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Management's Discussion & Analysis

For the Nine Months Ended April 30, 2011

June 29, 2011

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This Management's Discussion and Analysis (MD&A) for the nine months ended April 30, 2011 has been prepared to help investors understand the financial performance of the Company 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.

The following discussion should be read in conjunction with the consolidated financial statements and MD&A for the year ended July 31, 2010. The preparation of these financial statements 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 Summary of Significant Accounting Policies section of its consolidated financial statements, affect its more significant judgments and estimates used in the preparation of its consolidated financial statements.

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 the Company's 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.

This document and the related financial statements can also be viewed on the Company's website at www.medmira.com and at www.sedar.com.

ABOUT OUR BUSINESS

Based in Halifax, Nova Scotia, MedMira is a publicly traded, Canadian life sciences company focused on the development of rapid diagnostics and technology.

MedMira's patented rapid flow-through technology platform is the basis for the Company's line of rapid diagnostics, which are highly accurate, easy-to-use, and produce immediate results – a strong advantage over most rapid diagnostics on the market today. MedMira's technology and diagnostics are becoming well known for excellence in performance and quality.

All of MedMira's rapid tests utilize a distinctive flow-through testing platform. More than CDN$20 million has been invested over the past 12 years in perfecting this 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 Mark) and China (SFDA), as well as ISO 9001:2008 and ISO 13485:2003 certifications. One of MedMira's key products, its rapid HIV test, is the only rapid HIV test in the world to be approved by all of these major health and medical regulators.

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MedMira has been granted patents encompassing this test system, which serve to protect the test components and testing procedure that comprise its technology.

MedMira sells its rapid tests through a worldwide network of medical distributors with customers in all sectors of the healthcare industry, including laboratories, hospitals, point-of-care facilities, governments, and public health agencies.

BUSINESS DEVELOPMENT

The Company is undertaking a high level of business development activity in all major regions of the world. These initiatives range from entry level market development with strategic partners, to contract negotiations on large volume deals, to bid preparation and submission for public tender opportunities. Highlights of the activities are included in the regional updates below.

Asia Pacific

In Asia Pacific, MedMira works with Triplex International Biosciences Co., Ltd. (Triplex) for sales and distribution as well as outsourced manufacturing. Following the recent release of an evaluation study by China's Center for Disease Control which placed the MedMira rapid HIV test first amongst the top 12 competitors, Triplex placed an order for 400,000 rapid HIV tests from MedMira. This is the first significant order from Triplex for the China market. The order is in production and slated for delivery to customers in the coming weeks. The evaluation results are a key marketing tool for Triplex's business development team in closing sales opportunities in outreach clinics and the hospital laboratory market.

Elsewhere in Asia Pacific, MedMira partners are conducting various market development activities for the Company's rapid HIV test as well as the multiple test product line.

Europe

MedMira prepared and submitted, subsequent to the close of the quarter, a dossier to European regulators that will further align the product offering in this market with those that the Company offers in other international markets. Planning for a full-scale market launch and expansion of the distribution network is currently underway in collaboration with MedMira's strategic business development partner for the region, Vitest AG. By strengthening the product mix in this region, the Company seeks to gain additional market share and realize greater production efficiencies.

Latin America & the Caribbean

Market development in both the private and public healthcare sectors and R&D collaboration continue in this region. MedMira is working with select strategic partners in the region to further sales opportunities for the single, multiple and research product lines in key markets in Latin America & the Caribbean. The creation of a manufacturing hub to perform assembly and final

packaging in this region is also being explored through a strategic partnership channel. Manufacturing operations located in strategic geographic locations throughout the world will bring further customer service efficiencies to MedMira.

Middle East & North Africa

Political instability in this region continues to hamper the sales and marketing efforts of MedMira and its strategic business development partner multiMed Holdings Inc. Product evaluation, registration and other regulatory avenues typically controlled by Ministries of Health are stalled due to shifting priorities and resources within government structures. The Company together with multiMed continue to pursue sales opportunities in the Middle East and North Africa, with a focus on the private healthcare market and the public healthcare market within the region's most stable nations.

North America

MedMira gained significant market traction for its Multiplo HBV/HIV/HCV Rapid Antibody Test in Canada. The Canadian Forces Health Services Group (CFHG) added the test to its complement of healthcare services it provides for all Canadian military personnel at military installations across Canada and overseas. The CFHG can use the rapid test in cases of occupational exposure, routine pre and post deployment health checks, medical surveillance programs, and in urgent care situations where blood supply screening is required.

In the United States, Reveal G3 Rapid HIV-1 Antibody Test continues to hold its market share. MedMira's partner agent, American Health Distributors (AHD) supports and manages key relationships within the Cardinal Health and VWR International distribution network.

Sub-Saharan Africa

MedMira's strategic partner, Vitest AG, conducted comprehensive sales and technical product training sessions with the sales force at AHN Pharma in South Africa. Additionally, AHN and Vitest made preparations to promote Reveal HIV at the 5th South African AIDS Conference, June 7-10, 2011. Results of the public tendering for rapid HIV tests in South Africa have been further delayed with no announcements to date.

Other market development and sales opportunities continue to move forward in Africa, although it remains a challenging market with unpredictable timelines.

OPERATIONS

MedMira's operations team ramped up product manufacturing to begin fulfillment of the order placed by Triplex for the China market. In parallel, the team also continued development of a full-scale production automation plan. This is a long term initiative that is key to the future profitability plans of the Company.

FINANCIAL RESULTS

Financial results include an adjustment to revenue and gross margin for the quarter ended April 30, 2010. The section Unaudited Quarterly Financial Data presented below provides a summary of these adjustments.

Revenue

The Company recorded revenue from product sales for the nine months ended, April 30, 2011 of $661,188 compared to $1,042,902 during the same period last year. The higher sales revenue in 2010 was driven by irregular bulk inventory purchases in Q2 of 2010, caused by distributors increasing inventory prior to a price increase. The Company expects sales to be more consistent from American distributors for the remainder of 2011.

	For the three months ended		For the nine months ended	
	April 30, 2011	April 30, 2010	April 30, 2011	April 30, 2010
Commercial Diagnostic Tests	295,232	158,983	657,198	1,038,563
Miriad Research Test Kits	302	4,339	3,990	4,339
	$ 295,534	$ 163,322	$ 661,188	$ 1,042,902

Miriad Research Tests Kits, diagnostics designed for the academic, medical, clinical, and life sciences research sectors, are built on the patented MedMira rapid flow-through technology platform.

	For the three months ended		For the nine months ended	
	April 30, 2011	April 30, 2010	April 30, 2011	April 30, 2010
North America	212,859	134,532	472,186	868,232
Latin America/Caribbean	4,938	28,790	6,760	44,498
Europe	3,044	-	106,115	70,873
Asia Pacific	-	-	221	41,529
Other	74,693	-	75,906	17,770
	$ 295,534	$ 163,322	$ 661,188	$ 1,042,902

GROSS MARGIN

- For the three month period ended April 30, 2011 — $148,651 (50%)
- For the three month period ended April 30, 2010 — $65,259 (40%)

Higher sales volume in Q3, 2011 resulted in a higher gross margin this quarter due to better economies of scale.

EXPENSES

General and Administrative

This expense category decreased $37,152 (17%) from $224,997 for the quarter ended April 30, 2010, to $187,845 for the quarter ended April 30, 2011. This decrease was due to a reduction in professional fees and ongoing cost savings from facilities consolidation.

Research and Development (R&D)

This expense category increased by $9,356 (14%) from $65,816 for the quarter ended April 30, 2010, to $75,172 for the quarter ended April 30, 2011. This expense category increased 14% for the quarter ended April 30, 2011 and it is management's expectation that this category will continue to increase as R&D initiates new products.

Wages and Benefits

This expense category decreased $127,490 (33%) from $389,767 for the quarter ended April 30, 2010, to $262,277 for the quarter ended April 30, 2011 due to an increase in allocation of this expense to cost of goods sold and inventory.

Interest Expense

This expense category increased $259,154 (39%) from $667,606 for the quarter ended April 30, 2010, to $926,760 for the quarter ended April 30, 2011. It is a direct reflection of the current level of debt and the related increased interest and penalty expenses. Management will continue to place a high priority on the reduction of debt servicing costs through renegotiation of existing agreements.

Foreign Exchange Gain

The three months ended April 30, 2011 shows a gain of $431,595 due to continued strengthening of the Canadian dollar. The Company has unearned revenue and US dollar denoted debt of approximately $7.7 million dollars.

UNAUDITED QUARTERLY FINANCIAL DATA

The following consolidated quarterly data was drawn from the unaudited interim consolidated financial statements.

(all values expressed in thousands of Canadian dollars except per share amounts)

	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010*	Q2 2010	Q1 2010	Q4 2009
Sales	296	189	177	30	163	504	376	233
Cost of Goods Sold	147	101	91	(90)	98	172	158	224
Gross Margin	149	88	86	120	65	332	218	9
Operating & Other Expenses	1,030	1,392	1,197	1,504	1,071	1,288	1,290	1,350
Gain/(Loss) per Quarter	(881)	(1,304)	(1,111)	(1,384)	(1,006)	(956)	(1,072)	(1,341)
Gain/(Loss) per Share	(0.004)	(0.01)	(0.01)	(0.01)	(0.01)	(0.004)	(0.01)	(0.01)

*Amounts reflect a reduction in revenue previously reported in Q3 2010 of $437,787 for product in which title had not passed to the final customer. The revenue originally had been recognized on passing of title to the Company's distribution partner, however, it was subsequently determined that collection would not be reasonably assured until product was sold to an end user.

Q3 2010 Adjustment

	Reported	Adjusted	Variance
Revenue	$601,109	$163,322	$437,787
Cost of Sales	153,858	98,063	55,795
Gross Profit	447,251	65,259	381,992

This adjustment was first noted in the Company's MD&A for the year ended July 31, 2010.

LIQUIDITY AND CAPITAL RESOURCES

At April 30, 2011, the Company had total assets of $517,962 compared to total assets of $568,178 at July 31, 2010. The Company had current liabilities of $19,491,491 compared to $16,801,868 at July 31, 2010. The Company's net working capital position as of April 30, 2011 was a deficit of $19.0 million compared to the July 31, 2010 working capital deficit of $16.3 million. These changes were due to accrued interest and long term items became current and an increase in payables.

The Company has incurred losses on a cumulative basis since inception. As of April 30, 2011, the Company has an accumulated deficit of approximately $72.3 million.

In addition to its on-going working capital requirements, the Company must secure additional funding for:

- its production, overhead, and research and development programs;
- promissory notes payable of approximately $7.5 million;
- long-term debt repayments through 2015, of $5.7 million; redemption of convertible debentures of approximately $1.4 million.

To date the Company has relied on temporary funding advanced by key investors and allocation of limited resources through the management of payables. The Company is pursuing additional funding resources through product sales, partnerships, and new investors. During the quarter ended April 30, 2011 the Company received advances totaling $488,225 from shareholders and other investors, including $440,555 from related parties. These loans bear interest at 3% - 10%.

These circumstances lend substantial doubt as to the ability of the Company to meet its obligations as they come due. There can be no assurances that funding will be available on acceptable terms or at all.

INTERNAL CONTROL SYSTEMS

To ensure the integrity and objectivity of our 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 companies assets are properly safeguarded.

RISKS AND UNCERTAINTIES

The Company's base of activity has expanded to manufacturing products for distribution in several international markets. As a result, the Company's operations are exposed to a variety of risk factors. The Company's operations and markets have been evolving, making it difficult to accurately predict future operating results. Actual future results may differ significantly in any forward-looking statements. Factors that may cause such differences include, but are not limited to, the following:

- Ability to raise sufficient cash to cover negative cash flows and meet financial commitments as they come due;
- Ability to generate positive cash flow from operations;
- Reliance on key distributors to market and sell our products;
- The timing and the variability of significant orders;
- Market acceptance of current and follow on products;
- Costs and timing associated with business development activities;
- Whether and when new products are successfully developed;
- Progress of research and development activities including clinical trials and regulatory delays;
- Target markets in politically volatile regions of the world where key customers are governments;
- Competitive pressures on average selling price;
- Limited suppliers of key manufacturing components;
- Manufacturing capacity, capability, scale-up, inefficiencies and constraints;
- Ability to manage growth as new products are commercialized and manufacturing ramps up;
- Ability to retain and attract key management and other experienced personnel.

Substantially all of the Company's revenue is in US dollars or Euros, and therefore subject to fluctuations in exchange rates. There is a risk that significant fluctuations in exchange rates may impact on the Company's ability to sell its products and thereby, have a material adverse effect on the Company's results of operations. The Company does not use derivative financial instruments for speculative or trading purposes.