MedMira Inc.

Management's Discussion & Analysis

For the three and nine months ended April 30, 2016 and April 30, 2015

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 consolidated interim financial statements, affect its more significant judgments and estimates used in the preparation of its consolidated financial statements.

Introduction

The following MD&A for the nine months ended April 30, 2016 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.

This document should be read in conjunction with the audited consolidated financial statements for the year ended July 31, 2015. 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 quarterly financial statements 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 distinct 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 the unique competitive advantage of enabling 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 its customers' need to provide swift answers without increasing costs.

MedMira's technology 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 in the United States (U.S 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 is also ISO 9001:2008 and ISO 13485:2003 certified.

MedMira sells its rapid tests through medical distributors and strategic business development partners with customers in all sectors of the healthcare industry, including laboratories, hospitals, point-of-care facilities, governments, and public health agencies. The Company created its Miriad™ product line to facilitate opportunities in the high value technology licensing and research sectors, allowing the Company to monetize its award winning technology and core capabilities, including R&D, product development, and regulatory proficiency. Miriad provides access to MedMira 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 core 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 U.S. 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 U.S. and Canada.

Corporate update

During Q3 FY2016, MedMira intensified sales support and marketing initiatives with targeted efforts on new messaging, website updates, and tissue/eye bank sector initiatives. The Company's website was refreshed with new messaging and imaging on core areas of the business including RVF Technology, Reveal G4 rapid HIV test, and the tissue/eye bank sector.

Building new business opportunities for the Miriad product line in the tissue/eye bank sector continued to be a primary initiative in the third quarter. MedMira sponsored the American Association of Tissue Banks Quality Donor and Suitability Workshop where rapid testing was featured on the conference agenda several times during the three day event and current Miriad customers spoke about their experience with the product. Company representatives also participated in round table discussions and demonstrated the Miriad product for attendees, creating opportunities to generate new business and expand MedMira's presence in this market.

During the quarter Company representatives were invited to participate in meetings at a large tissue bank customer as part of their internal training and development for 30+ partner organizations in the industry. Q3 also saw planning for MedMira participation in the Eye Bank Association of America's 55th Annual Meeting taking place in the next quarter.

Reveal G4 rapid HIV test business continues to build in the United States with both existing and new customers transitioning to the new formats of the product. To support continued growth in this product line, the Company is providing ongoing sales support and training activities for its distribution channels. At the end of the quarter the Company's Sales and Business Development team added two additional resources to generate new opportunities and increase business with the existing customer base.

MedMira's ongoing development and commercialization projects progressed as planned during the third quarter, building new testing solutions and applications on the RVF Technology platform and pushing forward on platform advancements.

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 condensed interim consolidated financial statements for the three and nine months ended April 30, 2016 and its audited consolidated financial statements as at and for the year ended July 31, 2015.

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

Income statement	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014
	$	$	$	$	$	$	$	$
Revenue	230	1,370	1,614	1,463	1,345	723	521	898
Cost of sales	66	1,134	1,028	1,028	1,114	403	327	678
Gross profit	164	236	586	435	231	320	194	220
Operating expenses	1,205	1,051	1,296	548	904	1,261	939	1,044
Other expenses (gains)	173	167	190	186	179	96	297	462
Net earnings (loss) before tax	(1,214)	(982)	(900)	(298)	(852)	(1,037)	(1,042)	(362)

Balance sheet

	Q3 2016 $	Q2 2016 $	Q1 2016 $	Q4 2015 $	Q3 2015 $	Q2 2015 $	Q1 2015 $	Q4 2014 $
Current assets	1,930	3,648	4,465	1,520	991	925	1,352	1,484
Non-current assets	217	242	256	264	291	313	335	358
Total assets	2,147	3,890	4,721	1,784	1,282	1,238	1,687	1,842
Current liabilities	5,746	4,723	3,939	6,993	5,765	5,754	5,061	4,286
Non-current liabilities	2,201	3,753	4,412	2,495	2,923	3,159	3,265	4,246
Total liabilities	7,947	8,476	8,351	9,888	8,688	8,214	8,327	8,532
Total shareholders deficiency	(5,800)	(4,586)	(3,630)	(7,704)	(7,406)	(7,676)	(6,640)	(6,690)
Total liabilities and equity	2,147	3,890	4,721	1,784	1,282	1,238	1,687	1,842
Net earnings (loss) per share	(0.002)	(0.001)	(0.001)	(0.001)	(0.001)	(0.002)	(0.002)	(0.001)

Third quarter analysis

The following table compares the results of operations for the three months ended April 30, 2016 to the three months ended April 30, 2015.

	For the three months ended		
	30-Apr-16	30-Apr-15	Better(worse)
	$	$	$
Product			
Product sales	230,419	297,169	(66,750)
Royalties	-	4,140	(4,140)
Product cost of sales	(66,591)	(98,152)	31,561
Gross margin on product	163,828	203,157	(39,329)
Services			
Service sales	-	1,044,119	(1,044,119)
Service cost of sales	-	(1,016,062)	1,016,062
Gross margin on services	-	28,057	(28,057)
Operating expenses			
Research and development	(489,569)	(263,138)	(226,431)
Sales and marketing	(165,454)	(121,554)	(43,900)
Other direct costs	(189,501)	(186,983)	(2,518)
General and administrative	(360,253)	(332,537)	(27,716)
Total operating expenses	(1,204,777)	(904,212)	(300,565)
Operating loss	**(1,040,949)**	**(672,998)**	**(367,951)**
Non-operating income (expenses)			
Financing	(173,298)	(179,043)	5,745
Net (loss) income	**(1,214,247)**	**(852,041)**	**(362,206)**

Product revenue and gross margin

The Company recorded revenue from product sales in the three months ended April 30, 2016 of $230,419 as compared to $301,309 for the same period last year. Gross profit on product sales for the three months ended April 30, 2016 was $163,828 compared to $203,157 for the same period in 2015. The slight decrease of revenue was due to the transition period of the G3 HIV rapid test and the newly approved G4 HIV rapid test in the USA.

Services revenue and gross margin

The Company recorded revenue from service sales of $nil ($0) in the three months ended April 30, 2016 (April 30, 2015 – $1,044,119) with a related gross margin of $nil ($0) (April 30, 2015 – $28,057). In line with the management expectations, the service contract for the product development had been concluded and there is no service revenue to be recorded for this quarter ended April 30, 2016.

Operating expenses

Total operating expenses increased by $300,565 from $904,212 for the three months ended April 30, 2016 to $1,204,777 for the three months ended April 30, 2015.

- Research and development expenses for the three months ended April 30, 2016 were $489,596 compared to $263,138 for the same period in 2015. The increases in expenses were due to the final work on the FDA clinical studies for the products currently pending approval.
- Sales and marketing expenses for the three months ended April 30, 2016 were $165,454 compared to $121,554 for the same period in 2015. The increase has been in line with the management's expectation by increasing technology awareness and brand visibility.
- Other direct costs for the three months ended April 30, 2016 were $189,501, compared to $186,983 for the same period in 2015.
- General and administrative expenses were $360,253 for the three months ended April 30, 2016, compared to $332,537 for the same period in 2015.

Non-operating expenses

- Total non-operating expenses were $173,298 in the three months ended April 30, 2016, compared to $179,043 during the same period in 2015.

Year to date analysis

The following table compares the results of operations for the nine months ended April 30, 2016 to the nine months ended April 30, 2015.

	For the nine months ended		
	30-Apr-16	30-Apr-15	Better(worse)
	$	$	$
Product			
Product sales	739,389	970,991	(231,602)
Royalties	-	753	(753)
Product cost of sales	(212,219)	(390,571)	178,352
Gross margin on product	527,170	581,173	(54,003)
Services			
Service sales	2,474,729	1,617,364	857,365
Service cost of sales	(2,016,265)	(1,453,813)	(562,452)
Gross margin on services	458,464	163,551	294,913
Operating expenses			
Research and development	(1,233,982)	(935,075)	(298,907)
Sales and marketing	(543,356)	(343,021)	(200,335)
Other direct costs	(557,514)	(463,873)	(93,641)
General and administrative	(1,217,102)	(1,361,797)	144,695
Total operating expenses	(3,551,954)	(3,103,766)	(448,188)
Operating loss	**(2,566,320)**	**(2,359,042)**	**(207,278)**
Non-operating income (expenses)			
Financing	(530,082)	(572,211)	42,129
Net (loss) income	**(3,096,402)**	**(2,931,253)**	**(165,149)**

Product revenue and gross margin

The Company recorded revenue from product sales in the nine months ended April 30, 2016 of $739,389 as compared to $971,744 for the same period last year. Gross profit on product sales for the nine months ended April 30, 2016 was $527,170 compared to $581,173 for the same period in 2015. The sales decrease for the nine months ended April 30, 2016 was due to the transition period of the Company's G3 HIV rapid test to the new G4 FDA approved HIV rapid test.

Services revenue and gross margin

The Company recorded revenue from service sales of $2,474,729 in the nine months ended April 30, 2016 (April 30, 2015 – $1,617,364) with a related gross margin of $458,464 (April 30, 2015 – $163,551). The Company earned revenue and gross margin on a research contract with the U.S. Army. In line with the management expectations, the service contract for the product development had been concluded and there is no service revenue to be recorded for this quarter ended April 30, 2016.

Operating expenses

Total operating expenses increased by $448,188 from $3,103,766 for the nine months ended April 30, 2015 to $3,551,954 for the nine months ended April 30, 2016.

- Research and development expenses for the nine months ended April 30, 2016 were $1,233,982 compared to $935,075 for the same period in 2015. This increase is due to the development work associated with its two products pending FDA approval and the G4 HIV rapid test approved in October 2015.
- Sales and marketing expenses for the nine months ended April 30, 2016 were $543,356 compared to $343,021 for the same period in 2015. This was in line with the Company's strategic product launch of its new approved G4 HIV rapid test and expansion in the tissue bank market.
- Other direct costs for the nine months ended April 31, 2016 were $557,514, compared to $463,873 for the same period in 2015.
- General and administrative expenses were $1,217,102 for the nine months ended April 30, 2016, compared to $1,361,797 for the same period in 2015. The overall decrease of $144,695 is a direct result of on-going internal cost restructuring.

Non-operating expenses

- Total non-operating expenses were $530,082 in the nine months ended April 30, 2016, compared to $572,211 during the same period in 2015.

Geographic information

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

	Product Revenue		Service Revenue	
	30-Apr-16	**30-Apr-15**	**30-Apr-16**	**30-Apr-15**
	$	**$**	**$**	**$**
North America	193,969	124,896	-	1,044,119
Latin America and the Caribbean	4,514	51,866	-	-
Asia Pacific	21,901	4,640	-	-
Europe	10,035	-	-	-
Middle East	-	-	-	-
West Asia	-	119,907	-	-
Total revenue	**230,419**	**301,309**	**-**	**1,044,119**

The table below provides the nine month geographic breakdown of revenue.

	Product Revenue		Service Revenue	
	30-Apr-16	30-Apr-15	30-Apr-16	30-Apr-15
	$	$	$	$
North America	547,973	522,092	2,474,729	1,617,364
Latin America and the Caribbean	128,125	111,721	-	-
Asia Pacific	31,687	77,620	-	-
Europe	31,604	20,857	-	-
Middle East	-	791	-	-
West Asia	-	238,663	-	-
Total revenue	**739,389**	**971,744**	**2,474,729**	**1,617,364**

Liquidity and capital resources

Cash and working capital

The Company had a cash reserve of $208,313 on April 30, 2016, as compared to $262,392 on July 31, 2015. The Company's net working capital position as at April 30, 2016 was negative $3.8 million compared to the July 31, 2015 working capital deficit of $5.5 million. The Company has incurred operational losses and negative cash flows on a cumulative basis since inception. For the nine months ended April 30, 2016, the Company incurred a net loss from operating activities of approximately $2.6 million and negative cash flows from operations of $3.7 million, compared to a net loss from operations of $2.4 million and negative cash flows from operations of $1.8 million for the same period in 2015.

Operating activities

MedMira generated negative cash flows from operations of $3,740,043 for the nine months ended April 30, 2016, compared to negative cash flows of $1,779,579 for the nine months ended April 30, 2015.

Financing activities

Cash inflows from financing activities were $3,713,213 for the nine months ended April 30, 2016, compared to $1,778,742 for the same period in 2015.

Investing activities

Cash outflows from investing activities were $27,249 for the nine months ended April 30, 2016, compared to cash outflows of $ nil ($0) for the same period in 2015.

Debt

As at April 30, 2016, the Company had loans payable with a carrying value of $6.0 million compared to $7.0 million at July 31, 2015. The Company's loans have an average remaining payment term of 3 years and interest rates varying between 3% and 5%. As at April 30, 2016, two of the Company's loans were in default due to ongoing debt re-negotiations.

Further discussion on liquidity and capital resources can be found in this document in the Liquidity Risk section, Risk and

Uncertainties section, as well as in the notes for the condensed interim financial statements for the three and nine months ended April 30, 2016 and the audited consolidated financial statements as at and for the year ended July 31, 2015.

Equity/Shares

The Company is authorized to issue an unlimited number of common shares without par value. The number of issued and outstanding common shares on April 30, 2016 was 658,364,320. The Company is also authorized to issue an unlimited number of Series A preferred shares redeemable at $0.01 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 April 30, 2016.

The Company had 2,921,875 outstanding stock options on April 30, 2016. The outstanding stock options have a weighted average exercise price of $0.10 per share and a weighted average remaining term of 1.87 years. The number of outstanding warrants on April 30, 2016 was 386,100. The outstanding warrants have a weighted average exercise price of $0.10 per share and a weighted average remaining term of 1.2 years.

Liquidity risk

The Company manages liquidity by forecasting and monitoring operating cash flows and through 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 The condensed interim consolidated financial statements have been prepared on a going-concern basis, which contemplates the realization of assets and liquidation of liabilities during the normal course of operations. However, certain adverse conditions and events cast significant doubt upon the validity of this assumption.

The Company has incurred losses and negative cash flows from operations on a cumulative basis since inception. For the nine months months ended April 30, 2016, the Company realized a net loss of approximately $3.1 million (April 30, 2015 – net loss of $2.9 million), consisting of a net loss from operations of $2.6 million (April 30, 2015 - net loss $2.4 million), and other non-operating expenses of $0.5 million (April 30, 2015 – loss of $0.6 million). Negative cash flows from operations were approximately $3.7 (April 30, 2015 – $1.8 million). As at April 30, 2016, the Company had an accumulated deficit of approximately $81.1 million (July 31, 2015 – $78.0 million). In addition to its on-going working capital requirements, the Company must secure sufficient funding for its research and development programs for existing commitments, including its current portion of loans of approximately $4.0 million. These circumstances lend significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going-concern.

Management is pursuing other financing alternatives to fund the Company's operations so it can continue as a going-concern. Management plans to secure the necessary financing through new equity and debt arrangements. Nevertheless, there is no assurance that this initiative will be successful.

Foreign currency risk

MedMira receives most of its revenues in foreign currencies and incurs expenses in U.S. 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. USD sales 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 U.S.-denominated cash, accounts receivable, accounts payable and U.S.-denominated liabilities.

MedMira mitigates this currency risk by maintaining a balance of USD currency which is used to pay down U.S.-denominated liabilities and replenishes the balance through U.S.-denominated revenues. A one percent change in the USD/CAD exchange rate would have an estimated impact on revenue of $19,212.

Related party transactions

The following transactions were recorded with related parties during the nine months ended April 30, 2016:

- A direct investment of $5,000,000 from OnSite (July 31, 2015 - $1,100,000)
- Director fees totalling $7,500 were incurred (July 31, 2015 - $13,750)
- Short term loan totalling $350,000 bearing interest at 5% was repaid to Andurja (July 31, 2015 - $0)
- Short term loan totalling $180,000 bearing interest at 5% was repaid to OnSite (July 31, 2015 - $0)
- Short term loan totalling $26,000 bearing interest at 5% was repaid to the Chief Operating Officer (July 31, 2015 - $0)
- Long term loan totalling $52,844 bearing interest at 5% was repaid to an employee (July 31, 2015 - $0)

Compensation summary for Q3 2016

A) Officers

Name and Principal Position	Paid Compensation ($)	Accrued Compensation Current Year ($)	Share- and Option-based Awards* ($)	All other compensation ($)	Total Compensation current year ($)	Paid compensation related to previous fiscal periods ($)	Accrued Compensation related to previous fiscal periods ($)
Hermes Chan CEO	50,615	-	-	-	**50,615**	-	-
Markus Meile CFO	29,001	-	-	-	**29,001**	20,587	21,605
Sing Chan COO	35,538	-	-	35,361	**70,899**	-	-
Robyn Cook CCO	28,269	-	-	4,000	**32,269**	-	-

*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.

B) Directors

Name Designation Position(s)	Paid Compensation ($)	Accrued Compensation ($)	Paid Compensation related to previous fiscal years ($)	Share- and Option-based Awards ($)*	All other compensation ($)	Total Compensation ($)
Hermes Chan Director	-	-		-	-	-
Romano Robusto Director/Audit Committee Chair Member of Nomination & Compensation Committee	1,250	2,500	-	-	-	3,750
Marvyn Robar Director/Chairman of the Board/Member of Audit and Nomination & Compensation Committee	1,250	2,500	-	-	-	3,750
Martial Lacroix	-	-	-	-	-	-
Philippe Dro Director	-	-	-	-	-	-

Mr. Martial Lacroix exited the board of directors on the 29th of February 2016 for personal reasons.

*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.

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 at April 30, 2016.

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 condensed interim consolidated financial statements of MedMira for April 30, 2016 and MedMira's Board of Directors approved these documents prior to release.

Risk and uncertainties

For the nine month period ended April 30, 2016, the Company has not identified any significant changes to the risks and uncertainties it is exposed to which were previously described in the annual MD&A for the year ended July 31, 2015.