MedMira Inc.

Management's Discussion & Analysis
For the three months ended October 31, 2014

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 three months ended October 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, 2014. 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. (MIR.V)

The patented MedMira Rapid Vertical Flow 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 complemented 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' needs 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 (FDA), Canada (Health Canada), European Union (CE), China (CFDA) 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 a worldwide network of distributors and strategic business development partners with customers in all sectors of the healthcare industry, including laboratories, hospitals, point-of-care testing providers, governments, and public health agencies. Furthermore, the Company launched its Miriad™ product line in early 2014 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 Rapid Vertical Flow 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 alternative 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 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
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
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 four pending patents in eight markets.

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

Corporate update

During the first quarter of Fiscal Year 2015, MedMira closed a CAD $1.1 million equity investment with a new, arm's length investor from Asia. This investment strengthens the build out of the Company's sales and marketing initiatives in focus markets, including Latin America, China, and India, as well as growth efforts in the United States ahead of anticipated product launches for Reveal G4, Reveal HBsAg, and Multiplo HBc/HIV/HCV.

MedMira's development and commercialization projects with the United States military for Reveal HBsAg and Multiplo HBc/HIV/HCV are advancing as planned with all major milestones set out for the first quarter of FY2015 being met. The Company also made progress on Reveal G4, the next generation of its rapid HIV test, which can be used for serum, plasma and whole blood, as it moves all three products forward in the FDA approval process.

The first quarter saw MedMira win a new development and commercialization contract with Beacon Biomedical LLC (Beacon Biomedical) to develop a rapid colon cancer test on the Company's patented Rapid Vertical Flow Technology platform. The test will detect Cripto-1 (CR-1), a protein biomarker associated with early tumor formation and progression. Beacon Biomedical has secured the exclusive global rights for oncology-based tests using this biomarker from the National Cancer Institute at the National Institutes of Health in the United States.

New development and commercialization contracts are one of many positive gains MedMira is making with its RVF Technology platform and its Miriad product line. As the Company puts more emphasis on promoting its patented technology platform and putting the Miriad RVF Toolkit in the hands of researchers and academics, the opportunities continue to grow. The Miriad Research Use Only products are also gaining traction in the United States, where the Company has seen an increasing awareness and use of its products in the tissue bank sector for both mobile screening and safety.

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 ended October 31, 2014 and its audited consolidated financial statements as at and for the year-ended July 31, 2014.

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

Revenue	521	898	639	519	473	595	327	534
Cost of sales	327	677	428	316	332	343	277	374
Gross profit	**194**	**221**	**211**	**203**	**140**	**252**	**50**	**160**
Operating expenses	939	1,044	1,213	1,358	727	659	781	715
Other expenses (gains)	297	(462)	216	261	252	353	128	(1,629)
Net earnings (loss) before tax	**(1,043)**	**(361)**	**(1,218)**	**(1,417)**	**(839)**	**(760)**	**(859)**	**1,074**
Balance sheet	**Q1 2015**	**Q4 2014**	**Q3 2014**	**Q2 2014**	**Q1 2014**	**Q4 2013**	**Q3 2013**	**Q2 2013**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Current assets	1,352	1,484	1,411	3,216	5,392	822	597	1,172
Non-current assets	335	358	373	378	336	345	262	102
Total assets	**1,687**	**1,842**	**1,784**	**3,594**	**5,728**	**1,167**	**859**	**1,274**
Current liabilities	5,061	4,286	3,456	3,793	4,354	4,854	3,694	3,040
Non-current liabilities	3,265	4,246	4,842	5,098	5,253	5,423	5,516	5,726
Total liabilities	**8,327**	**8,532**	**8,298**	**8,890**	**9,607**	**10,277**	**9,210**	**8,766**
Total shareholders deficiency	(6,640)	(6,690)	(6,514)	(5,296)	(3,879)	(9,111)	(8,352)	(7,492)
Total liabilities and equity	**1,687**	**1,842**	**1,784**	**3,594**	**5,728**	**1,167**	**858**	**1,274**
Net earnings (loss) per share	(0.002)	(0.001)	(0.002)	(0.003)	(0.002)	(0.001)	(0.002)	0.003

First quarter analysis

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

	For the three months ended		
	31-Oct-14	31-Oct-13	Better(worse)
	$	$	$
Product			
Product sales	235,759	174,720	61,039
Royalties	(3,387)	-	(3,387)
Product cost of sales	(123,094)	(80,989)	(42,105)
Gross margin on product	109,278	93,731	15,547
Services			
Service sales	288,806	298,126	(9,320)
Service cost of sales	(204,234)	(251,424)	47,190
Gross margin on services	84,572	46,702	37,870
Operating expenses			
Research and development	(260,444)	(92,304)	(168,140)
Sales and marketing	(132,496)	(131,524)	(972)
Other direct costs	(119,902)	(117,291)	(2,611)
General and administrative	(426,086)	(386,266)	(39,820)
Total operating expenses	(938,928)	(727,385)	(211,543)
Operating loss	**(745,078)**	**(586,952)**	**(158,126)**
Non-operating income (expenses)			
Financing	(297,421)	(252,403)	(45,018)
Net (loss) income	**(1,042,499)**	**(839,355)**	**(203,144)**

Product revenue and gross margin

The Company recorded revenue from product sales in the three months ended October 31, 2014 of $235,759 as compared to $174,720 for the same period last year. Gross profit on product sales for the three months ended October 31, 2014 was $109,278 compared to $93,731 for the same period in 2013. The Company has increased its product sales in North America, Latin America and Asia Pacific due to its increasing demand on MedMira's Miriad product line (USA) and Multiplo product line in Latin America and in Asia Pacific.

Services revenue and gross margin

The Company recorded revenue from service sales of $288,806 in the three months ended October 31, 2014 (October 31, 2013 – $298,126) with a related gross margin of $84,572 (October 31, 2013 – $46,702). The Company earned revenue and gross margin on a research contract with the U.S. Army. The service sales revenue and the gross margin on services was in line with management's expectations.

Operating expenses

Total operating expenses increased by $211,543 from $727,385 for the three months ended October 31, 2013 to $938,928 for the three months ended October 31, 2014.

– Research and development expenses for the three months ended October 31, 2014 were $260,444 compared to

$92,304 for the same period in 2013. The Company continued its work on product enhancements and new product development. Additional costs were incurred due to regulatory expenses for the pending FDA approval and additional cost incurred from the on-going trials in the USA.

- Sales and marketing expenses for the three months ended October 31, 2014 were $131,934 compared to $131,524 for the same period in 2013. The sales and marketing expenses have been in line with the management's strategic plan for the preparation of the up-coming new product launches in the MedMira's main markets.
- Other direct costs for the three months ended October 31, 2014 were $119,902, compared to $117,291 for the same period in 2013.
- General and administrative expenses were $426,086 for the three months ended October 31, 2014, compared to $386,266 for the same period in 2013. The costs include the filing, renewing and maintaining of patents, charges for the ERP system implementation and the auditing and filing of the FY 2014 results.

Non-operating expenses

- Total non-operating expenses were $297,421 in the three months ended October 31, 2014, compared to $252,403 during the same period in 2013. The increase has been attributed to the change in the fair value measurement ($189,004) of its debt due to the reclassification from long to current liabilities.

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**	
	31-Oct-14	**31-Oct-13**	**31-Oct-14**	**31-Oct-13**
	$	**$**		
North America	150,861	110,749	288,806	298,126
Latin America and the Caribbean	48,797	34,792	-	-
Asia Pacific	32,714	29,177	-	-
Total revenue	**232,372**	**174,718**	**288,806**	**298,126**

Liquidity and capital resources

Cash and working capital

The Company had a cash reserve of $525,361 on October 31, 2014 as compared to $162,458 on July 31, 2014. The Company's net working capital position as at October 31, 2014 was negative $3.7 million compared to the July 31, 2014 working capital deficit of $2.8 million. This was mainly due to the on-going debt restructuring negotiations, which has caused the reclassification of two loans from long-term debt to current. The Company has incurred operational losses and negative cash flows on a cumulative basis since inception. For the three months ended October 31, 2014, the Company incurred a net loss from operating activities of approximately $0.7 million and negative cash flows from operations of $0.7 million, compared to a net loss from operations of $0.6 million and negative cash flows from operations of $0.8 million for the same period in 2013.

Operating activities

MedMira generated negative cash flows from operations of approximately $0.7 million for the three months ended October 31, 2014, compared to negative cash flows of $0.8 million for the three months ended October 31, 2013.

Financing activities

Cash inflows from financing activities were $1.1 million for the three months ended October 31, 2014, compared to cash inflow of $5.4 million for the same period in 2013.

Investing activities

Cash outflows from investments were nil for the three months ended October 31, 2014, compared to cash outflows of $0.01 million for the same period in 2013.

Debt

As at October 31, 2014, the Company had loans payable with a carrying value of $6.4 million compared to $6.2 million at July 31, 2014. The increase in the carrying value of loans payable from July 31, 2014 to October 31, 2014 was due to on-going debt repayment negotiations, which resulted into two loans being classified as current liabilities. The Company's loans have an average remaining payment term of 4.3 years and interest rates varying between 3% and 5%. As at October 31, 2014, two of the loans were in default due to on-going debt-restructuring 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 months ended October 31, 2014 and the audited consolidated financial statements for the year ended July 31, 2014.

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 October 31, 2014 was 536,364,320. 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 October 31, 2014.

The Company had 2,400,000 outstanding stock options on October 31, 2014. The outstanding stock options have a weighted average exercise price of $0.10 per share and a weighted average remaining term of 1.8 year. The number of outstanding warrants on October 31, 2014 was 334,100,000. 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 three months ended October 31, 2014, the Company realized a net loss of approximately $1.0 million (October 31, 2013 – net loss $0.8 million), consisting of a net loss from operations of $0.7 million (October 31, 2013– net loss $0.6 million), and other non-operating expenses of $0.3 million (October 31, 2013– loss of $0.3 million). Negative cash flows from operations were approximately $0.7 million (October 31, 2013 – $0.8 million). As at October 31, 2014, the Company had an accumulated deficit of $76.0 million (July 31, 2013 – $75.0 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 $3.4 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 $700.

Related party transactions

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

- Director fees totalling $3,750 were incurred (July 31, 2014 - $24,367).

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

- Accounts payable totalling $12,426 were due to directors (July 31, 2014 – $8,292).
- A short term loan totalling $125,359 was due to an officer (July 31, 2014 – $125,622).
- A short term loan totalling $476,608 was due to OnSite Lab Holding AG (July 31, 2014 – $480,918).
- A royalty provision was owed to OnSite Lab Holding AG of $260,000 (July 31, 2014 – $260,000).

Compensation summary

A) Officers

Name and Principal Position	Period	Paid Compensation ($)	Accrued Compensation ($)	Share- and Option-based Awards* ($)	All other compensation ($)	Total Compensation ($)
Hermes Chan CEO	Q1 15	25,846				25,846
Markus Meile CFO	Q1 15	16,686	12,314			29,000
Sing Chan COO	Q1 15	35,538				35,538

*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)	Period	Paid Compensation ($)	Accrued Compensation ($)	Share- and Option-based Awards ($)*	All other compensation ($)	Total Compensation ($)
Hermes Chan Member of the Audit Committee	Q1 15	-	-	-	-	-
Romano Robusto Director/Audit Committee Chair Member of Nomination & Compensation Committee	Q1 15	-	1,250	-	-	1,250
Michael Sidler Director	Q1 15	-	-	-	-	-
Marvyn Robar Director/Chairman of the Board/Member of Audit and Nomination & Compensation Committee	Q1 15	-	1,250	-	-	1,250
Colin MacGillivray Director/ Member of Audit and Nomination & Compensation Committee	Q1 15	-	1,250	-		1,250

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

Risk and uncertainties

For the three month period ended October 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, 2014.