MedMira Inc.

Management's Discussion & Analysis
For the three and six months ended January 31, 2014 and January 31, 2013

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 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 three and six months ended January 31, 2014 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, 2013. 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.

MedMira's patented Rapid Vertical Flow Technology™ platform is the basis for the Company's current line of rapid diagnostics for infectious diseases. Diagnostic applications based on this distinct technology platform are highly accurate, easy-to-use, and produce instant results – a strong advantage over most other rapid diagnostics on the market today.

MedMira's technology and growing portfolio of diagnostics demonstrate excellence in performance and quality in the highly competitive diagnostics industry. More than $20 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, Canada, European Union, Latin America, and China, as well as ISO 9001:2008 and ISO 13485:2003 certifications.

MedMira sells its rapid tests through a worldwide network of 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.

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 platform and the methodology behind its rapid diagnostics includes the following:

Patent #	*Title*	*Jurisdiction*
8,025,850	Rapid Diagnostic Device, Assay and Multifunctional Buffer	United States
7,531,362	Rapid Diagnostic Device, Assay and Multifunctional Buffer	United States
EP1417489	Rapid Diagnostic Device and Assay	Europe
EP1328811	HCV Mosaic Antigen Composition	Europe
ZL02819646.5	Rapid Diagnostic Device and Assay	China

The Company has 3 pending patents.

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

Corporate update

During the second quarter, MedMira made significant progress on advancing sales and marketing initiatives in the United States and global markets. The Company signed a U.S. distribution agreement with VWR International LLC, a global solutions provider of laboratory supplies and services with worldwide sales in excess of $4.1 billion in 2012. Accessing the VWR sales channels in the healthcare, research and education markets is a major part of MedMira's expansion efforts in the U.S. MedMira officially launched its Reveal® G3 and Miriad™ products to over 300 VWR sales representatives at the VWR Americas Sales Conference during the second quarter.

In global markets, the Company and its strategic partners continued to engage in a wide range of initiatives supporting sales, marketing, and business development. This work moves at various paces under challenging business conditions and timelines on closing sales remain uncertain.

Product development and commercialization activities during the second quarter focused largely on the development and commercialization of two rapid tests for transfusion transmitted diseases under a United States Army Medical Research Acquisition Activity contract. Multiplo™ HBc/HIV/HCV and Reveal HBsAg are moving through the commercialization phase as planned and the Company is using a modular submission strategy to obtain FDA approval. It is anticipated that these products will be launched in the U.S. market in early 2015.

The Company continues to work on obtaining FDA approval for Reveal G4, the next generation of its popular rapid HIV test, with expanding capabilities to handle whole blood specimens. Clinical trials are expected to conclude in the fourth quarter and a supplemental submission to the FDA following shortly after. This product answers the increased demand for rapid HIV tests to support the new U.S. guidelines, which call for routine HIV screening of all people aged 15-65 and all pregnant women during the normal course of medical care.

Also during the quarter, MedMira began work on transitioning the latest version of its rapid tests in to the European Union and other international markets. The product enrichments include a simplified test procedure, enabling the direct use of whole blood, making the tests even more convenient for point-of-care users. These enhancements are based on advancements in MedMira's Rapid Vertical Flow Technology, including a redesigned test cartridge and InstantGold cap. As MedMira rolls out advanced versions of various products around the globe, legacy products will be phased out.

MedMira has started the implementation of a company-wide enterprise resource planning (ERP) system from SAP. The system will transform the finance function and add financial transparency in every aspect of the Company's activities. The implementation is expected to conclude in Q3 2014. MedMira is advancing the implementation of manufacturing automation at its facility in Halifax, Nova Scotia.

In the second quarter, Jelle Kuypers was appointed as MedMira's Chief Financial Officer. He brings over 15 years of leadership experience in finance and treasury, strategic and operational planning, as well as business development. Mr. Kuypers has in-depth expertise in creating and developing high-performance finance teams working in global markets including Europe, North America and the Middle East. Prior to joining MedMira, Mr. Kuypers served in senior finance and treasury roles in Canada, Switzerland and the Middle East. He also worked for a number of years as a management consultant where he focused on the areas of financial management, supply chain management, controlling, and organizational redesign. He holds a master's degree in Finance and Economics from the University of St. Gallen (HSG) and earned a CEMS Master in International Management (CEMS MIM) from the Rotterdam School of Management, Erasmus University.

In January 2014, the Company's Annual General Meeting took place in Halifax, Nova Scotia. Mr. Hermes Chan, Dr. Shou-Ching Tang, Mr. Romano Robusto, Dr. Michael Sidler, and Mr. Markus Meile were re-elected as Directors of the Company. Shareholders also approved the appointment of Deloitte as the Company's auditors.

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 six months ended January 31, 2014 and its audited consolidated financial statements as at and for the year-ended July 31, 2013.

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

Income statement	**Q2 2014**	**Q1 2014**	**Q4 2013**	**Q3 2013**	**Q2 2013**	**Q1 2013**	**Q4 2012**	**Q3 2012**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Revenue	519	473	595	327	534	545	272	187
Cost of sales	316	332	343	277	374	377	167	58
Gross profit	**203**	**141**	**252**	**50**	**160**	**168**	**105**	**129**
Operating expenses	1,358	727	659	781	715	641	707	679
Other expenses (gains)	261	252	353	128	(1,629)	(616)	(8,769)	1,062
Net earnings (loss) before tax	**(1,417)**	**(838)**	**(760)**	**(859)**	**1,074**	**143**	**8,167**	**(1,612)**
Balance sheet	**Q2 2014**	**Q1 2014**	**Q4 2013**	**Q3 2013**	**Q2 2013**	**Q1 2013**	**Q4 2012**	**Q3 2012**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Current assets	3,216	5,392	822	597	1,172	2,169	2,951	495
Non-current assets	378	336	345	262	102	30	19	24
Total assets	**3,594**	**5,728**	**1,167**	**858**	**1,273**	**2,199**	**2,970**	**519**
Current liabilities	3,792	4,354	4,854	3,694	3,040	2,967	11,049	23,050
Non-current liabilities	5,097	5,253	5,423	5,516	5,726	7,798	629	381
Total liabilities	**8,890**	**9,607**	**10,277**	**9,210**	**8,765**	**10,765**	**11,679**	**23,431**
Total shareholders deficiency	(5,296)	(3,879)	(9,111)	(8,352)	(7,492)	(8,566)	(8,708)	(22,912)
Total liabilities and equity	**3,594**	**5,728**	**1,167**	**858**	**1,273**	**2,199**	**2,970**	**519**
Net earnings (loss) per share	(0.005)	(0.001)	(0.002)	(0.002)	0.003	0.001	0.024	(0.006)

Second quarter analysis

The following table compares the results of operations for the three months ended January 31, 2014 to the three months ended January 31, 2013.

	For the three months ended		
	31-Jan-14	31-Jan-13	Better(worse)
	$	$	$
Product			
Product sales	103,649	220,426	(116,777)
Royalties	-	35,360	(35,360)
Product cost of sales	(46,250)	(182,175)	135,925
Gross margin on product	57,400	73,611	(16,212)
Services			
Service sales	415,066	277,806	137,260
Service cost of sales	(269,903)	(191,604)	(78,300)
Gross margin on services	145,163	86,202	58,961
Operating expenses			
Research and development	(170,187)	(40,506)	(129,680)
Sales and marketing	(318,992)	(103,423)	(215,569)
Other direct costs	(199,534)	(93,450)	(106,084)
General and administrative	(669,784)	(499,530)	(170,254)
Total operating expenses	(1,358,497)	(736,909)	(621,587)
Operating loss	**(1,155,935)**	**(577,096)**	**(578,839)**
Non-operating income (expenses)			
Financing	(261,389)	1,650,827	(1,912,216)
Net (loss) income	**(1,417,323)**	**1,073,731**	**(2,491,054)**

Product revenue and gross margin

The Company recorded revenue from product sales in the three months ended January 31, 2014 of $103,649 as compared to $220,426 for the same period last year. Gross profit on product sales for the three months ended January 31, 2014 was $57,400 compared to $73,611 for the same period in 2013. Large portion of the Company's sales are tender related, therefore swings in income are expected. Sales in Asia Pacific that normally are strong in the second quarter, have not come through yet (see geographic information, page 7).

Services revenue and gross margin

The Company recorded revenue from service sales of $415,066 in the three months ended January 31, 2014 (January 31, 2013 – $277,806) with a related gross margin of $145,163 (January 31, 2013 – $86,202). The Company earned revenue and gross margin on a research contract with the U.S. Army. The higher service sales in Q2 2014 is attributed to an increase in activities for clinical trials, which, when billed to the U.S. Army resulted in higher revenue. Gross margin on services was in line with management's expectations.

Operating expenses

Total operating expenses increased by $621,587 from $736,909 for the three months ended January 31, 2013 to $1,358,497 for the three months ended January 31, 2014.

- Research and development expenses for the three months ended January 31, 2014 were $170,187 compared to $40,506 for the same period in 2013. The Company continued its work on product enhancements and new test applications. In Q2 2014, research and development cost increased further due to samples being produced for clinical trials.

- Sales and marketing expenses for the three months ended January 31, 2014 were $318,992 compared to $103,423 for the same period in 2013. The increase in sales and marketing expenses during the second quarter was in line with the Company's strategic goals, and was related to the engagement of an integrated marketing communications agency as well as the continued focus on developing new markets and acquiring and training new distributors.

- Other direct costs for the three months ended January 31, 2014 were $199,534, compared to $93,450 for the same period in 2013. Additional costs were incurred due to regulatory expenses.

- General and administrative expenses were $669,784 for the three months ended January 31, 2014, compared to $499,530 for the same period in 2013. Part of the increase is attributed to one-off severance payments, additional professional fees covering the international organisational set-up, the new ERP system implementation, fees for filing of new patents in key markets and supporting the ongoing protection of previously filed patents.

Non-operating expenses

- Total non-operating expenses were $261,389 in the three months ended January 31, 2014, compared to a gain of $1,650,827 during the same period in 2013. A large portion of the gain in the three months ended January 31, 2013 was due to a gain on the forgiveness of debt of $715,689.

Year to date analysis

The following table compares the results of operations for the six months ended January 31, 2014 to the six months ended January 31, 2013.

	For the six months ended		
	31-Jan-14	31-Jan-13	Better(worse)
	$	$	$
Product			
Product sales	278,369	422,114	(143,745)
Royalties	-	35,360	(35,360)
Product cost of sales	(127,238)	(269,610)	142,371
Gross margin on product	151,130	187,864	(36,734)
Services			
Service sales	713,192	620,619	92,573
Service cost of sales	(521,328)	(481,632)	(39,696)
Gross margin on services	191,864	138,988	52,877
Operating expenses			
Research and development	(287,477)	(121,296)	(166,181)
Sales and marketing	(450,516)	(224,633)	(225,883)
Other direct costs	(291,838)	(151,218)	(140,620)
General and administrative	(1,056,050)	(908,644)	(147,406)
Total operating expenses	(2,085,881)	(1,405,791)	(680,090)
Operating loss	**(1,742,886)**	**(1,078,939)**	**(663,947)**
Non-operating income (expenses)			
Financing	(513,791)	2,295,022	(2,808,813)
Net (loss) income	**(2,256,678)**	**1,216,083**	**(3,472,760)**

Product revenue and gross margin

The Company recorded revenue from product sales in the six months ended January 31, 2014 of $278,369 as compared to $422,114 for the same period last year. Gross profit on product sales for the six months ended January 31, 2014 was $151,130 compared to $187,864 for the same period in 2013. As large portion of the Company's sales are tender related, therefore swings in income are expected. Sales in Asia Pacific that normally are strong in Q2 have not come through yet (see geographic information, page 7).

Services revenue and gross margin

The Company recorded revenue from service sales of $713,192 in the six months ended January 31, 2014 (January 31, 2013 – $620,619) with a related gross margin of $191,864 (January 31, 2013 – $138,988). The Company earned revenue and gross margin on a research contract with the U.S. Army. The higher service sales in Q2 2014 is attributed to an increase in activities for clinical trials, which, when billed to the U.S. Army resulted in higher revenue. Gross margin on services was in line with management's expectations.

Operating expenses

Total operating expenses increased by $680,090 from $1,405,791 for the six months ended January 31, 2013 to $2,085,881 for the six months ended January 31, 2014.

- Research and development expenses for the six months ended January 31, 2014 were $287,477 compared to $121,296 for the same period in 2013. In Q2 2014, research and development cost increased further due to samples being produced for clinical trials
- Sales and marketing expenses for the six months ended January 31, 2014 was $450,516 compared to $224,633 for the same period in 2013.
- Other direct costs for the six months ended January 31, 2014 were $291,838, compared to $151,218 for the same period in 2013. Fewer labour costs were allocated to cost of sales and inventory in the current quarter.
- General and administrative expenses were $1,056,050 for the six months ended January 31, 2014, compared to $908,644 for the same period in 2013.

Non-operating expenses

- Total non-operating expenses were $513,791 in the six months ended January 31, 2014, compared to a gain of $2,295,022 during the same period in 2013. A large portion of the gain in the six months ended January 31, 2013 was due to a gain on the forgiveness of debt of $715,689.

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. The negative $4,032 for the Asia Pacific region represents a reallocation of a proforma invoice previously recorded as revenue.

	Product revenue		Service revenue	
	For the three months ended		For the three months ended	
	31-Jan-14	31-Jan-13	31-Jan-14	31-Jan-13
	$	$	$	$
North America	102,917	40,244	415,066	277,805
Latin America and the Caribbean	833	9,181	-	-
Europe	3,931	1,734	-	-
Asia Pacific	(4,032)	204,627	-	-
Total revenue	**103,649**	**255,786**	**415,066**	**277,805**

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

	Product revenue		Service revenue	
	For the six months ended		For the six months ended	
	31-Jan-14	31-Jan-13	31-Jan-14	31-Jan-13
	$	$	$	$
North America	217,709	176,627	713,192	620,619
Latin America and the Caribbean	31,501	73,010	-	-
Europe	3,931	3,209	-	-
Asia Pacific	25,228	204,627	-	-
Total revenue	**278,369**	**457,473**	**713,192**	**620,619**

Liquidity and capital resources

Cash and working capital

The Company had a cash reserve of $2,426,743 on January 31, 2014, as compared to $20,942 on July 31, 2013. The Company's net working capital position as at January 31, 2014 was negative $0.6 million compared to the July 31, 2013 working capital deficit of $4.0 million. The Company has incurred operational losses and negative cash flows on a cumulative basis since inception. For the six months ended January 31, 2014, the Company incurred a net loss from operating activities of approximately $1.7 million and negative cash flows from operations of $2.3 million, compared to a net loss from operations of $1.1 million and negative cash flows from operations of $1.4 million for the same period in 2013.

Operating activities

MedMira generated negative cash flows from operations of $2,341,475 for the six months ended January 31, 2014, compared to negative cash flows of $1,433,321 for the six months ended January 31, 2013.

Financing activities

Cash inflows from financing activities were $4,775,829 for the six months ended January 31, 2014, compared to cash outflows of $445,546 for the same period in 2013.

Investing activities

Cash outflows from investments was $63,822 for the three months ended January 31, 2014, compared to cash outflows of $74,721 for the same period in 2013.

Debt

As at January 31, 2014, the Company had loans payable with a carrying value of $6.1 million compared to $6.9 million at July 31, 2013. The decrease in the carrying value of loans payable from July 31, 2013 to January 31, 2014 was due to settlement of short term loans with shares and repayment of related party loans. The Company's loans have an average remaining payment term of 4.5 years and interest rates varying between 3% and 5%. As at January 31, 2014, none of the Company's loans were in default.

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 six months ended January 31, 2014 and the audited consolidated financial statements as at and for the year ended July 31, 2013.

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 January 31, 2014 was 514,364,320. 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 January 31, 2014.

The Company had 3,270,000 outstanding stock options on January 31, 2014. The outstanding stock options have a weighted average exercise price of $0.10 per share and a weighted average remaining term of 1.2 years. The number of outstanding warrants on January 31, 2014 was 312,100,000. The outstanding warrants have a weighted average exercise price of $0.10 per share and a weighted average remaining term of 2.7 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 six months ended January 31, 2014, the Company realized a net loss of approximately $2.3 million (January 31, 2013 – net income $1.2 million), consisting of a net loss from operations of $1.7 million (January 31, 2013 – net loss $1.1 million), and other non-operating expenses of $0.5 million (January 31, 2013 – gain of $2.3 million). Negative cash flows from operations were approximately $2.3 million (January 31, 2013 – $1.4 million). As at January 31, 2014, the Company had an accumulated deficit of $73.2 million (July 31, 2013 – $71.0 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 $1.8 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 cent change in the USD/CAD exchange rate would have an estimated impact on revenue of $4,500.

Related party transactions

The following transactions were recorded with related parties during the three and six months ended January 31, 2014:

- Director fees totalling $8,117 were incurred (July 31, 2013 - $16,250).

The following balances with related parties were outstanding at January 31, 2014:

- Accounts payable totalling $24,309 was due to directors (July 31, 2013 – $37,244).
- Short term loans totalling $ 252,249 was due to a director (July 31, 2013 – $107,778).
- A royalty provision was owed to OnSite Lab of $763,306 (July 31, 2013 – $739,817).

Summary Compensation Table – Officers

Name and Principal Position	Period	Paid Compensation ($)	Accrued Compensation ($)	Share- and Option-based Awards ($)	All other compensation ($) (1)	Total Compensation ($)
Hermes Chan CEO	Q2 14	43,384				43,384
Jelle Kuypers CFO	Q2 14	52,785				52,785
Sing Chan COO	Q2 14	30,467				30,467
Daniel Frid Previous CFO	Q2 14	16,200			70,200	86,400

Note:

(1) Daniel Frid (the Company's previous CFO) received $70,200 in severance compensation.

Summary Compensation Table - Directors

Name Designation Position(s)	Period	Paid Compensation ($)	Accrued Compensation ($)	Share- and Option-based Awards ($)	All other compensation ($)	Total Compensation ($)
Hermes Chan Director Member of the Audit Committee	Q2 14		2,188			2,188
Shou-Ching Tang Director Member of the Audit Committee	Q2 14		1,555			1,555
Romano Robusto Director Audit Committee Chair	Q2 14		1,875			1,875
Markus Meile Director	Q2 14		1,250			1,250
Michael Sidler Director	Q2 14		1,250			1,250

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 January 31, 2014.

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 January 31, 2014 and MedMira's Board of Directors approved these documents prior to release.

Risk and uncertainties

For the six month period ended January 31, 2014, 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, 2013.