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MedMira Inc.

Interim Consolidated Financial Statements
For the three month period ended October 31, 2010
(Unaudited—Prepared by Management)

In accordance with National Instruments 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the period ending October 31, 2010.

MedMira Inc.

Balance Sheet as at October 31, 2010 and July 31, 2010

	October 31, 2010 $	July 31, 2010 $
Assets		
Current assets		
Cash	37,329	-
Accounts receivable	47,915	40,289
Inventory	398,883	359,641
Prepaid expenses	32,511	59,366
Investment tax credits recoverable	53,098	53,098
	569,736	512,394
Property and equipment	46,642	55,782
Intangible assets (note 3)	2	2
	616,380	568,178
Liabilities		
Current liabilities		
Bank indebtedness	-	62,745
Accounts payable and accrued liabilities	4,534,394	3,887,097
Unearned revenue	534,520	591,108
Promissory notes payable to related parties (note 4)	5,479,388	5,045,272
Promissory notes payable to non-related parties (note 4)	718,666	501,790
Convertible debentures payable to related parties (note 5)	650,000	650,000
Convertible debentures payable to non-related parties (note 5)	791,667	791,667
Current portion of long term debt payable to non-related parties (note 6)	5,689,766	5,272,189
	18,398,401	16,801,868
Long-term debt (note 6)		430,328
	18,398,401	17,232,196
Shareholders' Deficiency		
Share capital and warrants (note 7)	50,448,661	50,681,078
Contributed surplus (note 7)	1,882,043	1,656,124
Deficit	(70,112,725)	(69,001,220)
	(17,782,021)	(16,664,018)
	616,380	568,178

Going-concern (note 1)

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MedMira Inc.

Consolidated Statements of Loss, Comprehensive Loss and Operations and Deficit
For the three months ended October 31, 2010 and 2009

	October 31, 2010 $	October 31, 2009 $
Sales	176,861	375,802
Cost of sales	91,090	158,354
Gross profit	85,771	217,448
Expenses		
Amortization	8,989	4,242
General and administrative	154,298	343,804
Research and development	74,573	64,330
Sales and marketing	752	36,567
Wages and benefits	297,050	291,065
	535,662	740,008
Net loss before the following	(449,891)	(522,560)
Other income (expenses)		
Interest expense	(716,693)	(544,166)
Foreign exchange gain (loss)	55,079	(6,266)
Net loss and comprehensive loss for the years	(1,111,505)	(1,072,992)
Deficit—Beginning of years	(69,001,220	(64,582,558)
Deficit—End of years	(70,112,725)	(65,655,550)
Basic and diluted loss per share (note 10)	(0.01)	(0.01)

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MedMira Inc.

Consolidated Statements of Cash Flows
For the three months ended October 31, 2010 and 2009

	October 31, 2010 $	October 31, 2009 $
Cash provided by (used in)		
Operating activities		
Net loss and comprehensive loss for the years	(1,111,505)	(1,072,992)
Changes (credits) to income not involving cash		
Amortization	9,139	4,989
	(1,102,366)	(1,068,003)
Net change in non-cash working capital balances related to operations		
Decrease (increase) in accounts receivable	(7,626)	(23,344)
Decrease (increase) in inventory	(39,242)	36,609
Decrease (increase) in prepaid expenses	26,855	36,102
Decrease (increase) in investment tax credits recoverable	-	13,000
Increase (decrease) in accounts payable and accrued liabilities	647,297	(16,373)
Increase (decrease) in unearned revenue	(56,588)	31,018
	(531,670)	(990,991)
Financing activities		
Net change in bank indebtedness	(62,745)	(3,468,709)
Proceeds from issuance of share capital and warrants (net of share issuance costs)	(6,498)	1,712,188
Issuance (repayment) of long-term debt	(12,750)	2,791,554
Issuance (repayment) of promissory notes	650,992	(9,460)
	568,999	1,025,573
Investing activities		
Purchase of property and equipment	-	(20,433)
	-	(20,433)
Net change in cash during the years and Cash—End of years	37,329	14,149

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1 Nature of operations and going-concern

Nature of operations

MedMira Inc. (the "Company"), through its subsidiaries, is engaged in the business of research and development and manufacturing of medical diagnostic testing kits and other medical devices. The Company invests in research in order to maintain its position in the world-wide market place in the current areas of expertise.

Going-concern

The accompanying financial statements have been prepared on the basis of Canadian generally accepted accounting principles ("GAAP") applicable to a "going concern", which contemplates the realization of assets and liquidation of liabilities during the normal course of operations. However, certain adverse conditions and events cast significant doubt upon the validity of this assumption.

The Company has incurred losses and negative cashflows on a cumulative basis since inception. For the three months ended October 31, 2010, the Company incurred a net loss of approximately $1.1 million and negative cashflows from operations of approximately $1.1 million. As at October 31, 2010, the Company has an accumulated deficit of approximately $70.1 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 promissory notes payable of approximately $6.2 million, long-term debt repayments $5.7 million due in fiscal 2011, and redemption of convertible debentures of approximately $1.4 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.

In recognition of these circumstances, subsequent to October 31, 2010, the Company has secured net funding, after settlement of current debt obligations, in the amount of approximately $473,000 (see note 11). The December 2010 $1 million equity investment was applied against the November 2010 loans and prior year loans. These undertakings, while significant, are not sufficient in and of themselves to enable the Company to fund all aspects of its operations and, accordingly, 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 the issuance of new equity instruments. Nevertheless, there is no assurance that this initiative will be successful.

The Company is subject to risks associated with early stage companies, including but not limited to, dependence on key individuals, competition from substitute services and larger companies, and the continued successful development and marketing of its products and services. The Company's ability to continue as a going-concern is dependent upon its ability to generate positive cash flow from operations and secure additional financing. These financial statements do not reflect the adjustments to carrying values of assets and liabilities, and the reported expenses and balance sheet classifications that would be necessary, were the going-concern assumption inappropriate and these adjustments material.

2 Significant accounting policies

Financial statement presentation

These financial statements have been prepared in accordance with GAAP. All amounts are expressed in Canadian dollars unless otherwise stated.

a) Changes in accounting policies

Goodwill and intangible assets and financial instruments

Goodwill and Intangible Assets

On August 1, 2009, the Company adopted CICA Handbook Section 3064, "Goodwill and Intangible Assets" replacing Section 3062, "Goodwill and Other Intangible Assets" and Section 3450 "Research and Development Costs". The section establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. The provisions relating to the definition and initial recognition of intangible assets, including internally generated intangible assets, are aligned with International Accounting Standard ("IAS") 38, "Intangible Assets". The adoption of this section had no impact on the Company's consolidated financial position or results of operations.

Financial Instruments

In June 2009, the Accounting Standards Board ("AcSB") issued amendments to Section 3862, "Financial Instruments – Disclosures", to require enhanced disclosures about the relative reliability of the data, or "inputs", that an entity uses in measuring the fair values of its financial instruments. The new requirements are effective for annual financial statements for fiscal years ending after September 30, 2009.

The Company has applied these standards without restatement of prior years.

b) Future accounting changes

The following is an overview of accounting standards that the Company will be required to adopt in future years:

1The CICA issued new accounting standards: International Financial Reporting Standards ("IFRS"), Section 3064, Business Combinations, Section 1601, Consolidated Financial Statements, and Section 1602, Non-controlling Interest. Sections 1581, 1601, 1602 and IFRS are effective for fiscal years beginning on or after January 1, 2011 and accordingly, the Company is anticipating adopting them on August 1, 2011, but as early adoption is permitted, the Company is considering its options.

International Financial Reporting Standards ("IFRS")

In January 2006, the AcSB announced its decision to replace Canadian GAAP with IFRS. In February 2008, the AcSB confirmed January 1, 2011 as the mandatory changeover date to IFRS for all Canadian publicly accountable enterprises. This means that the Company will be required to prepare IFRS financial statements for the interim periods and fiscal year ends beginning in 2011.

2 Significant accounting policies (continued)

While IFRS is based on a conceptual framework similar to Canadian GAAP, there are significant differences. The Company will commence reporting under the new standards on August 1, 2011. The Company is currently assessing the impact of IFRS on its information systems and its financial statements.

Business Combinations, Consolidated Financial Statements and Non-controlling Interests

In January 2009, the CICA issued Section 1582, “Business Combinations”, Section 1601, “Consolidated Financial Statements”, and Section 1602, “Non-controlling Interests” which replace Section 1581, “Business Combinations” and Section 1600, “Consolidated Financial Statements". Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1582 is applicable for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Early adoption of this section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the entity’s interim and annual consolidated financial statements for fiscal years beginning on or after January 1, 2011. While permitted, the Company does not expect to early adopt these sections.

The Company is in the process of evaluating the impact of disclosure, presentation and measurement of these new standards.

Principles of consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries:

MedMira Laboratories Inc.

Precious Life Saving Products Inc.

MedMira Laboratories (HK) Ltd.

Maple Biosciences Inc.

1091089 Alberta Ltd.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances and highly liquid investments with maturity dates not extending over ninety days and do not include bank overdrafts.

Foreign currency translation

Foreign currency accounts are translated into Canadian dollars as follows:

2 Significant accounting policies (continued)

At the transaction date, each asset, liability, revenue or expense is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year end date, monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in the determination of net loss for the current year.

Inventory

Raw materials are valued at the lower of cost and net realizable value, determined using the first-in, first-out method, and replacement cost. Work-in-process and inventory of finished goods are valued at the lower of cost, determined on a specific item basis, and net realizable value.

Property and equipment

Property and equipment are recorded at cost less accumulated amortization. Amortization is provided for on a straight-line basis as follows:

Manufacturing equipment	5 years
Laboratory equipment	5 years
Office equipment and furniture	5 years
Leasehold improvements	over term of the lease

Intangible assets

Intangible assets represent intellectual properties and product technology which are recorded at cost and are being amortized on a straight-line basis over their useful life estimated at 11-15 years. The value of intellectual properties and product technology is regularly evaluated by reviewing the returns of the related business, taking into account the risks associated with the investment. Any impairment in the value of the intellectual properties and product technology is written off against earnings.

Research and development

All research costs are charged to operations in the year of expenditure. Development costs are capitalized if they meet the criteria for capitalization and amortized over the period of the expected life. Development costs are written off when there is no longer expectation of future benefits.

2 Significant accounting policies (continued)

Investment tax credits

Investment tax credits arise as a result of the Company incurring eligible research and development expenses and are recorded as a reduction of the current year expense when it is determined it is more likely than not they will be realized.

Stock-based compensation

The Company accounts for stock-based compensation as required by the CICA Handbook Section 3870, *Stock-Based Compensation and Other Stock-Based Payments*. This section requires that all stock-based payments, including those issued to employees, be measured at fair market value as of the date of grant or award. The fair market value of stock-option awards granted to employees or non-employees is recorded as an expense in the statement of operations over the related vesting period and shown as "Contributed surplus" on the balance sheet. The fair value of share options is estimated using an option-pricing model on the grant date.

Future income taxes

The Company uses the liability method of accounting for income taxes. Under this method, current income taxes are recognized for estimated income taxes payable for the current year. Future tax assets and liabilities are recognized for the future income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the substantively enacted tax rates that will be in effect when the differences are expected to reverse or when losses are expected to be utilized. The effect on future income tax assets and liabilities of a change in tax rates is recognized in operations in the year in which the change occurs. Future income tax assets are evaluated and if realization is not considered, more likely than not, a valuation allowance is provided.

Revenue recognition

Revenue from sales of products is recognized when title passes to customers, which is generally at the time the products are shipped, and ultimate collection is reasonably assured.

Revenue from license fees is recognized based on the terms of the license agreement and when ultimate collection is reasonably assured. Licenses subject to attaining milestones are recognized as milestones are reached. Non-refundable up front license fees are recognized as revenue over the term of the license.

2 Significant accounting policies (continued)

Management estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from management's best estimates as additional information becomes available in the future. The main critical accounting estimates requiring key assumptions and judgment are the impairment of assets, accrued liabilities and capital and warrant valuation.

3 Intangible assets

	2010 $	2009 $
Intellectual properties	2,584,899	2,584,899
Product technology	258,137	258,137
Accumulated amortization and write-downs	(2,843,034)	(2,843,034)
	2	2

The Company acquired product technology and intellectual properties through the acquisition of Precious Life Savings Products Inc. and MedMira Laboratories Inc. In 2001, the Company recorded an impairment charge to write-down these assets to a nominal value.

During 2006, the Company acquired intellectual properties, in the form of patents, and technology with a value of $2,102,569 related to the acquisition of Maple Biosciences Inc. and the BAG-1 technology. During 2008, management reduced its research and development efforts related to these intangible assets and recorded an impairment charge to write-down these assets to a nominal value in 2008.

4 Promissory notes payable

	October 31, 2010 $	July 31, 2010 $
Due to directors and officers on demand, interest at 3% - 25%. A director has provided a personal guarantee for one of the promissory notes in the amount of US $380,290.	5,479,388	5,045,272
Due on demand, interest at 12% - 15%	718,666	501,790
	6,198,054	5,547,062

5 Convertible debentures

	October 31, 2010 $	July 31, 2010 $
Convertible debenture for a two-year term with a coupon interest rate of 10% payable monthly. The principal is repayable in full on February 29, 2010. The debenture is convertible to common shares at any time during the term at $0.33 per share at the option of the holder. If the entire debenture was converted to common shares it would result in the issuance of an additional 2,398,990 common shares. The debenture is currently in default and is classified as a current liability.	791,667	791,667
Convertible debenture, coupon interest rate of 9% per annum and will mature four years from the date of close. The debentures are convertible in whole or in part into common shares of MedMira Inc. at $0.15 per share during the first two years. The conversion price will increase by 10% in year three and increase by an additional 10% in year four. If the remaining balance of the debenture was converted to common shares, it would result in the issuance of an additional 4,333,333 common shares. The debenture is classified as a current liability as it is in default.	650,000	650,000
	1,441,667	1,441,667
Less: Current portion payable to related parties	650,000	650,000
Current portion payable to non-related parties	791,667	791,667
	–	–

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6 Long-term debt

	October 31, 2010 $	July 31, 2010 $
Loan payable to Atlantic Canada Opportunities Agency, non-interest bearing, payable in six payments of $500 and 40 payments of $9,950 and one payment of $5,935 beginning November 2006. During 2010 payment terms changed to be six payments of $1,000 and 37 payments of $9,950 for the remainder of the balance. The loan is currently in default and classified as a current liability.	369,085	374,086
Loan payable to Atlantic Canada Opportunities Agency, non-interest bearing, payable in 48 equal monthly principal instalments beginning January 2008. During 2010 payment terms changed to be six payments of $500 and 41 payments of $4,117. The loan is currently in default and is classified as a current liability.	168,881	171,382
Loan payable to the Atlantic Canada Opportunities Agency, non-interest bearing, payable in five payments of $750 and 60 payments of $8,334 beginning July 2010. The loan is currently in default and is classified as a current liability.	497,000	500,000
Loan payable to the Atlantic Canada Opportunities Agency, non-interest bearing, payable in four payments of $750 and 60 payments of $8,334 beginning August 2010. The loan is currently in default and is classified as a current liability.	497,750	500,000
Loan payable, 10% per annum, payable in 33 monthly instalments interest and principal of $23,415 starting March 2009. The loan is currently in default and is classified as a current liability.	677,050	677,049
Loan payable to Nova Scotia Government Department of Economic and Rural Development with interest bearing at Province's five year cost of funds plus 2%. The loan is payable in 54 monthly instalments beginning June 1, 2010. The loan is secured by first interest on intellectual property and on the Maple Bio sensor technology. The loan principle payments are in arrears and therefore the loan is classified as a current liability.	3,480,000	3,480,000
	5,689,766	5,702,517
Current portion payable to non-related parties	5,689,766	5,272,189
Long-term debt	-	430,328

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7 Share capital and warrants

a) Authorized

Unlimited number of Series A preferred shares, non-voting, non participating, redeemable at $.001 per share after March 31, 2010, convertible into an equal number of common shares upon the Company meeting certain milestones. The preferred shares earn no dividends.
Unlimited number of voting common shares without nominal or par value.

b) Issued

	Number of					
	Common shares	Preferred shares	Stock purchase warrants	Common shares $	Preferred shares $	Warrants $
Balance, July 31, 2010	202,264,320	5,000,000	50,452,833	49,497,106	2,500	1,181,472
Warrants expired			(4,333,333)			(225,919)
Share issue costs	–	–	–	(6,498)	–	–
Balance, October 31, 2010	202,264,320	5,000,000	46,119,500	49,490,608	2,500	955,553
Total share capital and warrants						50,448,661

(i) The total common shares issued and outstanding includes 4,064,464 common shares held in escrow, scheduled to be released in accordance with pre-determined dates.

(ii) The Series A preferred shares have a stated capital of $2,500 (2010 - $2,500).

c) Stock option plan

The Company has established a stock option plan for its shareholders, employees, officers, directors and consultants. All options vest immediately upon issue and the Company is authorized to issue options not to exceed 10% of the number of shares issued and outstanding in the capital of the Company calculated on a non-diluted basis. The options are exercisable into an equivalent of 4,713,225 common shares at exercise prices ranging between $0.10 and $0.59. The options expire between the dates of November 25, 2010 and January 4, 2014. All options outstanding at October 31, 2010 are exercisable.

7 Share capital and warrants (continued)

c) Stock option plan (continued)

	October 31, 2010			July 31, 2010		
	Number (000's)	**Weighted average exercise price $**	**Other contributed surplus $**	**Number (000's)**	**Weighted average exercise price $**	**Other contributed surplus $**
Outstanding, Beginning of year	4,713	0.14	1,030,354	5,007	0.14	1,030,354
Granted	–	–	–	–	–	–
Exercised	–	–	–	–	–	–
Expired/forfeited	-	-	–	(294)	0.11	–
Options at year-end	4,713	0.14	1,030,354	4,713	0.14	1,030,354
Equity component of convertible debenture			595,770			595,770
Cumulative ascribed value of expired warrants			255,919			30,000
			1,882,043			1,656,124

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7 Share capital and warrants (continued)

d) Stock purchase warrants

Number	Exercise Price $	Expiry date
6,119,500	0.10	December 22, 2013
40,000,000	0.06 – 0.10	November 4, 2012
46,119,500		

e) Equity line of credit

The Company entered into an agreement with Cornell Capital Partners, LP ("Cornell") where the Company had the right, but not the obligation, to require Cornell to purchase up to $10 million of common shares over a 58-month period beginning on November 22, 2005 and ending on September 6, 2010. To exercise its draw down rights, the Company was required to deliver a draw down notice to Cornell specifying, among other things, the minimum price at which the Company was prepared to sell its shares, the dollar amount of common shares that the Company was willing to sell, to a maximum of $150,000, and the draw down pricing period start date. The purchase price of the common shares was calculated, at the time of issuance, using a formula based on a percentage of volume-weighted average market price ("VWAP") over a 10-day pricing period. As of October 31, 2010, the Company has completed draw downs totalling $3,621,210 and issued 28,498,336 common shares to Cornell under the terms of the equity line.

8 Related party transactions

a) The following transactions with shareholders and directors were in the normal course of operations and are measured at the exchange amount as agreed upon by the parties:

	October 31, 2010 $	October 31, 2009 $
Interest expense	543,223	351,106

9 Segmented information

The Company has determined that it has a single reportable segment and has two product lines including commercial products and research products which are broken down as follows:

	October 31, 2010 $	October 31, 2009 $
Commercial Diagnostic Tests	174,076	375,802
Miriad Research Tests/Kits	2,785	-

The Company has entered a new market sector with a research product line aimed at medical and life sciences researchers. The line consists of fully commercialized products designed for in vitro diagnostics (IVD) used by research specialists for a variety of uses as well as a unique Developer Toolkit.

The company's geographic information is as follows:

	October 31, 2010 $	October 31, 2009 $
Sales		
North America	120,888	249,615
Central and South America	-	13,846
Europe	54,539	66,523
Asia	221	41,529
Other	1,213	4,289
	176,861	375,802

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10 Basic and diluted loss per share

Loss per common share is calculated as follows:

	October 31, 2010 $	October 31, 2009 $
Net loss	(1,111,505)	(1,072,992)
Weighted average number of common shares – Basic and diluted	202,264,320	150,831,426
Loss per common share – Basic and diluted	(0.01)	(0.01)

For the three month period ended October 31, 2010, the diluted weighted average number of common shares outstanding is the same as the basic weighted average number of common shares outstanding, as the Company had a net loss and the exercise of potentially dilutive instruments would be anti-dilutive.

11 Subsequent events

In November 2010, the Company obtained loans of $320,000 and US$150,000 from a shareholder. The loans each bear interest at the rate of 3% per annum and are due on demand.

In December 2010, the Company completed a $1 million equity investment from Andurja AG. Under the terms of the deal Andurja acquired 20,000,000 equity units at $0.05 per unit. Each equity unit consists of one common share and one common share purchase warrant. Each full warrant entitles Andurja to purchase one common share of MedMira at $0.10 per share for a four year period. The common shares and the warrants are subject to a four month hold period that expires four months from the day of share issuance. With the completion of this transaction, Andurja now owns 27.1% of undiluted common shares of MedMira. The December 2010 $1 million equity investment was applied against the November 2010 loans and prior year loans.