

## **MedMira Inc.**

Management's Discussion & Analysis

For the three and six months ended January 31, 2016 and January 31, 2015

(Unaudited – Prepared by Management)

In accordance with National Instrument 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 January 31, 2016

## 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 six months ended January 31, 2016 has been prepared to help investors understand the financial performance of MedMira in the broader context of the Company's strategic direction, the risk and opportunities as understood by management, and the key metrics that are relevant to the Company's performance. The Audit Committee of the Board of Directors has reviewed this document and all other publicly reported financial information for integrity, usefulness, reliability and consistency.

This document should be read in conjunction with the audited consolidated financial statements for the year ended July 31, 2015. 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](http://www.medmira.com) and are available on SEDAR at [www.sedar.com](http://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 introduced its Miriad™ product line in 2014 to create new opportunities in the high value technology licensing and research sectors. 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:

<i>Patent #</i>	<i>Title</i>	<i>Jurisdiction</i>
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**

During Q2 FY2016, MedMira focused market momentum and brand awareness with the launch of Reveal G4 Rapid HIV-1 Antibody Test in the United States. The newly FDA-approved product was successfully launched at the National HIV Prevention Conference in Atlanta, GA. The Company highlighted the new Reveal G4 whole blood fingerstick and venipuncture applications during this three-day event attended by key players in the HIV/AIDS community in the United States. Building on the conference's theme of "Accelerating Progress", MedMira demonstrated Reveal G4's speed and simple procedure for the public health officials, scientists, community workers and clinicians in attendance. In line with the market launch of the product, the Company ramped up sales support and training activities within its distribution channels and delivered the initial Reveal G4 order to customers in the United States.

Other sales and marketing activities in this quarter focused on increasing MedMira's customer base in the tissue and eye bank market with the Miriad product line. Second quarter initiatives included gathering customer feedback on current offerings, examining ways to advance the Miriad product line for this market, and the creation of new sales and marketing tools. Also aligned with the initiative is planning MedMira's participation in a number of industry events with the American Association of Tissue Banks and the Eye Bank Association of America.

MedMira's technology and R&D team continued to maintain and expand the Company's development and commercialization pipeline for RVF Technology and testing solutions during the quarter. The commercialization of Reveal and Multiplo tests under a contract with the U.S. military continues to be the Company's prime development and commercialization project. Second quarter activities related to this work were in line with the project plan.

The Company held its Annual General and Special Meeting of Shareholders meeting at the end of the second quarter. Incumbent Directors Mr. Hermes Chan, Mr. Marvyn Robar, and Mr. Romano Robusto were re-elected at the meeting. Dr. Philippe Dro, the OnSite Lab Holdings AG (OnSite Lab) representative, and Dr. Martial Lacroix were elected to the Board. Mr. Robar remains as Chairman of the Board and Dr. Colin MacGillivray did not stand for re-election. Subsequent to the close of the quarter Dr. Lacroix stepped down from the Board due to unforeseen professional commitments.

## **Financial results**

### **Basis of preparation and significant accounting policies**

The basis of financial statement preparation and the significant accounting policies of MedMira are described in Notes 2 and 3 of the Company's condensed interim consolidated financial statements for the six months ended January 31, 2016 and its audited consolidated financial statements as at July 31, 2015.

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

<b>Income statement</b>	<b>Q2 2016</b>	<b>Q1 2016</b>	<b>Q4 2015</b>	<b>Q3 2015</b>	<b>Q2 2015</b>	<b>Q1 2015</b>	<b>Q4 2014</b>	<b>Q3 2014</b>
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	1,370	1,614	1,463	1,345	723	521	898	639
Cost of sales	1,134	1,028	1,028	1,114	403	327	678	428
Gross profit	236	586	435	231	320	194	220	211
Operating expenses	1,051	1,296	548	904	1,261	939	1,044	1,213
Other expenses (gains)	167	190	186	179	96	297	(462)	216
Net earnings (loss) before tax	(982)	(900)	(298)	(852)	(1,037)	(1,042)	(362)	(1,218)
<b>Balance sheet</b>	<b>Q2 2016</b>	<b>Q1 2016</b>	<b>Q4 2015</b>	<b>Q3 2015</b>	<b>Q2 2015</b>	<b>Q1 2015</b>	<b>Q4 2014</b>	<b>Q3 2014</b>
	\$	\$	\$	\$	\$	\$	\$	\$
Current assets	3,648	4,465	1,520	991	925	1,352	1,484	1,411
Non-current assets	242	256	264	291	313	335	358	373
Total assets	3,890	4,721	1,784	1,282	1,238	1,687	1,842	1,784
Current liabilities	4,723	3,939	6,993	5,765	5,754	5,061	4,286	3,456
Non-current liabilities	3,753	4,412	2,495	2,923	3,159	3,265	4,246	4,842
Total liabilities	8,476	8,351	9,888	8,688	8,214	8,327	8,532	8,298
Total shareholders deficiency	(4,586)	(3,630)	(7,704)	(7,406)	(7,676)	(6,640)	(6,690)	(6,514)
Total liabilities and equity	3,890	4,721	1,784	1,282	1,238	1,687	1,842	1,784
Net earnings (loss) per share	(0.001)	(0.001)	(0.001)	(0.001)	(0.002)	(0.002)	(0.001)	(0.002)

**Second quarter analysis**

The following table compares the results of operations for the three months ended January 31, 2016 to the three months ended January 31, 2015.

	For the three months ended		Better(worse) \$
	31-Jan-16 \$	31-Jan-15 \$	
<b>Product</b>			
Product sales	190,118	438,063	(247,945)
Royalties	-	-	-
Product cost of sales	<u>(70,503)</u>	<u>(169,325)</u>	98,822
<b>Gross margin on product</b>	<u>119,615</u>	<u>268,738</u>	<u>(149,123)</u>
<b>Services</b>			
Service sales	1,180,037	284,439	895,598
Service cost of sales	<u>(1,063,632)</u>	<u>(233,517)</u>	(830,115)
<b>Gross margin on services</b>	<u>116,405</u>	<u>50,922</u>	<u>65,483</u>
<b>Operating expenses</b>			
Research and development	(164,282)	(411,493)	247,211
Sales and marketing	(206,676)	(88,971)	(117,705)
Other direct costs	(200,261)	(156,988)	(43,273)
General and administrative	<u>(480,237)</u>	<u>(603,174)</u>	122,937
<b>Total operating expenses</b>	<u>(1,051,456)</u>	<u>(1,260,626)</u>	209,170
<b>Operating loss</b>	<u>(815,436)</u>	<u>(940,966)</u>	<u>125,530</u>
<b>Non-operating income (expenses)</b>			
Financing	<u>(166,303)</u>	<u>(95,747)</u>	(70,556)
<b>Net (loss) income</b>	<u>(981,739)</u>	<u>(1,036,713)</u>	<u>54,974</u>

#### Product revenue and gross margin

The Company recorded revenue from product sales in the three months ended January 31, 2016 of \$190,118 as compared to \$438,063 for the same period last year. The decrease in revenue was due to the change from the Company's G3 to its more advanced G4 product within this period. Gross profit on product sales for the three months ended January 31, 2016 was \$119,615 compared to \$269,738 for the same period in 2015. The Company's gross profit changed only slightly from 61% (January 31, 2015) to 63% (January 31, 2016). This was in line with the management's expectations.

#### Services revenue and gross margin

The Company recorded revenue from service sales of \$1,180,037 in the three months ended January 31, 2016 (January 31, 2015 – \$284,439) with a related gross margin of \$116,405 (January 31, 2015 – \$50,922). The Company earned revenue and gross margin on a research contract with the U.S. military. The service sales revenue and the gross margin on services was in line with management's expectations.

#### Operating expenses

Total operating expenses decreased by \$251,783 from \$1,260,626 for the three months ended January 31, 2016 to \$1,008,843 for the three months ended January 31, 2016.

- Research and development expenses for the three months ended January 31, 2016 were \$164,282 compared to \$411,493 for the same period in 2015. The Company continued its work on new product development in order to strengthen its product portfolio. The decrease was in line with the management's expectations.
- Sales and marketing expenses for the three months ended January 31, 2016 were \$206,676 compared to \$88,971 for

the same period in 2015. The sales and marketing expenses have been in line with the management's strategic plan for the preparation of the Reveal G4 product launch within Q2 and further investments into the business development plan set forward for fiscal year 2016.

- Other direct costs for the three months ended January 31, 2016 were \$200,261, compared to \$156,988 for the same period in 2015.
- General and administrative expenses were \$480,237 for the three months ended January 31, 2016, compared to \$603,174 for the same period in 2015. The decrease was due to the management's strategic efficiency plan implemented in fiscal year 2015.

*Non-operating expenses*

- Total non-operating expenses were \$166,303 in the three months ended January 31, 2016, compared to \$95,747 during the same period in fiscal year 2015.

**Year to date Analysis**

	<b>For the six months ended</b>		<b>Better(worse)</b>
	<b>31-Jan-16</b>	<b>31-Jan-15</b>	
	\$	\$	\$
<b>Product</b>			
Product sales	508,970	673,822	(164,852)
Royalties	-	(3,387)	3,387
Product cost of sales	<u>(145,628)</u>	<u>(292,419)</u>	<u>146,791</u>
<b>Gross margin on product</b>	<u>363,342</u>	<u>378,016</u>	<u>(14,674)</u>
<b>Services</b>			
Service sales	2,474,729	573,245	1,901,484
Service cost of sales	<u>(2,016,265)</u>	<u>(437,751)</u>	<u>(1,578,514)</u>
<b>Gross margin on services</b>	<u>458,464</u>	<u>135,494</u>	<u>322,970</u>
<b>Operating expenses</b>			
Research and development	(744,413)	(671,937)	(72,476)
Sales and marketing	(377,902)	(221,467)	(156,435)
Other direct costs	(368,013)	(276,890)	(91,123)
General and administrative	<u>(856,849)</u>	<u>(1,029,260)</u>	<u>172,411</u>
<b>Total operating expenses</b>	<u>(2,347,177)</u>	<u>(2,199,554)</u>	<u>(147,623)</u>
<b>Operating loss</b>	<u>(1,525,371)</u>	<u>(1,686,044)</u>	<u>160,673</u>
<b>Non-operating income (expenses)</b>			
Financing	<u>(356,784)</u>	<u>(393,168)</u>	<u>36,384</u>
<b>Net (loss) income</b>	<u>(1,882,155)</u>	<u>(2,079,212)</u>	<u>197,057</u>

*Product revenue and gross margin*

The Company recorded revenue from product sales in the six months ended January 31, 2016 of \$508,970 as compared to \$670,435 for the same period last year. Gross profit on product sales for the six months ended January 31, 2016 was \$363,342 compared to \$378,016 for the same period in 2015. The Company's decreased revenue is directly related to its strategy to focus on high profit margin markets in order to increase the contribution margin for the operational activities in addition to the product launch in the period December 2015 to January 2016. During the six months ended January 31,

2016 the gross margin increased to 71% compared to the gross margin of 56% during the same period in FY2015.

*Services revenue and gross margin*

The Company recorded revenue from service sales of \$2,474,729 in the six months ended January 31, 2016 (January 31, 2015 – \$573,245 with a related gross margin of \$458,464 (January 31, 2015 – \$135,494). The Company earned revenue and gross margin on a research contract with the U.S. Army and private customers. The service sales revenue and the gross margin on services were in line with management's expectations.

*Operating expenses*

Total operating expenses increased by \$105,009 from \$2,199,554 for the six months ended January 31, 2015 to \$2,304,563 for the six months ended January 31, 2016.

- Research and development expenses for the six months ended January 31, 2016 were \$744,413 compared to \$671,937 for the same period in 2015. This increase was due to the costs associated with the final stages of the Reveal G4 FDA Premarket Approval process and the progress on the pending FDA approvals for the Company's Multiplo HBc/HIV/HCV and Reveal HBsAg. This was in line with the management's expectation for the second quarter in the financial year 2016.
- Sales and marketing expenses for the six months ended January 31, 2016 were \$377,902 compared to \$221,467 for the same period in 2015. The increase of \$156,435 was due to the product launch of the G4 product in this period. The sales and marketing expenses were in line with the management's strategic plan.
- Other direct costs for the six months ended January 31, 2016 were \$368,013, compared to \$276,890 for the same period in 2015.
- General and administrative expenses were \$856,849 for the six months ended January 31, 2016, compared to \$1,029,260 for the same period in 2015. The Company's continuous drive to decrease costs by means of increasing efficiency has been demonstrated in the results of this quarter and the previous quarter.

*Non-operating expenses*

- Total non-operating expenses were \$356,784 in the six months ended January 31, 2016, compared to \$393,168 during the same period in 2015. The decrease has been attributed to the management's renegotiations with its main debt holders.

### Geographic information

The Company organizes and records the sales and distribution of its products based on major geographical territories around the world. The table below provides the three month geographic breakdown of revenue.

	Product Revenue		Service Revenue	
	31-Jan-16	31-Jan-15	31-Jan-16	31-Jan-15
	\$	\$		
North America	120,881	184,291	1,180,037	284,439
Latin America and the Caribbean	58,332	81,052	-	-
Asia Pacific	6,125	159,022	-	-
Europe	4,780	2,500	-	-
Middle East	-	11,198	-	-
<b>Total revenue</b>	<b>190,118</b>	<b>438,063</b>	<b>1,180,037</b>	<b>284,439</b>

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

	Product Revenue		Service Revenue	
	31-Jan-16	31-Jan-15	31-Jan-16	31-Jan-15
	\$	\$		
North America	354,004	335,152	2,474,729	573,245
Latin America and the Caribbean	123,611	129,848	-	-
Asia Pacific	9,786	191,737	-	-
Europe	21,569	2,500	-	-
Middle East	-	11,198	-	-
<b>Total revenue</b>	<b>508,970</b>	<b>670,435</b>	<b>2,474,729</b>	<b>573,245</b>

### Liquidity and capital resources

#### *Cash and working capital*

The Company had a cash reserve of \$1,632,848 on January 31, 2016 as compared to \$262,392 on July 31, 2015. The Company's net working capital position as at January 31, 2016 was \$1.1 million compared to the July 31, 2015 working capital deficit of \$5.5 million. The net working capital position was positive due to the \$5 million investment from OnSite Lab and the renegotiation on the debt. The Company has incurred operational losses and negative cash flows on a cumulative basis since inception. For the six months ended January 31, 2016, the Company incurred a net loss from operating activities of approximately \$1.5 million and negative cash flows from operations of \$2.6 million, compared to a net loss from operations of \$1.7 million and negative cash flows from operations of \$1.3 million for the same period in 2015.

#### *Operating activities*

MedMira incurred negative cash flows from operations of approximately \$2.6 million for the six months ended January 31, 2016, compared to negative cash flows of \$1.3 million for the six months ended January 31, 2015.

#### *Financing activities*

Cash inflows from financing activities were \$4.0 million for the six months ended January 31, 2016, compared to cash inflow of \$1.3 million for the same period in 2015.

#### *Investing activities*

Cash outflows from investments were \$0.03 million for the six months ended January 31, 2016, compared to cash outflows of nil for the same period in 2015.

#### **Debt**

As at January 31, 2016, the Company had loans payable with a carrying value of \$6.1 million compared to \$7.0 million at July 31, 2015. The decrease in the carrying value of loans payable from July 31, 2015 to January 31, 2016 was due to the completion of the debt re-negotiations, which resulted the reclassification of one loan as non-current liability. One loan is still in negotiation and stays classified as a current liability. The Company's loans have an average remaining payment term of 3 years and interest rates varying between 3% and 5%. As of January 31, 2016, one of the loans was in default due to on-going debt-restructuring negotiations.

Further discussion on liquidity and capital resources can be found in this document in the Liquidity Risk section, Risk and Uncertainties section, as well as in the notes for the condensed interim financial statements for the six months ended January 31, 2016 and the audited consolidated financial statements for the year ended July 31, 2015.

#### **Equity/Shares**

The Company is authorized to issue an unlimited number of common shares without par value. During the six months of fiscal year 2016, the Company issued 100,000,000 common shares. The number of issued and outstanding common shares on January 31, 2016 was 658,364,320. The Company is also authorized to issue an unlimited number of Series A preferred shares redeemable at \$0.01 per share after March 31, 2010, convertible into an equal number of common shares upon the Company meeting certain milestones. There were 5,000,000 Series A preferred shares issued and outstanding on January 31, 2016

The Company had 3,276,042 outstanding stock options on January 31, 2016. The outstanding stock options have a weighted average exercise price of \$0.10 per share and a weighted average remaining term of 1.47 year. The number of outstanding warrants on October 31, 2015 was 386,100,000. The outstanding warrants have a weighted average exercise price of \$0.10 per share.

#### **Liquidity risk**

The Company manages liquidity by forecasting and monitoring operating cash flows and through and share issuances.

The Company has incurred losses and negative cash flows from operations on a cumulative basis since inception. For the six months ended January 31, 2016, the Company realized a net loss of approximately \$1.9 million (January 31, 2015 – net loss \$2.1 million), consisting of a net loss from operations of \$1.5 million (January 31, 2015 – net loss \$1.7 million), and other non-operating expenses of \$0.4 million (January 31, 2015 – loss of \$0.4 million). Negative cash flows from operations were approximately \$2.6 million (January 31, 2015 – \$1.3 million). As at January 31, 2016, the Company had an accumulated deficit of \$79.9 million (July 31, 2015 – \$78.0 million). In addition to its on-going working capital requirements, the Company must secure sufficient funding for its research and development programs, for existing commitments, including its current portion of loans of approximately \$2.7 million. These circumstances lend significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going-concern.

Management is pursuing other financing alternatives to fund the Company's operations so it can continue as a going-

concern. Management plans to secure the necessary financing through new equity and debt arrangements. Nevertheless, there is no assurance that this initiative will be successful.

### **Foreign currency risk**

MedMira receives most of its revenues in foreign currencies and incurs expenses in U.S. and Canadian currencies. As a result, the Company is subject to uncertainty as foreign exchange rates fluctuate. The exchange fluctuations from year to year have accounted for a significant portion of the company's exchange gain and loss. USD sales are recorded at the exchange rate prevailing on or near the transaction date and collected in a timely manner.

The Company also experiences currency exposure resulting from balance sheet fluctuations of U.S.-denominated cash, accounts receivable, accounts payable and U.S.-denominated liabilities.

MedMira mitigates this currency risk by maintaining a balance of USD currency which is used to pay down U.S.-denominated liabilities and replenishes the balance through U.S.-denominated revenues. A one cent change in the USD/CAD exchange rate would have an estimated impact on revenue of \$24,023.

### **Related party transactions**

The following transactions were recorded with related parties during the three months ended October 31, 2015:

- A direct investment of \$5,000,000 from OnSite Lab (July 31, 2015 - \$1,100,000)
- Director fees totalling \$5,000 were incurred (July 31, 2015 - \$13,750)
- Short term loan totalling \$350,000 bearing interest at 5% was repaid to Andurja (July 31, 2015 - \$0)
- Short term loan totalling \$180,000 bearing interest at 5% was repaid to OnSite Lab (July 31, 2015 - \$0)
- Short term loan totalling \$26,000 bearing interest at 5% was repaid to the Chief Operating Officer (July 31, 2015 - \$0)
- Long term loan totalling \$27,770 bearing interest at 5% was repaid to an employee (July 31, 2015 - \$0)

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

- A short term loan totalling \$241,671 was due to the Chief Financial Officer (July 31, 2015 – \$229,585)
- Accounts payable totalling \$11,820 was due to an officer (July 31, 2015 - \$193,629)
- Accounts payable totalling \$5,000 was due to directors (July 31, 2015 - \$10,543)
- A royalty provision was owed to OnSite Lab of \$260,000 (July 31, 2015 – \$260,000)
- A long term loan totalling \$50,583 was due to an employee (July 31, 2015 - \$78,291)

### **Compensation summary**

A) Officers for Q2 FY2016

Name and Principal Position	Paid Compensation (\$)	Accrued Compensation Current year (\$)	Share- and Option-based Awards* (\$)	All other compensation (\$)	Total Compensation for Q2 2016 (\$)	Paid Compensation related to previous fiscal years (\$)	Accrued Compensation related to previous fiscal years (\$)
Hermes Chan <i>CEO</i>	43,385	-	-	-	43,385	-	-
Sing Chan <i>COO</i>	30,462	-	-	-	30,462	-	-
Robyn Cook <i>CCO</i>	24,231	-	-	3,000	27,231	-	-
Markus Meile <i>CFO</i>	39,640	-	-	-	39,640	75,613	32,416

\*The Company makes certain estimates and assumptions when calculating the fair value of option-based awards. The Company uses an option pricing model which includes significant assumptions including estimates of the expected volatility, expected life, expected dividend rate and expected risk-free rate of return. Changes in these assumptions may result in a material change to the amount recorded for the issuance of stock options.

B) Directors for Q2 FY2016

Name Designation Position(s)	Paid Compensation (\$)	Accrued Compensation (\$)	Paid Compensation related to previous fiscal years (\$)	Share- and Option-based Awards (\$)*	All other compensation (\$)	Total Compensation for Q2 2016 (\$)
Hermes Chan Director	-	-	-	8,217	-	8,217
Romano Robusto Director/Audit Committee Chair Member of Nomination & Compensation Committee	-	1,250	-	7,413	-	8,663
Philippe Dro Director	-	-	-	3,424	-	3,424
Marvyn Robar Director/Chairman of the Board/Member of Audit and Nomination & Compensation Committee	-	1,250	-	7,806	-	9,056
Colin MacGillivray Director/ Member of Audit and Nomination & Compensation Committee	-	-	-	-	-	-

\*The Company makes certain estimates and assumptions when calculating the fair value of option-based awards. The Company uses an option pricing model which includes significant assumptions including estimates of the expected volatility, expected life, expected dividend rate and expected risk-free rate of return. Changes in these assumptions may result in a material change to the amount recorded for the issuance of stock options.

**Internal control systems and disclosure controls**

To ensure the integrity and objectivity of the data, management maintains a system of internal controls comprising of written policies, procedures and a program of internal reviews which provides reasonable assurance that transactions are recorded and executed in accordance with its authorization that assets are properly safeguarded and that reliable financial records are maintained.

Management is currently updating existing standardized processes to improve internal controls and reduce compliance costs. The updated controls will help improve timeliness and accuracy of financial records as well as continue to ensure that the Company's assets are properly safeguarded.

Disclosure controls and procedures within MedMira have been designed to provide reasonable assurance that all relevant information is identified to the Disclosure Committee to ensure appropriate and timely decisions are made regarding public disclosure.

Management, under the supervision of the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's internal control over financial reporting and based on this evaluation, has concluded that internal control over financial reporting was effective as at October 31, 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 condensed interim consolidated financial statements of MedMira for January 31, 2016 and MedMira's Board of Directors approved these documents prior to release.

#### **Risk and uncertainties**

For the six month period ended January 31, 2016, the Company has not identified any significant changes to the risks and uncertainties it is exposed to which were previously described in the annual MD&A for the year-ended July 31, 2015.