Company was in breach of certain covenants associated with its debt facility. However as of the date of this MD&A the Company had cured all defaults.

On February 3, 2021, the Company completed a non-brokered private placement of 11,085,064 units at a price of \$0.17 per unit for aggregate gross proceeds of \$1,884,461. Each unit consists of one common share and one warrant, with a whole warrant entitling the holder to purchase one common share of the Company at a price of \$0.21 per share for a period of 2 years following the closing date. The Company used the net proceeds to bridge its working capital and general corporate requirements.

On March 2, 2021, the Company completed a short form prospectus offering on a bought deal basis for aggregate gross proceeds of \$14,421,000. A total of 65,550,000 units were sold at a price of \$0.22 per unit. Each unit consists of one common share and one transferable common share purchase warrant entitling the holder to purchase a one common share of the Company at a price of \$0.28 per share for a period of 3 years following the closing date. This offering was completed pursuant to the Company's base shelf prospectus dated April 1, 2020.

On May 17, 2021, the Company completed a short form prospectus offering on a bought deal basis for aggregate gross proceeds of \$11,500,000. A total of 28,750,000 units were sold at a price of \$0.40 per unit. Each unit consists of one common share and one common share purchase warrant entitling the holder to purchase one common share of the Company at a price of \$0.51 per share for a period of 2 years following the closing date. This offering was completed pursuant to the Company's base shelf prospectus dated April 1, 2020.

The base shelf prospectus allows 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. On November 4, 2021, the Company announced it was terminating its "at-the-market" offering with Canaccord Genuity Corp. as sole agent. Such program was initially launched on May 28, 2021, allowing the Company to issue and sell up to \$10 million aggregate amount of Common Shares to the public from time to time, at the Company's discretion. Such \$10 million was added back to the remaining capacity under the Company's base shelf prospectus. As at November 30, 2021, the Company had a remaining capacity of up to \$14,929,340 on the final base shelf prospectus. The base shelf prospectus is valid until May 1, 2022.

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Accordingly, 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 of November 30, 2021, the Company had a working capital deficit of \$1,352,372 (November 30, 2020 – \$3,168,772), including \$4,885,811 (November 30, 2020 – \$2,500,612) in cash, and current liabilities totalling \$7,301,908 (November 30, 2020 – \$6,749,759). Approximately 90% of the contractual obligations correspond to obligations related to R&D and clinical trial operations.

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 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. 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*" 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 "*Subsequent Events*" for more information on the IQ Loan.

Capital Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities and pursuit of acquisitions; and
- to maximize shareholder return.

The Company monitors its capital structure and adjusts according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board on an ongoing basis.

The Company considers that its capital is equal to total shareholders' equity, which is comprised of share capital of \$91,794,397 (November 30, 2020 – \$71,374,173), warrants of \$20,089,519 (November 30, 2020 – \$21,326,026), contributed surplus of \$15,102,140 (November 30, 2020 – \$4,450,263), and accumulated deficit of \$126,736,722 (November 30, 2020 – \$74,561,676) for a net surplus of \$249,334 (November 30, 2020 – \$22,588,786).

As at November 30, 2021, 401,667,409 (November 30, 2020 – 283,826,966) Common Shares were issued and outstanding. Refer to the "Outstanding Share Data" section of this MD&A for more detail on the issuance of Common Shares in the twelve-month period ended November 30, 2021.

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Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its research programs. Information is provided to the Board.

The Company's capital management objectives, policies and processes have remained unchanged since the year ended November 30, 2020.

Contractual Obligations

We have contractual obligations with a variety of expiration dates. The table below outlines our contractual obligations as at November 30, 2021:

Contractual Obligation	Payments Due \$				
	Total Payments	Less Than 1 Year	1-3 Years	4-5 Years	After 5 years
Debt ⁽¹⁾	3,111,531	3,111,531	-	-	-
Operating Lease ⁽²⁾	177,678	-	177,678	-	-
Other Obligations ⁽³⁾	4,190,377	4,190,377	-	-	-
Total Contractual Obligations	7,479,586	7,301,908	177,678	-	-

Notes:

1. Refers to the non-convertible debenture. Please see Note 8 of Financial Statements.
2. Refers to lease agreements for the Company's offices and manufacturing facility.
3. Refers to the value of its accounts payable and accrued liabilities.

It is important to mention that 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. Therefore, not all contractual obligations referred to in the table above may materialize. Refer to section on Commitment and Contingencies for the estimate of all contracts.

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.

Related Party Transactions

Related parties include the Board and key management personnel, as well as close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Unless

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otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received.

Transactions with Key Management Personnel

Remuneration of senior directors and key management personnel of the Company was as follows:

	For the Twelve Months Ended		Three Months Ended	
	November 30, 2021	November 30, 2020	November 30, 2021	November 30, 2020
	\$	\$	\$	\$
Management & Professional fees	138,000	1,075,844	48,000	80,887
Payroll and benefits	1,890,150	1,447,568	242,596	312,833
	2,028,150	2,523,412	290,596	393,720
Options-based compensation	356,789	58,780	131,302	(506,835)
Deferred share units issued	307,041	-	-	-
Performance share units issued	390,469	-	(311,268)	-
Total	1,054,299	58,780	(179,966)	(506,835)

Management and Professional fees decreased \$937,844 and \$32,887 for the twelve months and three months ended November 30, 2021, compared to the period ended November 30, 2020. The savings are attributed to a reduction of consultant services under key management positions. During Fiscal 2020, the Company had incurred \$300,000 for consultant services in key management positions. The management fees listed above are based on the consultant fees related to the sale of Lumiera and the management of the disposed asset Hemp Energy Drink business.

Payroll and benefits increased \$442,582 and decreased \$70,237 for the twelve months and three months ended November 30, 2021, compared to the same period ended November 30, 2020. The largest driver of the increase corresponds to the costs associated with the termination of an executive in May 2021. The second largest driver of the increase corresponds to the addition of senior executives, that were hired in Q3 of Fiscal 2020. The reduction for the three months ended November 30, 2021, corresponds to the reduction in the number of senior executives in comparison to the same period last year.

During Fiscal 2021, the Company issued \$356,789 in stock options, \$307,041 in DSUs and \$390,469 in PSUs, as compensation to its directors, officers and employees. Options were also granted to an investor relations firm and a consultant.

During Fiscal 2020, the Company superseded its Legacy SOP (as defined herein) with the Omnibus Incentive Plan (as defined herein). The Omnibus Incentive Plan allows the Company to grant to Eligible Participants (as defined in the Omnibus Incentive Plan) stock options, deferred share units (DSU), performance-based share units (PSU) and restricted share units (RSU). For further details on the Legacy SOP, the Omnibus Incentive Plan and the grants made under the Omnibus Incentive Plan during Fiscal 2021, refer to the section entitled "Outstanding Share Data" of this MD&A.

Partnerships and Acquisition Opportunities

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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 studies, 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. See "Risk Factors – Future Acquisitions or Dispositions" below.

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 November 30, 2021, and November 30, 2020, 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

As at November 30, 2021, and November 30, 2020, the estimated fair value of all the Company's financial instruments, approximated the carrying value due to the short-term nature of these instruments, with the exception of the long-term investment which was valued by reference to observable market prices.

Financial instruments measured at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The Fair Value through Profit and Loss hierarchy (FVTPL) has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either fair value through profit or loss (“FVTPL”) or fair value through other comprehensive income (“FVOCI”), and “financial assets at amortized cost”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVTPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate (“EIR”) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Subsequent Measurement – Financial Assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to statements of loss. Dividends from such investments are recognized in other income in the statement of loss when the right to receive payments is established.

Subsequent Measurement – Financial Assets at FVTPL

Financial assets measured at FVTPL include financial assets that management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statement of financial position with changes in fair value recognized in other income or expense in the statements of loss. The Company measures the long-term investment at FVTPL.

Derecognition

A financial asset is unrecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

The Company's only financial assets subject to impairment are cash, accounts receivable, and long-term investment that are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases, and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVTPL. The Company's financial liabilities include accounts payable and the non-convertible debenture which are each measured at amortized cost. Refer to "*Financial Risks*" above for further information on the debenture.

All financial liabilities are recognized initially at fair value and in the case of financial liabilities not at FVTPL, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the statement of loss.

Financial Liabilities at FVTPL

Financial liabilities measured at FVTPL include financial liabilities management intends to discharge in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial liabilities measured at FVTPL are carried at fair value in the statement of financial position with changes in fair value recognized in other income or expense in the statement of loss.

Derecognition

A financial liability is unrecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statement of loss.

Supporting information

Categories of Financial Instruments

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. The following list of financial assets and liabilities is required for

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Tetra to meet its drug development program milestones and to respect the commitments and contingencies mentioned below.

Financial assets:		November 30, 2021	November 30, 2020
Financial Assets:		\$	\$
Amortized cost			
	Cash	4,885,811	2,500,612
	Accounts and sales tax receivable	255,713	653,311
FVTPL			
	Long-term investment	219,375	804,375
Financial liabilities:			
Amortized cost			
	Accounts payable and accrued liabilities	4,190,377	4,749,759
	Non-convertible debenture	3,111,531	-
FVTPL			
	Convertible debenture	-	2,000,000

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 European Medicines Agency (EMA). As of November 30, 2021, 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 Annual 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 \$2,166,667 be made upon termination without cause. As a triggering event has not taken place, the contingent payments have not been reflected in the Annual Financial Statements.

The Company is party to several agreements for the research, development, and potential commercialization of its products. Potential milestone payments that would become payable upon the achievement of certain research and development milestones approximate \$2,932,000 and US\$1,100,000 (approximately, \$1,409,000). Potential

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milestone payments may become payable upon the achievement of certain commercialization milestones. As a triggering event has not taken place, the contingent payments have not been reflected in the Annual Financial Statements.

Guarantee Payments

During Fiscal 2020, the Company has provided a financial guarantee in relation to a convertible debenture entered into by Lumiera, in the context of the Company's divestiture of Lumiera. The Company has guaranteed all of the outstanding obligations of Lumiera related to this convertible debenture, which includes the principal amount of less than \$2,000,000 plus any accrued and unpaid interest and penalties, on the occurrence of any default event. Under the terms of the convertible debenture, Lumiera is subject to a large number of positive and negative covenants. In the event of a default by Lumiera to (i) make payments required under the terms of the debenture, (ii) comply with Lumiera'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 Lumiera to the lender. 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 November 30, 2021, the Company has assessed the fair value of this guarantee to be \$nil. A default by Lumiera under the debenture, which the Company has almost no control upon, 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 of November 30, 2021,

the Company was in breach of certain covenants associated with its debt facility. However as of the date of this MD&A the Company had cured all defaults. Refer to "Liquidity and Capital Resources" for additional information on the Company's debt facility.

Outstanding Share Data

The section below lists the various issuances of securities of the Company during Fiscal 2021. The various securities granted are explained in detail with the supporting tables and footnotes.

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As at November 30, 2021 the outstanding securities of the Company are as follows:

Securities	Expiry Date	Range of Exercise Price	Number of Securities Outstanding
Common Shares	-	-	401,667,409
Options	Up to July 6, 2025	\$0.20 to \$0.70	5,577,250
Warrants	Up to March 2, 2024	\$0.21 to \$0.75	200,784,829
PSUs	-	-	21,600,000
DSUs	-	-	1,484,430

Common Shares

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

As at November 30, 2021, the number of issued and outstanding Common Shares is as follows:

Outstanding Shares	Shares
Balance, November 30, 2020	283,826,966
Shares Issued as part of Private Placement- February 2021 ⁽¹⁾	11,085,064
Shares Issued on Warrant Exercise at \$0.21 per share February 2021 ⁽³⁾	140,000
Shares Issued as part of Bought Deal-March 2021 ⁽²⁾	65,550,000
Shares Issued from Warrants & Options Exercised in the Period ⁽³⁾	12,315,379
Shares Issued as part of Bought Deal-May 2021 ⁽⁴⁾	25,000,000
Shares Issued as part of Over Allotment Bought Deal-May 2021 ⁽⁵⁾	3,750,000
Balance, November 30, 2021	401,667,409

- (1) On February 3, 2021, the Company completed a non-brokered private placement of 11,085,064 units at a price of \$0.17 per unit for aggregate gross proceeds of \$1,844,461. Each unit consisted of one Common Share and one Common Share purchase warrant entitling the holder to purchase one Common Share at a price of \$0.21 per warrant for a period of 24 months following the closing date of the offering.
- (2) On March 2, 2021, the Company completed a bought deal offering for gross proceeds of \$14,421,000. A total of 65,550,000 units (including the exercise in full of the over-allotment option granted to the underwriters thereunder by the Company) were sold at a price \$0.22 per unit. Each unit consisted of one common share and one Common Share purchase warrant entitling the holder to purchase one Common Share at a price of \$0.28 per warrant for a period of 36 months following the closing date of the offering.
- (3) During the twelve months ended November 30, 2021, 12,455,379 warrants and options were exercised resulting in the issuance of 12,455,379 Common Shares and the receipt by the Company of aggregate gross proceeds of \$3,644,139.
- (4) On May 17, 2021, the Company completed a bought deal offering for gross proceeds of \$10,000,000. A total of 25,000,000 units were sold at a price \$0.40 per unit. Each unit consisted of one Common Share and one Common

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Share purchase warrant entitling the holder to purchase one Common Share at a price of \$0.51 per warrant for a period of 24 months following the closing date of the offering.

- (5) On May 21, 2021, the underwriters exercised the over-allotment option under the bought deal offering which closed on May 17, 2021, resulting in the issuance of an additional 3,750,000 units, at a price of \$0.40 per unit, for additional gross proceeds of \$1,500,000 to the Company. Each unit consisted of one Common Share and one Common Share purchase warrant entitling the holder to purchase one Common Share at a price of \$0.51 per warrant for a period of 24 months following the date of closing of the offering.

Stock Options

The Company originally adopted a 10% rolling stock option plan (the "Legacy SOP"), which was approved by the shareholders of the Company at the annual meeting of shareholders held on June 20, 2019.

Further to a review of the Legacy SOP and a desire to increase flexibility of granting different types of long-term incentive compensation securities to non-executive directors, officers, employees and consultants of the Company, the Board approved, as of May 4, 2020, a new omnibus equity incentive compensation plan dated effective as of August 13, 2020, which was approved by the shareholders of the Company at the annual meeting of shareholders held on June 5, 2020. On April 19, 2021, in connection with the Company graduation from the TSX Venture Exchange to the Toronto Stock Exchange ("TSX"), the Company amended and restated its omnibus plan (as amended and restated, the "Omnibus Incentive Plan"), which was approved by the shareholders of the Company at the annual and special meeting of shareholders held on May 28, 2021. The Omnibus Incentive Plan allows the Company to grant to Eligible Participants (as defined under the Omnibus Incentive Plan) Options, Restricted Share Units, Performance Share Units and Deferred Share Units.

The Omnibus Incentive Plan serves as the successor to the Legacy SOP. Consequently, effective as of August 13, 2020, the Legacy SOP became a legacy plan and no further awards were or will be granted under the Legacy SOP following such date. However, all options previously granted under the Legacy SOP remain outstanding in accordance with their existing terms and reduce the number of Common Shares reserved for issuance to Participants under the Omnibus Incentive Plan by a corresponding amount.

The number of Common Shares reserved for issuance to Participants under the Omnibus Incentive Plan and all other share compensation arrangements of the Company (including the Legacy SOP) will not in the aggregate at any time exceed 10% of the aggregate number of issued and outstanding Common Shares on the grant date.

The above descriptions of the Legacy SOP and the Omnibus Incentive Plan are qualified in their entirety by the full text of these plans. A more detailed summary of the Legacy SOP and the Omnibus Incentive Plan is provided in the Company's management information circular dated April 13, 2021, which is available on SEDAR at www.sedar.com, and the full text of the Omnibus Incentive Plan and the Legacy SOP are attached thereto as Schedule A and B, respectively.

As of November 30, 2021, the number of outstanding options which could be exercised for an equivalent number of Common Shares is as follows:

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Options Outstanding	Options Unvested	Options Vested	Grant date Fair Value \$	Exercise Price \$	Expiry Date
150,000	-	150,000	96,000	0.70	February 23, 2022
100,000	-	100,000	20,677	0.32	August 15, 2022
75,000	-	75,000	55,648	0.69	February 8, 2023
1,500,000	500,000	1,000,000	137,299	0.20	March 5, 2023
500,000	-	500,000	45,766	0.20	March 8, 2023
1,000,000	1,000,000	-	216,226	0.37	March 8, 2023
1,402,250	-	1,402,250	174,461	0.21	June 24, 2023
500,000	500,000	-	80,148	0.28	July 22, 2024
350,000	350,000	-	59,770	0.20	July 6, 2025
5,577,250	2,350,000	3,227,250	885,995		

During Fiscal 2021, a total of (i) 3,175,000 options having an exercise price ranging between \$0.75 and \$0.21 expired; (ii) 80,000 options were exercised at an exercise price of \$0.21; and (iii) 53,333 options were forfeited with an exercise price of \$0.21. The following table illustrates the changes in the number of options outstanding during the twelve months ended November 30, 2021, and the comparable period:

	Number of Options	Grant Date Fair Value \$	Weighted Average Exercise Price \$
Outstanding, November 30, 2019	3,710,000	2,149,625	0.87
Granted	3,085,583	768,343	0.32
Forfeited	(325,000)	(148,116)	0.70
Expired	(1,085,000)	(623,560)	0.33
Outstanding, November 30, 2020	5,385,583	2,146,292	0.67
Granted	3,500,000	479,439	0.22
Forfeited	(53,333)	(6,636)	0.21
Exercised	(80,000)	(9,953)	0.21
Expired	(3,175,000)	(1,723,147)	0.65
Outstanding, November 30, 2021	5,577,250	885,995	0.41

Warrants

During Fiscal 2021, a total of (i) 111,986,064 warrants with an exercise price ranging between \$0.21 and \$0.51 were issued as part of the Company's various financing initiatives; (ii) 12,375,379 warrants having an exercise price ranging between \$0.21 and \$0.32 were exercised; and (iii) 25,151,078 warrants having an exercise price ranging between \$0.40 and \$1.30 expired. Each outstanding warrant could be exercised for an equivalent number of Common Shares. The following table illustrates the changes in the number of warrants outstanding during the twelve months ended November 30, 2021, and the comparable period:

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	Number of Warrants	Grant Date Fair Value \$	Weighted Average Exercise Price \$
Outstanding, November 30, 2019	53,130,310	12,568,888	0.80
Issued in short form prospectus offering	29,245,300	4,724,054	0.75
Agent warrants issued from short form prospectus offering	2,047,171	330,683	0.75
Issued as part of over-allotment bought deal	4,386,795	708,608	0.75
Agent warrants issued as part of over-allotment bought deal	307,076	49,603	0.75
Issued in May overnight public offering	35,191,000	2,902,972	0.32
Agent warrants issued in public offering	2,463,370	195,265	0.26
Expired	(275,800)	(136,749)	1.30
Exercised	(170,000)	(17,298)	0.40
Outstanding, November 30, 2020	126,325,222	21,326,026	0.64
Issued from Private Placement in February 2021	11,085,064	521,557	0.21
Issued from Bought Deal in March 2021	65,550,000	4,530,402	0.28
Issued from Bought Deal in May 2021	25,000,000	3,159,158	0.51
Issued from Over Allotment Bought Deal in May 2021	3,750,000	475,606	0.51
Agent Warrants from Bought Deal March 2021	4,588,500	352,982	0.22
Agent Warrants from Bought Deal May 2021	1,750,000	245,946	0.40
Agent Warrants from Over Allotment Bought Deal May 2021	262,500	36,992	0.40
Warrants Exercised during Period	(12,375,379)	(951,619)	0.29
Expired Warrants during Period	(25,151,078)	(9,607,531)	1.24
Outstanding, November 30, 2021	200,784,829	20,089,519	0.42

As at November 30, 2021, the breakdown of outstanding warrants is as follows:

Number of Warrants	Grant Date Fair Value \$	Exercise Price	Expiry Date
1,885,547	149,463	\$0.26	May 22, 2022
26,833,332	2,736,082	\$0.40	July 12, 2022
700,100	71,228	\$0.40	August 2, 2022
10,957,764	515,537	\$0.21	February 3, 2023
29,245,300	4,724,054	\$0.75	February 13, 2023
2,047,171	330,683	\$0.75	February 13, 2023
307,076	49,603	\$0.75	February 13, 2023
4,386,795	708,608	\$0.75	February 13, 2023
25,000,000	3,159,158	\$0.51	May 17, 2023
1,750,000	245,946	\$0.40	May 17, 2023
3,750,000	475,606	\$0.51	May 17, 2023
262,500	36,992	\$0.40	May 17, 2023
28,894,000	2,383,520	\$0.32	May 22, 2023
61,329,744	4,238,725	\$0.28	March 02, 2024
3,435,500	264,284	\$0.22	March 02, 2024
200,784,829	20,089,489		

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Deferred Share Units and Restricted Share Units

Under the Omnibus Incentive Plan, DSUs may be awarded to non-executive directors and Restricted Share Units ("RSUs") may be awarded to directors, employees, and senior executives. Each DSU and RSU, upon the vesting of such unit in accordance with its terms, entitles the participants, at the discretion of the Board, to receive (i) a share, (ii) a cash equivalent or (iii) a combination thereof. As of November 30, 2021, 1,484,430 DSUs were outstanding with recognized value of \$307,041 (November 30, 2020 - nil). As of the date of this MD&A, there are no RSUs issued.

Performance Share Units

Under the Omnibus Incentive Plan, PSUs may be awarded to senior executives of the Company. PSUs vest to the extent the associated pre-established performance targets are achieved. The performance targets are contingent on the Company achieving certain development and commercialization milestones. Each PSU, upon the vesting of such unit in accordance with its terms, entitles the participants, at the discretion of the Board, to receive (i) a share, (ii) a cash equivalent or (iii) a combination thereof.

On February 22, 2021, PSUs were granted to various senior executives of the Company. As at November 30, 2021, there were 21,600,000 (November 30, 2020 – nil) PSUs granted of which none have vested. For the twelve months ended November 30, 2021, the Company recognized a PSUs expense of \$390,469 (November 30, 2020 - \$nil).

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 AIF, which section is incorporated herein by reference. The AIF was filed on February 28, 2022, on SEDAR at www.sedar.com under the Company's profile. 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 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 such risk actually occurs, the Company's business may be harmed, and its financial condition, results of operations and prospects may suffer significantly, and 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.

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 16th, 2021. Tetra commenced an executive search for a new CFO. Following his departure, the Company leveraged its internal finance team in the interim in order to ensure that all financial reporting obligations of the Company are fulfilled while the Company identifies a suitable candidate to replace Mr. Boily. In accordance with the requirements of National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filing* ("NI 52-109"), the Company has filed certifications signed by (i) Mr. Guy Chamberland, in its capacity as the Chief Executive Officer ("CEO") of the Company, and (ii) Ms. Ana Rodriguez, who is the Company's Director of Financial Planning and Analysis, and who is the individual performing functions similar to those of a CFO, 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, 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 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 Targeted is included in the financial statements to which this MD&A relates.

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 Annual 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 consolidated 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 Annual 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.

During the three months period ended November 30, 2021, the Company revalued its clinical trial assets and its equity investments in Targeted. No other significant changes to the accounting judgments or estimates were made.

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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 Annual Financial Statements.

CHANGES IN ACCOUNTING POLICIES

No significant changes were made to the Company's accounting policies during the fourth quarter of Fiscal 2021, or during Fiscal 2021.

Please refer to Note 4 of the Company's Annual Financial Statements for more information regarding the Company's significant accounting policies and changes.

SUBSEQUENT EVENTS

On December 21, 2021, the Company completed a marketed public offering of units of the Company (the "December Offering"), resulting in the issuance of a total of 13,064,000 units at a price of \$0.163 per unit, for aggregate gross proceeds of \$2,129,432 to the Company. Each unit consisted of one Common Share and one Common Share purchase warrant entitling the holder to purchase one common share of the Company at a price of \$0.195 per share for a period of 48 months following the closing date. In consideration of the services provided in connection with the December Offering, Tetra also paid the agents thereunder a cash fee equivalent to 7% of the gross proceeds from the December Offering in addition to 914,480 agents' warrants, each of which entitles the holder thereof to acquire one full Common Share by paying an exercise price of \$0.163 for a period of 36 months from the closing date.

On January 22, 2022 former Directors of the Company issued a redemption notice providing for the settlement of 197,367 DSUs. As of February 27, 2022 no additional Common Shares had been issued by the Company in furtherance of such redemption notice, due to the Company's blackout policy.

On February 14, 2022, the Company announced the execution of a non-binding term sheet with Avicanna Inc. 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; and Co-development and support for Avicanna's pharmaceutical pipeline for Health Canada and FDA level clinical development and registration.

On February 16, 2022, the Company announced a \$4.5 million loan offer from Québec's *Ministère de l'Économie et de l'Innovation* ("MEI") under the BioMed Propulsion Program, managed by Investissement Québec ("IQ") as part of the Economic Development Fund, under the responsibility of the MEI (the "IQ Loan"). The goal of the BioMed Propulsion Program is to financially support Quebec companies in the life-sciences sector with a high growth potential so that they will market their research findings. This funding will 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.

The disbursement of the IQ Loan is conditional upon numerous closing conditions, including the relocation of our head office from the province of Ontario to the province of Quebec, which will require the approval of two-thirds

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of the votes cast by shareholders of the Company present or represented by proxy at the next annual and general meeting of the shareholders of the Company, expected to be held in May 2022.

In connection with the IQ Loan, on each disbursement date, the Company is obligated to grant IQ Common Share purchase warrants having a value equal to 25% of the amount so disbursed on each such disbursement date, with the number of such warrants to be calculated based on the closing trading price of the Common Shares the day preceding the request for disbursement from the Company to IQ, with each warrant entitling IQ to purchase one Common Share at a price equal to the applicable Closing Price, less a discount of 10%. The granting of such warrants requires the approval of TSX as well as approval of the shareholders of the Company, in each case pursuant to the rules of the TSX.

Disbursement of the IQ Loan is also conditional on numerous other closing conditions, including minimum financing conditions, the disposition of certain non-pharma assets, a no-objection letter regarding the ARDS-003 development program, the granting of security interests in favour of IQ, as well as other customary closing conditions.

There is no guarantee that the Company will be able to meet all of the conditions to funding of the IQ Loan, including the approval by the shareholders of the Company of the head office relocation and issuance of warrants in favour of IQ. If any of the conditions for funding of the IQ Loan is not met, the Company will not receive any portion of the IQ Loan

On February 22, 2022, the Company announced a license agreement with Thorne Health Tech Inc. for the commercialization of its patent protected prebiotic dietary supplement in the United States market. The agreement includes royalty on sales and milestone payments.

APPROVAL

The Board approved the Annual Financial Statements and the disclosure contained in this MD&A on February 27, 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 detailed investigation or analysis on any particular issue. No security commission or regulatory authority has reviewed the accuracy of the information presented.