MedMira Inc.

Management's Discussion & Analysis

For the year ended July 31, 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 three months and year ended July 31, 2015 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 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 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. The Company launched its Miriad™ product line in 2014 to create new opportunities in the high value technology licensing sector. This business 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 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

In Fiscal Year 2015, MedMira received a total of CAD $2.2 million in equity investments from a new, arm's length investor from Asia and OnSite Lab Holding AG (OnSite Lab). These investments fueled the Company's progressive sales and marketing initiatives in the significantly strategic U.S. market, as well as ongoing research and development and commercialization activities to expand product lines and meet increasing customer demand for high quality, multiplex rapid diagnostics.

MedMira's development and commercialization projects with the U.S. military for Reveal HBsAg and Multiplo HBc/HIV/HCV advanced as planned during this fiscal year with all major milestones being met and the multi-center clinical trials entering the final phase as the year came to a close. The Company completed the first in a series of planned submissions to the FDA with a supplement to the existing Premarket Approval for the FDA approval of the next generation of its Reveal rapid HIV test. The supplement requested approval of Reveal G4 Rapid HIV-1 Antibody Test (Reveal G4) which adds detection of HIV antibodies in fingerstick and venipuncture whole blood. These capabilities extend the Reveal product line into point-of-care settings, where demand for rapid HIV testing on the rise. HIV testing is now a part of routine medical care and increasingly being conducted in community-based settings where convenience and accessibility increase the likelihood of people getting tested. Subsequent to year end the Company received FDA approved for Reveal G4.

The Company's R&D and commercialization units continued to examine market conditions for new rapid diagnostic opportunities in infectious, sexually transmitted, and tropical diseases as well as other healthcare challenges where fast, accurate results can improve patient outcomes and the provider's bottom line. In 2015, the MedMira development and commercialization pipeline was fully engaged with new concepts, prototypes, and collaborative efforts on new RVF rapid tests. Additionally, the evolution of the RVF Technology platform continued to ensure that it maintains its position as a superior product engine for next generation rapid diagnostic solutions.

MedMira's sales and marketing activities focused on expanding marketing knowledge and understanding of the Company's RVF Technology platform and promoting its rapid diagnostic solutions. With one of the key strategic markets being the U.S., the Company established MedMira US Inc. as a wholly-owned subsidiary to support customer service, sales channel expansion, and logistics. The office is strategically situated in Atlanta, GA to easily access global markets, and potential collaborators at the Centers for Diseases Control and Prevention (CDC), the FDA, the Carter Center, among others.

Building on the introduction of the research-focused Miriad product line in the previous year, the Company concentrated efforts on the tissue bank sector where the number of customers evaluating or considering the implementation of Miriad HBc/HIV/HCV in their tissue collection procedures increased significantly in 2015. Miriad garnered much attention in the tissue bank space in Fiscal 2015 with two American Association of Tissue Banks (AATB) webinars focused on rapid testing, which featured customers presenting their experiences and results in using Miriad HBc/HIV/HCV to screen tissue at the point of collection. Subsequent to the year end the Company made its debut at the AATB Annual Meeting, where the MedMira exhibit featured branding and messaging centered on the Company's core positioning statement helping people know… and Miriad - the Know in Go/No Go messaging. An independent presentation on field results and user experiences with Miriad HBc/HIV/HCV test was also given by two customers during the event.

Market building activities in the U.S. in 2015 were capped off with the Company's participation in American Association for Clinical Chemistry (AACC) Annual Meeting and Clinical Lab Expo, the world's largest gathering for laboratory science. Attendees from around the world were able to see firsthand the speed and simplicity enabled by RVF Technology during demonstrations at the Company's AACC exhibit. Further market education took place as participants in the AACC OEM Lecture Series learned about how RVF Technology is powering next generation multiplexed diagnostics for point-of-care settings. The Company also presented a poster on the development of a multiplex rapid test for syphilis during AACC 2015.

While much of the attention focused on the U.S, there was also growing international interest in the multiplex capabilities of MedMira RVF Technology and rapid diagnostic solutions. The Company landed a $100,000 deal for Multiple HBc/HIV/HCV and Multiplo TP/HIV tests from a coalition of UNAIDS, the World Health Organization, and the Government of the Russian Federation. The tests were ultimately destined for use in a mobile health initiative in Uzbekistan. While this deal was financially significant, it more importantly increased the awareness of the Company's multiplex rapid diagnostics on the international stage, providing exposure to international aid agencies including UNICEF, the World Bank, and United Nations agencies working to improve global health.

In Fiscal 2015 the Company appointed Robyn Cook as the Company's Chief Corporate Officer to focus on organizational alignment and prioritization of corporate strategy, implementation of industry best practices, and maximizing excellence across all MedMira business units. The Company re-elected all Board members at the Annual General Meeting in January 2015. Subsequent to the close of year end, the Company's controlling shareholder OnSite Lab appointed Dr. Philippe Dro to replace Dr. Michael Sidler as its Board of Directors representative.

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, 2015 consolidated financial statements.

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

Income statement	**Q4 2015**	**Q3 2015**	**Q2 2015**	**Q1 2015**	**Q4 2014**	**Q3 2014**	**Q2 2014**	**Q1 2014**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Revenue	1,463	1,345	723	521	898	639	519	473
Cost of sales	1,028	1,114	403	327	678	428	316	332
Gross profit	435	231	320	194	220	211	203	141
Operating expenses	548	904	1,261	939	1,044	1,213	1,358	727
Other expenses (gains)	186	179	96	297	(462)	216	261	252
Net earnings (loss) before tax	(298)	(852)	(1,037)	(1,042)	(362)	(1,218)	(1,417)	(838)
Balance sheet								
	Q4 2015	**Q3 2015**	**Q2 2015**	**Q1 2015**	**Q4 2014**	**Q3 2014**	**Q2 2014**	**Q1 2014**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Current assets	1,520	991	925	1,352	1,484	1,411	3,216	5,392
Non-current assets	264	291	313	335	358	373	378	336
Total assets	1,784	1,282	1,238	1,687	1,842	1,784	3,594	5,728
Current liabilities	6,993	5,765	5,754	5,061	4,286	3,456	3,792	4,354
Non-current liabilities	2,495	2,923	3,159	3,265	4,246	4,842	5,097	5,253
Total liabilities	9,888	8,688	8,214	8,327	8,532	8,298	8,890	9,607
Total shareholders deficiency	(7,704)	(7,406)	(7,676)	(6,640)	(6,690)	(6,514)	(5,296)	(3,879)
Total liabilities and equity	1,784	1,282	1,238	1,687	1,842	1,784	3,594	5,728
Net earnings (loss) per share	(0.001)	(0.001)	(0.002)	(0.002)	(0.001)	(0.002)	(0.003)	(0.002)

Fourth quarter analysis

The following table compares the results of operations for the three months ended July 31, 2015 to the three months ended July 31, 2014.

	For the three months ended		
	31-Jul-15	**31-Jul-14**	**Better (worse)**
	$	**$**	**$**
Product			
Product sales	159,428	313,825	(154,397)
Royalties	-	10,900	(10,900)
Product cost of sales	(52,431)	(147,553)	95,122
Gross margin on product	106,997	177,172	(70,175)
Services			
Service sales	1,303,805	573,255	730,550
Service cost of sales	(975,160)	(529,115)	(446,045)
Gross margin on services	328,645	44,140	284,505
Operating expenses			
Research and development	330,932	170,891	160,041
Sales and marketing	(160,514)	(226,449)	65,935
Other direct costs	(159,869)	(188,239)	28,370
General and administrative	(558,624)	(800,801)	242,177
Total operating expenses	(548,073)	(1, 044,598)	496,523
Operating (expense) income	(112,433)	(823,286)	710,853
Non-operating expenses			
Financing (expense) income	(185,879)	462,648	(648,527)
Net Loss	(298,312)	(360,638)	62,326

Product revenue and gross margin

The Company recorded revenue from product sales and royalties in the quarter ended July 31, 2015 of $159,428 as compared to $324,725 for the same period last year. The decrease in revenue was due to the management's focus on high profit and low volume markets, which increased the overall gross profit margin. Gross profit for the quarter was $106,997 (67.1%) compared to $177,172 (54.6%) in the same period in 2014. The cost of product sales was $52,431 during the three months ended July 31, 2015 (July 31, 2014– $147,553).

Service revenue and gross margin

The Company recorded revenue from service sales of $1,303,805 in the three months ended July 31, 2015 (July 31, 2014 - $573,255) with a related gross margin of $328,645 (July 31, 2014 - $44,140). The Company earned revenue and gross margin on two research contracts with the United States military. The current year gross margin on services was in line with the management's expectations. The increase of the profit margin was due to the strong USD in FY2015.

Operating expenses

Total operating expenses decreased to $548,073 in the quarter ended July 31, 2015, compared to 1,044,598 during the same period in 2014.

- Research and development recovery for the quarter ended July 31, 2015 were $330,932, compared to $145,905 for the same period last year.
- Sales and marketing expenses for the quarter ended July 31, 2015 was $160,514 compared to $226,449 for the same period last year.
- Other direct costs for the three months ended July 31, 2015 were $159,869 compared to $188,239 for the same period last year.
- Administrative expenses were $558,624 for the quarter ended July 31, 2015, compared with $800,801 for the same period in 2014. The decrease of 30.2% was due to the cost restructuring measures implemented during FY2015.

Non-operating income and expenses

- The Company had a financing expenses of $185,879 in comparison to the gain of $462,648 in FY2014, which was due to the re-measurement of the royalty provision and the long-term debt.

Year to date analysis

The following table compares the results of operations for the year ended July 31, 2015 to the year ended July 31, 2014.

	For the year ended		
	31-Jul-15	**31-Jul-14**	**Better(worse)**
	$	**$**	**$**
Product			
Product sales	1,130,419	843,568	286,851
Royalties	753	10,900	(10,147)
Product cost of sales	(443,002)	(436,406)	(6,596)
Gross margin on product	688,170	418,062	270,108
Services			
Service sales	2,921,169	1,673,711	1,247,458
Service cost of sales	(2,428,973)	(1,316,978)	(1,111,995)
Gross margin on services	492,196	356,733	135,463
Operating expenses			
Research and development	(604,143)	(294,425)	(309,718)
Sales and marketing	(503,535)	(1,086,328)	582,793
Other direct costs	(623,742)	(609,513)	(14,229)
General and administrative	(1,920,421)	(2,353,152)	432,731
Total operating expenses	(3,651,841)	(4,343,418)	691,577
Operating (expense) income	(2,471,475)	(3,568,623)	1,097,148
Non-operating expenses			
Financing (expense) income	(758,090)	(266,716)	(491,374)
Net Loss	(3,229,565)	(3,835,339)	605,774

Product revenue and gross margin

The Company recorded revenue from product sales in the year ended July 31, 2015 of $1,131,172 as compared to $854,468 for the same period last year. Gross profit on product sales for the year was $688,170 compared to $418,062 in the same period last year. The increase in gross profit margin was due to higher sales in high margin markets, which was in line with the management's focus strategy. Current year gross profit was in line with management expectations.

Service revenue and gross margin

The Company recorded revenue from service sales in the year ended July 31, 2015 of $2,921,169 as compared to $1,673,711 for the same period last year. The Company earned revenue and gross margin on two research contracts with the United States military. The current year margin on services was in line with management expectations.

Operating expenses

Total operating expenses decreased by $691,577, from $4,343,418 for the year ended July 31, 2014 to $3,651,841 for the year ended July 31, 2015.

- Research and development expenses for the year ended July 31, 2015 were $604,143 compared to $294,425 for the year ended July 31, 2014. Actual research expenses in July 31, 2015 for the year were $3,033,116 (July 31, 2014 – $1,910,445 which was offset by reimbursements of research costs (July 31, 2014 – $299,042) and allocation of $2,428,973 to cost of sales (July 31, 2014 – $1,316,978). The comparative increase in research costs was directly attributable to greater activity related to the United States military contracts and new product developments.
- Sales and marketing expenses for the year ended July 31, 2015 were $503,535 compared to $1,086,328 for the same period last year. The decrease of the Sales and Marketing expenditure has been in line with the management's vision to focus on high margin markets only.
- Other direct costs for the year ended July 31, 2015 were $623,742, compared to $609,513, for the same period last year.
- General and administrative expenses were $1,920,421 for the year ended July 31, 2015, compared to $2,353,152 for the same period in 2014. The decrease in administrative expense was due to the cost restructuring implemented in FY2015.

Non-operating income and expenses

Total other losses were $758,090 in the year ended July 31, 2015, compared to a gain of $266,716 during the same period in 2014.

- Financing expenses, including interest expense, were $758,090 for the year ended July 31, 2015 in comparison to $266,716 in the same period last year.

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-15	31-Jul-14	31-Jul-15	31-Jul-14
	$	$	$	$
North America	1,452,193	748,373	3,591,649	2,206,708
Latin America and the Caribbean	-	60,344	111,721	142,225
Europe	6,273	13,996	27,130	19,045
Asia Pacific	4,518	75,267	82,138	160,201
West Asia	-	-	238,663	-
Middle East	-	-	791	-
Other	294	-	294	-
Total revenue	**1,463,233**	**897,980**	**4,052,341**	**2,528,179**

Liquidity and capital resources

Cash and working capital

The Company had a cash reserve of $262,392 on July 31, 2015, as compared to $162,458 on July 31, 2014. The Company's net working capital position as of July 31, 2015 was a deficit of $5.5 million compared to the July 31, 2014 working capital deficit of $2.8 million. The Company has incurred losses and negative cash flows on a cumulative basis since inception. For the year ended July 31, 2015, the Company incurred a net loss from operating activities of approximately $2.5 million and negative cash flow of $2.3 million, compared to a net loss from operations of $3.6 million and negative cash flow from operations of $4.7 million for the same period in 2014. In September 2015, subsequent to year-end, the Company successfully raised an additional investment of $5 million from OnSite Lab Holding AG to fund the required operating activities.

Operating activities

MedMira generated negative cash flows from operations of $2.3 million for the year ended July 31, 2015, compared to negative cash flows of $4.4 million for the year ended July 31, 2014.

Financing activities

Net cash inflows from financing activities was $2.4 million for the year ended July 31, 2015, compared to $4.9 million for the same period in 2014.

Investing activities

Cash outflow from investments decreased to $-nil during the year ended July 31, 2015, compared to $96,288 for the same period in 2014.

Debt

As at July 31, 2015, the Company had loans payable with a carrying value of $7.0 million compared to $6.2 million at July 31, 2014. The increase in the carrying value of loans payable from July 31, 2014 to July 31, 2015 is due to an increase in short term loans and two loans were in default due to ongoing debt re-negotiations. The Company's loans have an average payment term of 3 years.

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, 2015 condensed interim consolidated financial statements.

Equity/Shares

The Company is authorized to issue an unlimited number of common shares without nominal par value. During fiscal year 2015 the company issued 44,000,000 common shares. The number of issued and outstanding common shares on July 31, 2015 was 558,364,320. 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, 2015.

The Company had 2,921,875 outstanding stock options on July 31, 2015. The outstanding stock options have a weighted average exercise price of $0.10 per share and a weighted average remaining term of 1.6 year. The number of outstanding warrants on July 31, 2015 was 306,100,000. The outstanding warrants have a weighted average exercise price of $0.10 per share.

Off balance sheet arrangements

The Company was not party to any off balance sheet arrangements as of July 31, 2015.

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 and bank balances: Classified as loans and receivables and recorded at amortized cost using the effective interest method.
- Trade and other receivables: After initial fair value measurement, trade and other receivables are measured at amortized cost using the effective interest method.

Financial liabilities

- Total bank indebtedness 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.

Management believes the carrying value of accounts receivable, bank indebtedness, and accounts payable and accrued liabilities approximate fair value at the 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. Senior 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 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 year ended July 31, 2015, the Company realized a net loss of approximately $3.6 million (July 31, 2014 – $3.8 million), consisting of a net loss from operations of approximately $2.5 million (July 31, 2014 – $3.6 million), and other non-operating losses of approximately $0.8 million (July 31, 2014 – profit of approximately $0.3 million). Negative cash flows from operations were approximately $2.6 million (July 31, 2014 – $3.5 million). As at July 31, 2015, the Company had an accumulated deficit of approximately $78.0 million (July 31, 2014 – $75.0 million) and a negative working capital position of $5.7 million (July 31, 2014 – $2.8 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 $4.7 million. These circumstances cast 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.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. 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 derives approximately 83% (July 31, 2014—85%) of its revenue from three (July 31, 2014—two) main customers and, for these customers, assesses the recoverability of each account on a regular basis. As of July 31, 2015, 99% of the accounts receivable balance is due from two customers (July 31, 2014—92% due from three customers) and no other customers account for more than 10% of the accounts receivable balances as at July 31, 2015.

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, 2015:

- A short term loan totalling $180,000 bearing 5% interest was received from OnSite Lab Holding AG. During the year $419 in interest was accrued against this loan (2014 - $478,920 and $1,998 in interest).
- Short term loans totalling $78,952 bearing 5% interest were received from the Chief Financial Officer. During the year, $2,356 in interest was accrued against these loans (2014 - $119,730 and $5,892 in interest).
- A royalty agreement was entered into with OnSite Lab Holding AG In exchange for $270,000, OnSite Lab Holding AG received a 10% royalty on all future US sales of Reveal G4 product for a five year period commencing on the day of the first full payment of CAD $100,000 worth of product (2014 – nil).
- Director fees totalling $13,750 were incurred (2014 - $24,367).
- Short term loan totalling $350,000 bearing interest at 5% was received from Andurja (2014 - $0)

The following balances with related parties were outstanding at July 31, 2015:

- Accounts payable totalling $10,543 was due to directors (2014 – $8,292).
- Accounts payable totalling $193,629 was due to officers (2014 - $0).
- A short term loan totalling $180,419 was due to OnSite Lab Holding AG (2014 – $480,918).
- A short term loan totalling $229,585 was due to the Chief Financial Officer (2014 – $125,622).
- A royalty provision was owed to OnSite Lab Holding AG of $260,000 (2014 – $260,000)
- A short term loan totalling $ 78,291 was due to an employee (2014 - $0)
- A short term loan totalling $354,123 was due to Andurja (2014 -$0)

Summary Compensation Table – Officers

Name and Principal Position	Period	Paid Compensation ($)	Accrued Compensation ($)	Paid Compensation related to previous fiscal years ($)	Share- and Option-based Awards* ($)	All other compensation ($)[1]	Total Compensation ($)
Hermes Chan CEO	Fiscal 2015	96,000	92,000	-	-	-	188,000
Sing Chan COO	Fiscal 2015	132,000	-	-	-	-	132,000
Robyn Cook CCO	Fiscal 2015	101,941	-	-	679	25,000	127,620
Markus Meile CFO	Fiscal 2015	32,443	113,241	18,347	34,665	-	198,696

Note:

(1) All other compensation include, 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 Designation Position(s)	Period	Paid Compensation ($)	Accrued Compensation ($)	Share- and Option-based Awards ($)*	Paid Compensation related to previous fiscal year ($)	Total Compensation ($)
Hermes Chan Director	Fiscal 2015	-	-	6,793	-	6,793
Romano Robusto Director/Audit Committee Chair Member of Nomination and Compensation Committee	Fiscal 2015	2.500	2,500	5,094	5,276	15,370
Michael Sidler Director	Fiscal 2015	-		6,793		6,793
Marvyn Robar Director/Chairman of the Board/Member of Audit and Nomination & Compensation Committee	Fiscal 2015	1,250	3,750	-	2,945	7,945
Colin MacGillivray Director/Nomination & Compensation Committee Chair/Member of Audit Committee	Fiscal 2015	1,250	2,500	3,566	2,411	9,727

*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.

Subsequent events

In September 2015, the Company completed a $5 million equity investment from its controlling shareholder OnSite Lab Holding AG. Under the terms of the deal, the investor acquired 100,000,000 equity units at $0.05 per unit. Each equity unit consists of one common share and one common share purchase warrant and is subject to a four month hold period which expires on January 31, 2016. Each full warrant entitles the investor to purchase one common share of MedMira at $0.10 per share exercisable over four years.

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, 2015.

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 U.S. 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 U.S. 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.