MedMira Inc.

Management's Discussion & Analysis

For the year ended July 31, 2017

Forward looking statements

This document contains forward looking statements, such as statements regarding future sales opportunities in various global regions and financing initiatives that are based on current expectations of management. These statements involve uncertainties and risks, including MedMira Inc.'s ("MedMira" or the "Company") ability to obtain and/or access additional financing with acceptable terms, and delays in anticipated product sales. Such forward-looking statements should be given careful consideration and undue reliance should not be placed on these statements.

The preparation of Management's Discussion and Analysis ("MD&A") may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Management bases estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions. Management believes the accounting policies, outlined in the Significant Accounting Policies section of its July 31, 2017 consolidated financial statements, affect its more significant judgments and estimates used in the preparation of its consolidated financial statements.

Introduction

The MD&A was issued and approved by the Board of Directors on the 28th of November 2017. The following MD&A for the three months and year ended July 31, 2017 has been prepared to help investors understand the financial performance of MedMira in the broader context of the Company's strategic direction, the risk and opportunities as understood by management, and the key metrics that are relevant to the Company's performance. The Audit Committee of the Board of Directors has reviewed this document and all other publicly reported financial information for integrity, usefulness, reliability and consistency.

Annual references are to the Company's fiscal years, which end on July 31. All amounts are expressed in Canadian dollars ("CAD") unless otherwise noted.

Additional information about MedMira, this document, and the related consolidated financial statements for the year ended July 31, 2017 can be viewed on the Company's website at www.medmira.com and are available on SEDAR at www.sedar.com.

About MedMira

MedMira is a biotechnology company engaged in the development and commercialization of rapid diagnostics and technology platforms. The Company is headquartered in Halifax, Nova Scotia, Canada and is listed on the TSX Venture Exchange ("TSX-V") under the symbol MIR.

The patented MedMira Rapid Vertical Flow (RVF) Technology™ platform is the basis for the Company's line of rapid tests. Diagnostic applications based on this technology are highly accurate, easy-to-use, and produce instant results – a strong advantage over most other rapid diagnostics on the market today. These features are enhanced further with ability to deliver multiplex results on one test device with just one drop of specimen. The Company has created a new generation of rapid tests that are based on the need to provide immediate answers without increasing costs.

MedMira's technology platform and growing portfolio of diagnostic tools demonstrate excellence in performance and quality in the highly competitive diagnostics industry. More than $30 million has been invested in perfecting MedMira's core technology, which has proven itself time and time again with its excellent clinical performance and its success in

rigorous evaluations and inspections, leading to regulatory approvals for rapid diagnostic solutions in the United States (US Food and Drug Administration ("FDA")), Canada (Health Canada), the notified body in the European Union (CE Mark), and China (CFDA – formerly known as SFDA) and in a number of countries in Latin America, Africa, and Asia. The Company's quality system is ISO 9001 and ISO 13485 certified.

MedMira sells its rapid tests through a network of medical distributors and strategic business development partners to customers in all sectors of the healthcare industry, including laboratories, hospitals, point-of-care facilities, governments, and public health agencies.

In addition to clinical diagnostics, the Company offers the Miriad™ product line to create new opportunities in the high value technology licensing sector. This business line allows the Company to monetize its award-winning technology and core capabilities, including R&D, product development, and regulatory proficiency. Miriad provides access to MedMira's RVF Technology for researchers, developers, and biotech companies on a license basis to facilitate the creation of new rapid tests or the transition of existing tests to this unique platform. Infiltrating new and different sectors of the diagnostic industry, such as veterinary and environmental, with the Company's technology, enables MedMira to build a higher degree of global awareness, generate new revenue streams, and provide a superior diagnostic platform to the market.

Intellectual property

The Company strives to protect its intellectual property in established and emerging markets around the world as warranted. MedMira's intellectual property portfolio for its Rapid Vertical Flow Technology and the methodology behind its rapid diagnostics includes the following:

Patent #	*Title*	*Jurisdiction*
9,164,087	Rapid Diagnostic Device, assay and multifunctional Buffer	United States
9,086,410	Downward or vertical flow diagnostic device and assay	United States
8,025,850	Rapid Diagnostic Device, Assay and Multifunctional Buffer	United States
8,287,817	Rapid Diagnostic Device, Assay and Multifunctional Buffer	United States
8,586,375	Rapid Diagnostic Device, Assay and Multifunctional Buffer	United States
7,531,362	Rapid Diagnostic Device, Assay and Multifunctional Buffer	United States
D706945	Diagnostic Device	United States
D706466	Diagnostic Device	United States
EP1417489	Rapid Diagnostic Device and Assay	Europe
EP1328811	HCV Mosaic Antigen Composition	Europe
ZL02819646.5	Rapid Diagnostic Device and Assay	China
2,493,616	Rapid Diagnostic Device, Assay and Multifunctional Buffer	Canada

The Company has other patents pending patents in the US as well as two design patents in force or pending in eight markets.

The Company's corporate and product brand names are protected by trademarks in the US and Canada.

Corporate update

In FY2017, MedMira maintained its market presence in the US tissue and eye bank vertical as well as the rapid HIV testing sector, expanded its product line in European Union, and continued to build on its development and commercialization pipeline.

Miriad is now part of the routine tissue procurement donor suitability process in many tissue and eye banks across the US. In the first quarter of the year, MedMira participated in the American Association of Tissue Banks Annual Meeting, promoting the Miriad product range to over 700 attendees from the US and international markets. In conjunction with this promotional campaign, MedMira rolled out product advancements to further refine the product for tissue and eye bank users and their unique testing needs, positioning the Company as an industry partner.

Reveal G4 rapid HIV test continued to be a focus product in the US market during FY2017. The Company maintained and supported its long-time customer base in hospitals and laboratories while building new opportunities for the whole blood applications of Reveal G4. MedMira's sales and marketing efforts in the US were further bolstered by the activation of a new sales and distribution channel, Medline Industries Inc., and the ongoing partnerships with Cardinal Health and VWR International.

In the fourth quarter of FY2017, MedMira received CE Mark on the Multiplo TP/HIV rapid test for simultaneous detection of syphilis and HIV, allowing the Company to promote the test throughout the European Union and in international markets where CE Mark is accepted. Syphilis and HIV infection rates are on the rise in European Union and internationally. According to the European Center for Disease Prevention and Control (ECDC) in its latest Annual Epidemiological report, syphilis rates have been increasing across Europe since 2010 with many countries in Western Europe seeing a sharp rise in syphilis infections, with some countries' rates growing by over 50%. In 2014, Europe recorded the highest number of newly diagnosed HIV infections since the start of reporting in the 1980s and rates of HIV diagnoses have more than doubled in countries in Eastern Europe.

Over the course of the year, MedMira's R&D team focused on forging solid product development pathway, expansion and refinement of existing product lines, and continued advancement on the Rapid Vertical Flow Technology platform.

The Company's Finance and Operations groups preserved fiscal constraints to support the sales, marketing, and product development efforts of the Company, through a balanced mix of investment in short, medium, and long term projects and initiatives.

Financial results

Basis of preparation and significant accounting policies

The basis of financial statement preparation and the significant accounting policies of MedMira are described in Notes 2 and 3 of the Company's July 31, 2017 consolidated financial statements.

Selected quarterly information (in thousands of dollars except per share amounts)

Income statement	**Q4 2017**	**Q3 2017**	**Q2 2017**	**Q1 2017**	**Q4 2016**	**Q3 2016**	**Q2 2016**	**Q1 2016**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Product sales	149	192	194	212	(957)	230	1,370	1,614
Product cost of sales	(40)	(76)	(60)	(92)	(991)	(66)	(1,134)	(1,028)
Gross margin on product	109	116	134	120	34	164	236	586
Operating expenses	(480)	(742)	(563)	(827)	(1,946)	(1,205)	(1,051)	(1,296)
Financing expense	(186)	(126)	(121)	(94)	(378)	(173)	(167)	(190)
Net loss before tax	(557)	(752)	(550)	(801)	(2,290)	(1,214)	(982)	(900)

Balance sheet								
	Q4 2017	**Q3 2017**	**Q2 2017**	**Q1 2017**	**Q4 2016**	**Q3 2016**	**Q2 2016**	**Q1 2016**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Current assets	581	582	674	695	678	1,930	3,648	4,465
Non-current assets	93	117	142	168	191	217	242	256
Total assets	674	699	816	863	869	2,147	3,890	4,721
Current liabilities	9,421	8,401	8,218	8,538	8,277	5,746	4,723	3,939
Non-current liabilities	237	737	286	-	255	2,201	3,753	4,412
Total liabilities	9,658	9,138	8,504	8,538	8,532	7,947	8,476	8,351
Total shareholders' deficiency	(8,984)	(8,439)	(7,688)	(7,675)	(7,662)	(5,800)	(4,586)	(3,630)
Total liabilities and equity	674	699	816	863	870	2,147	3,890	4,721
Net loss per share	(0.001)	(0.001)	(0.001)	(0.001)	(0.004)	(0.002)	(0.001)	(0.001)

Fourth quarter analysis

The basis of financial statement preparation and the significant accounting policies of MedMira are described in Notes 2 and 3 of the Company's July 31, 2017 consolidated financial statements.

	For the three months ended		
	31-Jul-17	31-Jul-16	Better(worse)
	$	$	$
Product			
Product sales	148,933	222,751	(73,818)
Product cost of sales	(40,271)	(72,685)	32,414
Gross margin on product	108,662	150,066	(41,404)
Services			
Service sales	-	(1,180,037)	1,180,037
Service cost of sales	-	1,063,632	(1,063,632)
Gross margin on services	-	(116,405)	116,405
Operating expenses			
Research and development	(29,479)	(1,284,564)	1,255,085
Sales and marketing	(102,573)	(249,100)	146,527
Other direct costs	(141,009)	(157,001)	15,992
General and administrative	(207,190)	(255,538)	48,348
Total operating expenses	(480,251)	(1,946,203)	1,465,952
Operating loss	(371,589)	(1,912,542)	1,540,953
Non-operating expense			
Financing expense	(186,297)	(149,457)	(36,840)
Net loss	(557,886)	(2,061,999)	1,504,113

Product revenue and gross margin

The Company recorded revenue from product sales in the quarter ended July 31, 2017 of $148,933 as compared to $222,751 for the same period last year. The decrease in revenue was due to a change in ordering patterns with of one of the Company's US distributors. This pattern changed from just-in-time ordering to semi-annual bulk ordering.

Gross profit for the quarter was $108,662 (72.9%) compared to $150,066 (67.3%) in the same period in 2016. The cost of product sales was $40,271 during the three months ended July 31, 2017 (July 31, 2016 – $72,685).

Service revenue and gross margin

The Company recorded revenue from service sales of $0 in the three months ended July 31, 2017 (July 31, 2016 – a negative $1,180,037). The service sales revenue and the gross margin on services for the three months ended July 31, 2017 was in line with management's expectations as service sales revenue was driven by a product development contract with the US military that ended in Q3 of FY2016. The decrease in service sales revenue during the fourth quarter of FY2016 was related to the Company derecognizing service revenue recorded in the second quarter FY2016 for service sales revenue from the contract with the US military. This derecognition was necessary due to continuing reimbursement activities associated with the US military contract.

Operating expenses

Total operating expenses decreased by $1,465,952 to $480,251 in the quarter ended July 31, 2017, compared to $1,946,203 during the same period in 2016.

- Research and development expenses for the quarter ended July 31, 2017 were $29,479, compared to $1,284,564 for the same period last year. The significant decrease in expenses is due the completion of the US. military project in Q3 of FY2016
- Sales and marketing expenses for the quarter ended July 31, 2017 were $102,573 compared to $249,100 for the same period last year. During FY2016, the Company had additional sales and marketing costs for the launch of Reveal G4 in the US market. This year, with no additional launch activities, the sales and marketing expenses decreased to levels required to maintain ongoing sales and marketing activities for Reveal G4 as well as the Miriad product line.
- Other direct costs for the three months ended July 31, 2017 were $141,009 compared to $157,001 for the same period last year. This was due to the decrease in the Company's overall sales.
- Administrative expenses were $207,190 for the quarter ended July 31, 2017, compared with $255,538 for the same period in 2016. The decrease was in line with management's cost saving program in order to adjust the decrease of gross profit from sales and with it the lower contribution amount to the Company's operating result.

Non-operating expenses

The Company had financing expenses of $186,297 in comparison to $149,457 in FY2016. The decrease in financing expenses was due to the difference in the accretion expenses the Company had to recognise in FY2016 when its long-term debts were placed in default.

Year to date analysis

The following table compares the results of operations for the last three years of operations.

	For the year ended		
	31-Jul-17	**31-Jul-16**	**31-Jul-15**
	$	**$**	**$**
Product			
Product sales	747,344	962,140	1,130,419
Royalties	-	-	753
Product cost of sales	(269,047)	(284,904)	(443,002)
Gross margin on product	478,297	677,236	688,170
Services			
Service sales	-	1,294,692	2,921,169
Service cost of sales	-	(952,633)	(2,428,973)
Gross margin on services	-	342,059	492,196
Operating expenses			
Research and development	(292,299)	(2,518,546)	(874,143)
Sales and marketing	(500,841)	(792,456)	(503,535)
Other direct costs	(615,400)	(714,515)	(623,742)
General and administrative	(1,202,927)	(1,472,640)	(1,920,421)
Total operating expenses	(2,611,467)	(5,498,157)	(3,921,841)
Operating loss	(2,133,170)	(4,478,862)	(2,741,475)
Non-operating expenses			
Financing expense	(527,897)	(679,539)	(758,090)
Net loss	(2,661,067)	(5,158,401)	(3,499,565)

Product revenue and gross margin

The Company recorded revenue from product sales in the year ended July 31, 2017 of $747,344 as compared to $962,140 for the same period last year. The decrease in revenue was due to a change in ordering patterns with of one of the Company's US. distributors. This pattern changed from just-in-time ordering to semi-annual bulk order which created a shift in receiving orders and recognizing revenue.

Gross profit on product sales for the year was $478,297 compared to $677,236 in the same period last year. The profit margin decreased slightly to 68.0% from 70.4% due to the weaker US dollar during this period.

Service revenue and gross margin

The Company recorded revenue from service sales in the year ended July 31, 2017 of $0 as compared to $1,294,692 for the same period last year. During fiscal 2016, the Company earned revenue and gross margin on a research contract with the US Military and private customers. The service sales revenue and the gross margin on services was in line with management's expectations. This contract concluded in Q3 FY2016.

Operating expenses

Total operating expenses decreased significantly by $2,886,690 from $5,498,157 for the year ended July 31, 2016 to $2,611,467 for the year ended July 31, 2017.

- Research and development expenses for the year ended July 31, 2017 were $292,299 compared to $2,518,546 for the year ended July 31, 2016. The comparative decrease in research costs was directly attributable to the conclusion of the US military contract in Q3 FY2016.
- Sales and marketing expenses for the year ended July 31, 2017 were $500,841 compared to $792,456 for the same period last year. The decrease in sales and marketing costs was due to completion of the launch activities for the Company's FDA approved Reveal G4 rapid test.
- Other direct costs for the year ended July 31, 2017 were $615,400, compared to $714,515, for the same period last year.
- General and administrative expenses were $1,202,927 for the year ended July 31, 2017, compared to $1,472,640 for the same period in 2016. The decrease of 18.3% in administrative expenses resulted from the continued cost saving measures implemented by management.

Non-operating expenses

Total financing expenses were $527,897 in the year ended July 31, 2017, compared to financing expenses of $679,539 during the same period in FY2016. The decrease in financing expenses was due to the difference in the accretion expenses the Company had to recognise in FY2016 when its long-term debts were placed in default. In addition, the Company had an offset by the write-off of the royalty agreement with MedMira Holding AG formerly known as OnSite Lab Holding AG of $260,000.

Geographic information

The Company organizes and records the sales and distribution of its products and services based on major geographical territories around the world. The table below provides the three month and annual geographic breakdown of revenue.

	Product and service revenue		Product and service revenue	
	For the three months ended		For the year ended	
	31-Jul-17	31-Jul-16	31-Jul-17	31-Jul-16
	$	$	$	$
North America	124,135	131,684	495,248	1,974,349
Latin America and the Caribbean	9,402	59,398	138,741	187,523
Europe	15,397	2,161	56,603	33,765
Asia Pacific	-	29,509	56,752	61,195
Total revenue	**148,934**	**222,752**	**747,344**	**2,256,832**

Liquidity and capital resources

Cash and working capital

The Company had a cash reserve of $155,915 on July 31, 2017, as compared to $46,120 on July 31, 2016. The Company's net working capital position as of July 31, 2017 was a deficit of $8.7 million compared to the July 31, 2016 working capital deficit of $7.6 million. The Company has incurred losses and negative cash flows on a cumulative basis since inception. For the year ended July 31, 2017, the Company incurred a net loss from operating activities of approximately $2.1 million

and negative cash flow of $1.9 million, compared to a net loss from operations of $5.2 million and negative cash flow from operations of $4.1 million for the same period in 2016. The following table is a list of commitments the Company has:

	Total $	Less than 1 year $	1 to 3 years $	4 to 5 years $	After 5 years $
Debt	6,939,164	6,701,668	237,496	-	-
Accounts payable and accrued liabilities	2,609,082	2,609,082	-	-	-
Royalty provision	110,000	110,000		-	-
Operating leases	1,607,780	256,335	523,764	536,874	290,807
Total debt	**11,266,026**	**9,677,085**	**761,260**	**536,874**	**290,807**

Operating activities

MedMira generated negative cash flows from operations of $1.9 million for the year ended July 31, 2017, compared to negative cash flows of $4.1 million for the year ended July 31, 2016. The reason for this variance was mainly due to an 88% decrease in R&D expenses from $2.5 million in FY2016 to $0.3 million in FY2017.

Financing activities

Net cash inflow from financing activities was $2.0 million for the year ended July 31, 2017, compared to $3.9 million for the same period in 2016. In FY2016, the Company raised $5 million through the issuance of new equity, whereas in FY2017 no large fund raising activities were completed.

Investing activities

Cash outflow from investing activities was $0 during the year ended July 31, 2017, compared to $27,249 for the same period in 2016.

Debt

As at July 31, 2017, the Company had loans payable with a carrying value of $6.9 million compared to $6.2 million at July 31, 2016. The increase in the carrying value of loans payable from July 31, 2016 to July 31, 2017 is due to an increase in short term loans. The Company's loans have an average payment term of two years. During FY2017, the Company was in negotiations with all of its debt holders to ensure realistic debt repayment plans, which shall enable the Company to use its working capital for its growth and ensure its future stability. As these negotiations are ongoing, the Company must record these as in default until final agreements have been signed. The amount of loans in default was $6.7 million.

Further discussions on liquidity and capital resources can be found in the Liquidity Risk section of this document, under Need for Additional Capital in the Risk and Uncertainties section in this document and in Notes 2 and 11 of the Company's July 31, 2017 consolidated financial statements.

Equity/Shares

The Company is authorized to issue an unlimited number of common shares without nominal par value. During fiscal year 2017 the company issued no common shares. The number of issued and outstanding common shares on July 31, 2017 was 658,364,320. The number of issued and outstanding shares on November 28, 2017 was the same as recorded at July 31, 2017. The Company is also authorized to issue an unlimited number of Series A preferred shares redeemable at

$0.001 per share after March 31, 2010, convertible into an equal number of common shares upon the Company meeting certain milestones. There were 5,000,000 Series A preferred shares issued and outstanding on July 31, 2017.

The Company had 2,094,792 outstanding stock options on July 31, 2017. The outstanding stock options have a weighted average exercise price of $0.10 per share and a weighted average remaining term of 1.9 years. The number of outstanding warrants on July 31, 2017 was 266,100,000. The outstanding warrants have a weighted average exercise price of $0.11 per share.

Off balance sheet arrangements

The Company was not party to any off balance sheet arrangements as of July 31, 2017.

Financial instruments – fair value

The Company recognizes financial instruments based on classification. Depending on the financial instruments' classification, changes in subsequent measurements are recognized in net loss or other comprehensive loss. The Company has implemented the following classifications:

Financial assets

- Cash: Classified as loans and receivables and recorded at amortized cost using the effective interest method.
- Trade and other receivables: Classified as loans and receivables and recorded at amortized cost using the effective interest method.

Financial liabilities

- Total long term debt, accounts payable and accrued liabilities: After initial fair value measurement, these financial liabilities are measured at amortized cost using the effective interest method.
- Royalty agreements: The Company records its provision for royalty at fair value. Fair value is determined using the discounted cash flow method using the Company's best estimate for future cash flows discounted at a rate that considers the credit risk of the Company.
- Management believes the carrying value of cash, trade and other receivables, long term debt, and accounts payable and accrued liabilities approximate fair value at year-end due to their short term nature.

Fair value estimates are made at a specific point in time based on relevant market information. These estimates involve uncertainties and matters of significant judgement and cannot be determined with precision. Change in assumptions and estimates could significantly affect fair values.

Financial instruments – risk factors

MedMira has exposure to the following risks from its financial instruments: liquidity risk, credit risk, currency risk, and interest rate risk. Management monitors risk levels and reviews risk management activities as necessary.

Liquidity risk

The Company manages liquidity by forecasting and monitoring operating cash flows and the use of revolving credit facilities and share issuances.

The Company has incurred losses and negative cash flows from operations on a cumulative basis since inception. For the year ended July 31, 2017, the Company realized a net loss of $2.7 million (July 31, 2016 - $5.2 million), consisting of a net loss from operations of $2.1 million (July 31, 2016 - $4.5 million), and other non-operating losses of $0.5 million (July 31, 2016 - $0.7 million). Negative cash flows from operations were $1.9 million (July 31, 2016 - $4.1 million). As at July 31, 2017, the Company had an accumulated deficit of $86.1 million (July 31, 2016 - $83.5 million) and a negative working capital position of $8.8 million (July 31, 2016 - $7.6 million). In addition, as at July 31, 2017, $6.0 million of debt was in default, and $0.4 million of long-term debt became in default subsequent to July 31, 2017 but prior to the issuance of these consolidated financial statements. The Company currently has insufficient cash to fund its operations for the next 12 months. In addition to its ongoing working capital requirements, the Company must secure sufficient funding for its research and development programs for existing commitments, including its current portion of debt of approximately $6.7 million. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

The Company's objectives in managing capital are to ensure it can meet its ongoing working capital requirements. The Company must secure sufficient capital to support its capital requirements for research and development programs, existing commitments, including its current portion of debt of approximately $6.7 million, as well as growth opportunities.

Management dedicates significant time to pursuing investment alternatives that will fund the Company's operations and growth opportunities so it can continue as a going concern. As of July 31, 2017, potential investors were identified and negotiations were initiated to secure the necessary financing through the issuance of new equity. Debt arrangements were also ongoing with the Company's major shareholder and other debt holders. Subsequent to the close of fiscal year 2017, management continues investor negotiations with the identified parties, nevertheless, there is no assurance that this initiative will be successful.

Credit risk

The Company exposed to credit risk in relation to its trade accounts receivable. To mitigate such risk, the Company continuously monitors the financial condition of its customers and reviews the credit history or worthiness of each new customer. The Company mitigates this risk by requiring a 50% down payment on most orders at the time of purchase, and the remaining 50% prior to shipment. The Company establishes an allowance for doubtful accounts based on specific credit risk of its customers by examining such factors as the number of overdue days of the customers' balance outstanding as well as the customers' collection history. Since 56.1% of the Company's sales are with two large international companies there is no significant concentration of credit risk. The Company also has a receivable of $112,000 outstanding from the Government of Canada and as a result, there is no significant credit risk on this amount.

Currency risk

MedMira receives most of its revenues in foreign currencies and incurs expenses in US and Canadian currencies. As a result, the Company is subject to uncertainty as foreign exchange rates fluctuate. The exchange fluctuations from year to year have accounted for a significant portion of the Company's exchange gain and loss. Most sales are in USD, however, they are recorded at the exchange rate prevailing on or near the transaction date and collected in a timely manner.

The Company also experiences currency exposure resulting from balance sheet fluctuations of US-denominated cash, accounts receivable, accounts payable and US-denominated promissory notes.

MedMira mitigates this currency risk by maintaining a balance of USD currency which is used to pay down US-denominated liabilities and replenishes the balance through US-denominated revenues.

Interest rate risk

The Company is not exposed to interest rate risk as it borrows funds at fixed rates.

Related party transactions

The following transactions occurred with related parties during the year ended July 31, 2017:

- Director fees totalling $10,000 were incurred (2016 - $14,166).
- Short term loans totalling $78,946 were received from officers (2016 - $0)
- A short term loan totalling $31,978 was repaid to an officer (2016 - $0)
- Two short terms loan totalling $645,300 were received from Ritec AG (2016 - $276,100)
- A long term loan totalling $3,494 was repaid to an employee (2016 – $74,796)
- Short term loans totalling $42,500 were received from employees (2016 - $0)
- A long term loan totalling $387,180 was received from Ritec AG (2016 - $0)
- Royalty payments of $21,475 were incurred and owed to MedMira Holding AG (2016 - $33,991)
- A cash payment of $1,310,000 was received from Ritec AG in regards to a royalty agreement (2016 - $0)
- A equity contribution of $12,500 was made by a shareholder to pay an operating expense of the Company (2016 - $0)

The following balances with related parties were outstanding at July 31, 2017:

- Accounts payable totalling $10,000 was due to directors (2016 - $10,000).
- Accounts payable totalling $129,037 was due to officers (2016 - $26,901).
- A loan term loan totalling $237,496 was due to the Chief Financial Officer (2016 - $241,565).
- A royalty provision was owed to MedMira Holding AG of $50,775 (2016 - $31,991).
- A long term loan totalling $13,500 was owed to an employee (2016 - $13,500)
- Short term loans totalling $42,500 were owed to employees (2016 - $0)
- Two short term loans totalling $645,300 are owed to Ritec AG (2016 - $0)
- Short term loans totalling $46,968 were owed to officers (2016 - $0)

Summary Compensation Table – Officers

Name and Principal Position	Paid Compensation ($)	Accrued Compensation Current year ($)	Share- and Option-based Awards* ($)	All other compensation[1] ($)	Total Compensation for FY 2017 ($)	Paid Compensation related to previous fiscal periods ($)	Accrued Compensation related to previous fiscal periods ($)
Hermes Chan *CEO*	188,000	-	-	-	188,000	-	-
Sing Chan *COO*	60,923	-	-	-	60,923	-	-
Robyn Cook *CCO*	105,000	-	-	-	105,000	10,000	-
Markus Meile *CFO*	33,538	116,172	-	-	149,710	17,333	-

[1] All other compensation includes pension fund contributions and/or bonuses paid out.

*The Company makes certain estimates and assumptions when calculating the fair value of option-based awards. The Company uses an option-pricing model which includes significant assumptions including estimates of the expected volatility, expected life, expected dividend rate and expected risk-free rate of return. Changes in these assumptions may result in a material change to the amounts recorded for the issuance of stock options.

Summary Compensation Table – Directors

Name and Principal Position	Paid Compensation ($)	Accrued Compensation Current year ($)	Share- and Option-based Awards* ($)	Total Compensation current year ($)	Paid Compensation related to previous fiscal years ($)	Accrued Compensation related to previous fiscal years ($)
Hermes Chan Member of the Audit Committee	-	-	3,422	3,422	-	-
Romano Robusto[1] Director/Audit Committee Chair Member of Nomination & Compensation Committee	-	5,000	4,791	9,791	-	2,500
Philippe Dro[1] Director	-	-	1,711	1,711	-	-
Marvyn Robar Director/Chairman of the Board/Audit Committee Chair[2]/Member of Nomination & Compensation Committee	-	5,000	6,160	11,160	-	5,000
Dr. Shou-Ching Tang Director/Member of the Audit and Nomination & Compensation Committee	-	-	-	-	-	-

[1] Ceased to be a director and member of Board committees on January 30, 2017.

[2] Effective January 30, 2017

*The Company makes certain estimates and assumptions when calculating the fair value of option-based awards. The Company uses an option pricing model which includes significant assumptions including estimates of the expected volatility, expected life, expected dividend rate and expected risk-free rate of return. Changes in these assumptions may result in a material change to the amount recorded for the issuance of stock options.

Subsequent events

During the first quarter of FY2018, the Company received a loan of $384,510 from Ritec AG, a related party, in order to support the Company's strategic goals. The loan is repayable on October 30, 2017 and carries an annual interest rate of 5% that is due upon repayment of the loan.

Internal control systems and disclosure controls

To ensure the integrity and objectivity of the data, management maintains a system of internal controls comprising of written policies, procedures and a program of internal reviews which provides reasonable assurance that transactions are recorded and executed in accordance with its authorization that assets are properly safeguarded and that reliable financial records are maintained.

Management is currently updating existing standardized processes to improve internal controls and reduce compliance costs. The updated controls will help improve timeliness and accuracy of financial records as well as continue to ensure that the Company's assets are properly safeguarded.

Disclosure controls and procedures within MedMira have been designed to provide reasonable assurance that all relevant information is identified to the Disclosure Committee to ensure appropriate and timely decisions are made regarding public disclosure.

Management, under the supervision of the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's internal control over financial reporting and based on this evaluation, has concluded that internal control over financial reporting was effective as of July 31, 2017.

Due to inherent limitations, internal control over financial reporting and disclosure controls can provide only reasonable assurances and may not prevent or detect misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Audit Committee of the Board of Directors of MedMira reviewed this MD&A, and the consolidated financial statements and MedMira's Board of Directors approved these documents prior to release.

Risk and uncertainties

The Company's base of activity has expanded to manufacturing products for distribution in international markets, making it difficult to accurately predict future operating results. Actual future results may differ significantly in any forward-looking statements. Currently, the Company is not making sufficient sales to be self-sustaining. As a result, the Company's financial condition, business and operations, and intellectual property are exposed to a variety of risk factors. These risks include, but are not limited to, the following:

Risks and uncertainties related to the Company's financial condition

Need for additional capital

Cash generated from operations is insufficient to satisfy working capital and capital expenditure requirements, and the Company is operating with a substantial working capital deficit. The Company will need to secure additional financing in the near term in order to continue as a going concern which may include the sale of additional equity or debt securities or obtaining additional credit facilities. In recent quarters, the Company has relied on temporary funding advanced from key investors. There can be no assurance that this source of funding will continue to be available on acceptable terms, and

additional capital may not be available on satisfactory terms, or at all. Management is pursuing other financing alternatives to fund the Company's operations so it can continue as a going-concern.

The Company intends to continue to explore opportunities to enter into supply agreements, joint venture relationships, and other special purpose vehicles with third parties from time to time in order to continue to commercialize its patent pending technology and other intellectual property. Such arrangements may include the issuance of equity or debt securities of the Company, subject to compliance with the applicable requirements of the Canadian securities regulatory authorities and the TSX-V.

Any additional equity financing may result in the dilution of shareholders, and debt financing, if available, may include restrictive covenants. MedMira's future liquidity and capital funding requirements will depend on numerous factors including:

- the extent to which new products and products under development are successfully developed, gain market acceptance and become and remain competitive;
- the costs and timing of further expansion of sales, marketing and manufacturing activities and facility's needs;
- the timing and results of clinical studies and regulatory actions regarding potential products; and
- the costs and timing associated with business development activities, including potential licensing of technologies patented by others.

Continued operations will be contingent on generating sufficient revenues or raising additional capital or debt financing. There is no assurance that these initiatives will be successful.

Fluctuations in revenue

The Company's quarterly and annual revenues may fluctuate due to several factors, including seasonal variations in demand, competitive pressure on average selling prices, customer order patterns, the rate of acceptance of the Company's products, product delays or production inefficiencies, regulatory uncertainties or delays, costs and timing associated with business development activities, including potential licensing of technologies, international market conditions and variations in the timing and volume of distributor purchases. The healthcare industry traditionally is not impacted by seasonal demand. The impact of one or a combination of several of these factors could have a significant adverse effect on the operations of the Company. In addition, changes in existing collaborative relationships, as well as the establishment of new relationships, product licensing and other financing relationships, could materially impact the Company's financial position and results from operations.

Effects of inflation and foreign currency fluctuations

A significant portion of the Company's revenue and expenses are in US dollars, and therefore subject to fluctuations in exchange rates. There is a risk that significant fluctuations in exchange rates may impact the Company's ability to sell its products and, thereby, have a material adverse impact on the Company's results of operations.

Possible volatility of share price

The stock market has from time to time experienced significant price and volume fluctuations that may be unrelated to the operating performance of the Company. In addition, the market price of the Company's common shares, like the share prices of many publicly traded biotechnology companies, has been highly volatile. Announcement of technology innovations or new commercial products by the Company or its competitors, developments or disputes concerning patent or proprietary rights, publicity regarding actual or potential medical results relating to products under development by the Company or its competitors, regulatory developments in both the US and foreign countries, public concern as to the safety of biotechnology products and economic and other external factors, as well as period to period fluctuations in

financial results may have a significant impact on the market price of the Company's common shares. It is likely that in some future quarter the Company's operating results will be below the expectations of the public market analysts and investors. In such event, the price of the Company's common shares would likely be materially adversely affected.

Risks and uncertainties related to the Company's business and operations

Lack of market acceptance

MedMira's ability to market its diagnostic products will, in part, depend on its or its partners' ability to convince users that these products represent viable and efficacious diagnostic tests. There can be no assurance that MedMira will be successful in this regard.

Competition

The *in vitro* diagnostics market in which the Company participates is highly complex and competitive. It is comprised of both large healthcare companies that have substantially greater financial, scientific, and other resources than MedMira and a variety of international companies producing diagnostic products of varying quality. In the developed regions of the world with strong healthcare infrastructures, the *in vitro* diagnostics market for serious and emerging infectious diseases such as HIV and Hepatitis C has been focused on diagnostic tests using instrument based platforms designed for clinical laboratories. Diagnostic products designed for use in non-laboratory settings at the point-of-care or for use in laboratories or public health clinics using non-instrument based platforms for the screening and diagnosis of infectious diseases are becoming more mainstream in both the developed and developing regions of the world. Competition in this sector of the market is intense and is expected to increase. Many of the companies have substantially greater resources available for development, marketing and distribution of these products than does MedMira.

Significant development effort required

Products currently under development by MedMira require additional development, testing and investment prior to any final commercialization. There can be no assurance that these products or any future products will be successfully developed, prove to be safe and effective in clinical trials, receive applicable regulatory approvals, be capable of being produced in commercial quantities at reasonable costs or be successfully marketed. The long term success of MedMira must be considered in light of the expenses, difficulties and delays frequently encountered in connection with the development of new technology and the competitive and highly regulated environment in which MedMira operates.

Uncertainties in sales cycles in target markets

MedMira markets and distributes its products to both developed and developing regions of the world. Sales cycles in developed regions of the world are somewhat conventional, however, timing of registrations and other activities surrounding the sale of product into a specific market are unpredictable and highly dependent on third party and government organizations to complete certain processes before a sales transaction can take place. In developing regions of the world where MedMira and its strategic partners are working to close deals, the sales cycle timing is highly uncertain given a number of factors including political and economic turmoil, as well as bureaucratic processes necessary to do business in these regions.

High degree of regulation

MedMira operates in a highly regulated industry and is subject to the authority and approvals of certain regulatory agencies, including Health Canada, the FDA, the CFDA, CE Mark and applicable health authorities in other countries, with regard to the development, testing, manufacture, marketing and sale of its products. The process of obtaining such approvals can be costly and time consuming, and there can be no assurance that regulatory approvals will be obtained or maintained. Any failure to obtain (or significant delay in obtaining) or maintain Health Canada, FDA, Notified Body or CFDA approvals (or, to a lesser extent, approval of applicable health authorities in other countries) for MedMira's new or

existing products could materially adversely affect MedMira's ability to market its products successfully and could therefore have a material adverse effect on the business of MedMira.

Ability to retain and attract key management and other experienced personnel

Since its inception, the Company has been, and continues to be, dependent in its ability to attract and maintain key scientific and commercial personnel upon whom the Company relies for its product innovations and commercialization programs. Loss of key personnel individually or as a group could have significant adverse impact on the Company's immediate and future achievement of operating results.

Limited sales and marketing resources and reliance on key distributors to market and sell the Company's product

Any revenues received by the Company will be dependent on the efforts of third parties and there can be no assurance that such efforts will be successful. Failure to establish sustainable and successful sales and marketing programs with effective distributor support programs may have a material adverse effect on the Company.

Commercialization of the Company's products is expensive and time consuming. In the United States, a relationship has been established with My Care Solution to support the logistics and distribution of the Company's products. The Company will rely on the joint efforts of My Care Solution and distributors Cardinal Health, a Fortune 100 company, and VWR International to distribute MedMira's product line.

Outside the United States, the Company pursues collaborative arrangements with established pharmaceutical and distribution companies for marketing, distribution, and sale of its products.

In China, MedMira has formed a strategic partnership with Triplex to market and distribute the Company's rapid HIV test within the assigned territory. This strategic partnership also encompasses the assembly and packaging of final product components.

If any of the Company's distribution agreements are terminated and the Company is unable to enter into alternative agreements, or if the Company elects to distribute new products directly, additional investment in sales and marketing resources would be required which would increase future selling, general and administrative expenses. The Company has limited experience in direct sales, marketing and distribution of its products. A failure of the Company to successfully market its products would have a material and adverse effect on the Company.

Manufacturing capabilities and scale-up

The Company must manufacture its products in compliance with regulatory requirements, in sufficient quantities and on a timely basis, while maintaining product quality and acceptable manufacturing costs. If it is unable to manufacture or contract for such capabilities on acceptable terms for its products under development, MedMira's plans for commercialization could be materially adversely affected.

MedMira's manufacturing facilities are, or will be, subject to periodic regulatory inspections by the FDA, CE, CFDA and other regulatory agencies and these facilities are subject to Quality System Regulations requirements of the FDA and other standards organizations. MedMira may not satisfy such regulatory or standards requirements, and any failure to do so would have a material adverse effect on the Company.

In addition, production and scale-up of manufacturing for new products may require the development and implementation of new manufacturing technologies and expertise. Manufacturing and quality control problems may arise as the Company attempts to scale-up manufacturing and such scale-up may not be achieved in a timely manner or at commercially reasonable cost, or at all.

Rapidly changing technology

The *in vitro* diagnostic testing field as a whole is characterized by rapidly advancing technology that could render MedMira's products obsolete at any time and thereby adversely affect the financial condition and future prospects of the Company.

Uncertainties regarding healthcare reimbursement and reform

The future revenues and profitability of diagnostic companies as well as the availability of capital may be affected by the continuing efforts of government and third party payers to contain or reduce costs of healthcare through various means. For example, in certain foreign markets, pricing or profitability is subject to government control. In the US, there has been, and the Company expects that there will continue to be, a number of federal and state proposals to implement similar government controls. While the Company cannot predict whether any such legislative or regulatory proposals will be adopted, the announcement or adoption of such proposals could have a material adverse effect on the Company's results of operations.

Product liability

MedMira may be subject to claims of personal injury and could become liable to clinical laboratories, hospitals and patients for injuries resulting from the use of its products. MedMira could suffer financial loss due to defects in its products and such financial loss together with litigation expenses could have a material adverse effect on its operations. MedMira has obtained product liability insurance to protect against possible losses of this nature. However, no assurance can be given that such insurance will be adequate to cover all claims or that MedMira will be able to maintain such insurance at a reasonable cost.

Risks and uncertainties related to the Company's intellectual property

No assurance of patent protection

MedMira has filed patent applications in the United States, Canada, China, and other foreign countries relating to various aspects of its rapid diagnostic platform, processes, reagents, and equipment. Although it is management's belief that the patents for which the Company applied may be issued, there can be no such assurance, nor can MedMira assure that competitors will not develop functionally similar or superior diagnostic testing devices. Moreover, there is a question as to the extent to which biotechnology discoveries and related products and processes can effectively be protected by patents. The law regarding the breadth or scope of biotechnology patents is new and evolving. No assurance can be given that, if a patent issued to MedMira is challenged, it will be held valid and enforceable or will be found to have a scope sufficiently broad to cover competitors' products or processes. The cost of enforcing MedMira's patent right, if any, in lawsuits that it may bring against infringers may be significant and could limit MedMira's operations.

Possible patent infringement

The extent to which biotechnology discoveries and related products and processes can be effectively protected by patents and be enforceable is uncertain and subject to interpretation by the courts. The technologies, products, and processes of MedMira may be subject to claims of infringement on the patents of others and, if such claims are successful, could result in the requirement to access such technology by license agreement. There can be no assurance that such licenses would be available on commercially acceptable terms. If MedMira is required to acquire rights to valid and enforceable patents but cannot do so at reasonable cost, MedMira's ability to manufacture or market its products would be materially adversely affected. The cost of MedMira's defence against infringement charges by other patent holders may be significant and could limit MedMira's operations.