MedMira Inc.

Management's Discussion & Analysis
For the six months ended January 31, 2019

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.

This MD&A contains statements that may constitute forward-looking statements about the Company's objectives, strategies, financial condition, results of operations, cash flows and businesses. These statements are "forward-looking" because they are based on current expectations, estimates, assumptions, risks and uncertainties. These forward-looking statements are typically identified by future or conditional verbs such as "outlook", "believe", "anticipate", "estimate", "project", "expect", "intend", "plan", and terms and expressions of similar import. Such forward-looking statements are subject to a number of risks and uncertainties that include, but are not limited to: cyclical downturn; competitive pressures; dealing with business and political systems in a variety of jurisdictions; repatriation of funds or property in other jurisdictions; payment of taxes in various jurisdictions; exposure to currency movements; inadequate or failed internal processes, people or systems or from external events; dependence on key customers; safety performance; expansion and acquisition strategy; regulatory and legal risk; corruption, bribery or fraud by employees or agents; extreme weather conditions and the impact of natural or other disasters; shortage of specialized skills and cost of labour increases; equipment and parts availability, reputational risk; cybersecurity risk; market price and dilution of common shares and environmental regulation risk. Actual results could be materially different from expectations if known or unknown risks affect the business, or if estimates or assumptions turn out to be inaccurate. The Company does not guarantee that any forward-looking statement will materialize and, accordingly, the reader is cautioned not to place reliance on these forward-looking statements. The Company disclaims any intention and assumes no obligation to update any forward-looking statement, even if new information becomes available, as a result of future events or for any other reasons, except in accordance with applicable securities laws.

Introduction

The Management's Discussion and Analysis (MD&A) was issued and approved by the Board of Directors on March 29, 2019. The following MD&A for the six months ended January 31, 2019 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, 2018. 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 ended January 31, 2019 can be viewed on the Company's website at www.medmira.com and are available on SEDAR at www.sedar.com.

The preparation of the 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 January 31, 2019 consolidated financial statements, affect its more significant judgments and estimates used in the preparation of its consolidated financial statements.

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 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 ability to deliver 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 the need to provide immediate answers without increasing costs.

MedMira's technology platform 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 for rapid diagnostic solutions in the United States (U.S. Food and Drug Administration), Canada (Health Canada), the notified body in the European Union (CE Mark), and China (CFDA) and in a number of countries in Latin America, Africa, and Asia. The Company's quality system is ISO 9001 and ISO 13485 certified.

MedMira sells its rapid tests through a network of medical distributors and strategic business development partners to customers in all sectors of the healthcare industry, including laboratories, hospitals, point-of-care clinics, governments, aid organizations, and public health agencies.

In addition to clinical diagnostics, the Company offers the Miriad™ product line to create new opportunities in the high value technology licensing sector. This business line allows the Company to monetize its award-winning technology and core capabilities, including R&D, product development, and regulatory proficiency. Miriad provides access to MedMira's 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 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
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.

The Company has recorded an impairment charge in previous fiscal years to write-down its intangible assets to a nominal value. There is no indication at the end of January 31, 2019 that this impairment has been reversed and thus the value of intangible assets on the balance sheet on January 31, 2019 is $2 (July 31, 2018 - $2).

Corporate update

In Q2 FY2019, the Company's primary focus was maintaining the Reveal G4 and Miriad product lines customer base in the U.S., one of its key strategic focus markets. Working closely with its distribution network and key customers, MedMira served both the healthcare and rapid HIV testing segment as well as the tissue and eye bank vertical with its products. MedMira continues its work with international partners to explore global opportunities for the Company's rapid testing solutions and technology platform.

The Company's R&D team continued to build out development and commercialization pathways for new rapid testing solutions and RVF platform advancements to meet the healthcare challenges of today and future collaboration opportunities with innovation and research partners.

Throughout Q2 FY2019, MedMira's Finance and Operations teams managed ongoing cost containment initiatives to preserve the Company's cash flow.

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, 2019.

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

Income statement	**Q2 2019**	**Q1 2019**	**Q4 2018**	**Q3 2018**	**Q2 2018**	**Q1 2018**	**Q4 2017**	**Q3 2017**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Revenue	130	155	172	76	184	143	149	192
Product Royalties			14	-	-	-	-	-
Cost of sales	(26)	(40)	(40)	(16)	(42)	(30)	(40)	(76)
Gross profit	104	115	146	60	142	113	109	116
Operating expenses	(477)	(422)	(468)	(572)	(681)	(580)	(480)	(742)
Other expenses (gains)	(222)	(243)	(181)	(145)	(175)	(169)	(186)	(126)
Net earnings (loss) before tax	(595)	(550)	(503)	(657)	(714)	(636)	(557)	(752)

Balance sheet	**Q2 2019**	**Q1 2019**	**Q4 2018**	**Q3 2018**	**Q2 2018**	**Q1 2018**	**Q4 2017**	**Q3 2017**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Current assets	310	270	272	245	302	551	581	582
Non-current assets	13	19	29	33	46	68	93	117
Total assets	323	289	301	277	348	619	674	699
Current liabilities	12,867	12,203	11,699	11,173	10,601	10,158	9,421	8,401
Non-current liabilities	-	-	-	-	-	-	237	737
Total liabilities	12,867	12,203	11,699	11,173	10,601	10,158	9,658	9,138
Total shareholders deficiency	(12,543)	(11,914)	(11,398)	(10,896)	(10,253)	(9,539)	(8,984)	(8,439)
Total liabilities and equity	323	289	(301)	277	348	619	674	699
Net earnings (loss) per share	(0.0009)	(0.0008)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)

This quarterly information is unaudited but has been prepared on the same basis as any other annual consolidated financial statements. The Company discusses the factors that caused its results to vary over the past eight quarters throughout this MD&A. The main highlights are:

- The decrease in revenue for fiscal 2019 compared to fiscal 2018 is the direct result of the Company's decision to focus on higher profit margin markets.
- The decrease in operating expenses is a direct result of the decrease in sales coupled with the Company's continued efforts to reduce general and administrative costs.
- The increase in other expenses over the last several quarters is in direct relation to the increased amount of accounts payable and loans payable that the Company is carrying.

Second quarter analysis

	For the three months ended		
	31-Jan-19	31-Jan-18	Better(worse)
	$	$	$
Product			
Product sales	129,990	183,876	(53,886)
Product cost of sales	(25,579)	(42,028)	16,449
Gross margin on product	104,411	141,848	(37,437)
Operating expenses			
Research and development	(62,771)	(185,929)	123,158
Sales and marketing	(38,205)	(54,533)	16,328
Other direct costs	(119,852)	(126,287)	6,435
General and administrative	(256,887)	(314,693)	57,806
Total operating expenses	(477,715)	(681,442)	203,727
Operating loss	**(373,304)**	**(539,594)**	**166,290**
Non-operating income (expenses)			
Financing	(222,016)	(174,260)	(47,756)
Net (loss) income	**(595,320)**	**(713,854)**	**118,534**

Product revenue and gross margin

The Company recorded revenue from product sales in the three months ended January 31, 2019 of $129,990 as compared to $183,876 for the same period last year. The 29% decrease in revenue compared to Q2 FY2018 was in line with Management's expectations.

Gross profit on product sales for the three months ended January 31, 2019 was $104,411 compared to $141,848 for the same period in FY2018. The Company's gross profit decreased by 23% in comparison to Q2 FY2018. The Company's gross profit margin in Q2 FY2019 was 80% compared to a gross margin of 77% in the same quarter last financial year. This slight increase was due to higher sales in the US market which generated a higher profit margin for the Company.

Operating expenses

Total operating expenses decreased by $203,727 from $681,442 for the three months ended January 31, 2018 to $477,715 the three months ended January 31, 2019.

– Research and development expenses for the three months ended January 31, 2019 were $62,771 compared to $185,929 for the same period in fiscal 2018. The decrease of 66% in research and development expenses are in line with the management's expectations as R&D projects and products in the pipeline move through various stages of discovery, development, and commercialization.

– Sales and marketing expenses for the three months ended January 31, 2019 were $38,205 compared to $54,533 for the same period in fiscal 2018. The decrease of approximately 30% was due to the Company's cost restructuring strategy.

– Other direct costs for the three months ended January 31, 2019 were $119,852, compared to $126,287 for the same period in fiscal 2018. This decrease of approximately 5% was due to the lower sales generated and the management's strategy to streamline costs.

- General and administrative expenses were $256,887 for the three months ended January 31, 2019 compared to $314,693 for the same period in fiscal 2018. The decrease of approximately 18% was in line with management's cost containment program to adjust for the reduction in revenue.

Non-operating expenses

- Total non-operating expenses were $222,016 in the three months ended January 31, 2019 compared to $174,260 during the same period in fiscal year 2018. The increase of 27% in financing expenses was due to additional costs associated with higher accounts payable and loans payable.

Year to date Analysis

	For the six months ended		
	31-Jan-19	31-Jan-18	Better(worse)
	$	$	$
Product			
Product sales	285,055	326,918	(41,863)
Product cost of sales	(65,662)	(72,466)	6,804
Gross margin on product	219,393	254,452	(35,059)
Operating expenses			
Research and development	(137,694)	(301,533)	163,839
Sales and marketing	(71,565)	(107,684)	36,119
Other direct costs	(200,521)	(241,576)	41,055
General and administrative	(489,646)	(610,509)	120,863
Total operating expenses	(899,426)	(1,261,302)	361,876
Operating loss	**(680,033)**	**(1,006,850)**	**326,817**
Non-operating income (expenses)			
Financing	(465,326)	(343,178)	(122,148)
Net (loss) income	**(1,145,359)**	**(1,350,028)**	**204,669**

Product revenue and gross margin

The Company recorded revenue from product sales in the six months ended January 31, 2019 of $285,055 as compared to $326,918 for the same period last year. Gross profit on product sales for the six months ended January 31, 2019 was $219,393 compared to $254,452 for the same period in 2018. The Company's decreased revenue is directly related to its strategy to focus on high profit margin markets implemented in FY2017. The effect of the Company's focus strategy is demonstrated with a decrease in revenue of approximately 13%, the Company generated more than an equal gross profit of 77% for the six months ended January 31, 2019 and 78% for the same period last year.

Operating expenses

Total operating expenses decreased by $361,876 from $1,261,302 for the six months ended January 31, 2018 to $899,426 for the six months ended January 31, 2019.

- Research and development expenses for the six months ended January 31, 2019 were $137,694 compared to $301,533 for the same period in 2018. The decrease of approximately 54% in research and development expenses are in line with the management's expectations as R&D projects and products in the pipeline move through various stages of discovery, development, and commercialization.

- Sales and marketing expenses for the six months ended January 31, 2019 were $71,565 compared to $107,684 for the same period in 2018. The decrease of approximately 34% in sales and marketing expenses was in line with the management's strategic plan for highly focused sales and marketing efforts.
- Other direct costs for the six months ended January 31, 2019 were $200,521, compared to $241,576 for the same period in 2018. This decrease of approximately 17% was due to the slight reduction in the Company's overall sales and the management's strategy to streamline costs.
- General and administrative expenses were $489,646 for the six months ended January 31, 2019, compared to $610,509 for the same period in 2018. With the decrease of approximately 20% the Company has continuously demonstrated in past quarters the results of the management's drive to reduce general and administrative costs.

Non-operating expenses

- Total non-operating expenses were $465,326 in the six months ended January 31, 2019, compared to $343,178 during the same period in 2018. The increase of approximately 36% was partly due to the accretion expenses the Company had to recognise on its debts as the interest rates are below market value. In addition, the increased accounts payables contributed to the increase in non-operating expense.

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	
	31-Jan-19	**31-Jan-18**
	$	**$**
North America	126,996	164,867
Latin America and the Caribbean	-	3,051
Asia Pacific	-	4,622
Europe	2,994	11,336
Total revenue	**129,990**	**183,876**

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

	Product Revenue	
	31-Jan-19	**31-Jan-18**
	$	**$**
North America	253,695	281,809
Latin America and the Caribbean	3,150	5,991
Asia Pacific	14,638	9,188
Europe	13,572	29,930
Total revenue	**285,055**	**326,918**

Liquidity and capital resources

Cash and working capital

The Company had a cash balance of $496 on January 31, 2019 as compared to a bank indebtedness of $13,940 on July 31, 2018. The Company's net working capital position as at January 31, 2019 was a deficit of $12.6 million compared to the July 31, 2018 working capital deficit of $11.4 million. The Company has incurred operational losses and negative cash flows on a cumulative basis since inception. For the six months ended January 31, 2019, the Company incurred a net loss from operating activities of approximately $0.7 million and negative cash flows from operations of $0.6 million, compared to a net loss from operations of $1.0 million and negative cash flows from operations of $0.3 million for the same period in fiscal 2018. The following table is a list of commitments the Company has:

	Total $	Less than 1 year $	1 to 3 years $	4 to 5 years $	After 5 years $
Debt	8,199,023	8,199,023	-	-	-
Accounts payable and accrued liabilities	4,573,515	4,573,515	-	-	-
Royalty provision	82,000	82,000		-	-
Operating leases	1,173,299	248,676	767,208	157,415	-
Total debt	**14,027,837**	**13,103,214**	**767,208**	**157,415**	**-**

Operating activities

MedMira incurred negative cash flows from operations of approximately $0.6 million for the six months January 31, 2019 compared to negative cash flows of $0.6 million for the same period in fiscal 2018.

Financing activities

Cash inflows from financing activities were $0.6 million for the three months ended January 31, 2019, compared to cash inflows of $0.5 million for the same period in fiscal 2018.

Debt

As at January 31, 2019, the Company had loans payable with a carrying value of $8.2 million compared to $7.6 million at July 31, 2018. The increase in the carrying value of loans payable from July 31, 2018 to January 31, 2019 is due to an increase in short term loans. During the past 18 months, the Company was in negotiations with all of its debt holders to ensure realistic debt repayment plans, which shall enable the Company to use its working capital for its growth and ensure its future stability. As these negotiations are ongoing, the Company must record these as in default until final agreements have been signed. All the loans are currently in default due to non-payment of principal and interest and therefore show as a current liability on the balance sheet.

Further discussion on liquidity and capital resources can be found in this document in the Liquidity Risk section, Risk and Uncertainties section of this document and in Notes 2 and 11 of the Company's consolidated financial statements for the six months ended January 31, 2019.

Equity/Shares

The Company is authorized to issue an unlimited number of common shares without par value. During the three months ended January 31, 2019, the Company has issued no common shares. The number of issued and outstanding common shares on January 31, 2019 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, 2019.

The Company had 1,300,000 outstanding stock options on January 31, 2019. The outstanding stock options have a weighted average exercise price of ranging between $0.05 - $0.10 per share and a weighted average remaining term of 0.54-0.92 years. The number of outstanding warrants on January 31, 2019 was 122,000,000. 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 January 31, 2019.

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: Classified as loans and receivables and recorded at amortized cost using the effective interest method.

– Trade and other receivables: Classified as loans and receivables and recorded at amortized cost using the effective interest method.

Financial liabilities

– Total 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.

– Royalty agreements: The Company records its provision for royalty at fair value. Fair value is determined using the discounted cash flow method using the Company's best estimate for future cash flows discounted at a rate that considers the credit risk of the Company.

– Management believes the carrying value of cash, trade and other receivables, long term debt, and accounts payable and accrued liabilities approximate fair value at 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. Management monitors risk levels and reviews risk management activities as necessary.

Liquidity risk

The accompanying consolidated financial statements have been prepared on the basis of IFRS 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 cash flows from operations on a cumulative basis since inception. For the six months ended January 31, 2019, the Company realized a net loss of $1.1 million (January 31, 2018 - $1.4 million), consisting of a net loss from operations of $0.7 million (January 31, 2018 - $1.0 million), and other non-operating losses of $0.5 million (January 31, 2018 - $0.4 million). Negative cash flows from operations were $0.6 million (January 31, 2018 – $0.6 million). As at January 31, 2019, the Company had an accumulated deficit of $89.8 million (July 31, 2018 - $88.7 million) and a negative working capital position of $12.6 million (July 31, 2018 - $11.4 million). In addition, as at January 31, 2019, $8.2 million of debt was in default. The Company currently has insufficient cash to fund its operations for the next 12 months. In addition to its ongoing working capital requirements, the Company must secure sufficient funding for its research and development programs for existing commitments, including its current portion of debt of approximately $8.2 million. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

The Company's objectives in managing capital are to ensure it can meet its ongoing working capital requirements. The Company must secure sufficient capital to support its capital requirements for research and development programs, existing commitments, including its current portion of debt of approximately $8.2 million, as well as growth opportunities.

Management dedicates significant time to pursuing investment alternatives that will fund the Company's operations and growth opportunities so it can continue as a going concern. As of January 31, 2019, potential investors were identified and negotiations were initiated to secure the necessary financing through the issuance of new equity. Debt arrangements were also ongoing with the Company's major shareholder and other debt holders. Subsequent to the close of the second quarter of FY2019, management continues investor negotiations with the identified parties, nevertheless, there is no assurance that this initiative will be successful.

Credit risk

The Company exposed to credit risk in relation to its trade accounts receivable. To mitigate such risk, the Company continuously monitors the financial condition of its customers and reviews the credit history or worthiness of each new customer. 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 establishes an allowance for doubtful accounts based on specific credit risk of its customers by examining such factors as the number of overdue days of the customers' balance outstanding as well as the customers' collection history. Since 92% of the Company's sales are with four large international companies there is no significant concentration of credit risk.

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. 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 U.S.-denominated cash, accounts receivable, accounts payable and U.S.-denominated promissory notes.

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.

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 six months ended January 31, 2019:

- Short term loans totalling $38,462 was received from an officer (July 31, 2018 - $124,059).
- A short terms loan totalling $393,480 was received from Ritec AG (July 31, 2018 - $387,630).
- Short term loans totalling $88,405 were received from employees (July 31, 2018 - $108,603).
- Short term loans totalling $76,808 were repaid to employees (July 31, 2018 - $21,983).
- A long term loan totalling $8,010 was repaid to an employee (July 31, 2018 - $5,490).

The following balances with related parties were outstanding at January 31, 2019:

- Accounts payable totalling $557,010 was due to officers (July 31, 2018 - $422,164).
- A loan term loan totalling $199,879 was due to the Chief Financial Officer (July 31, 2018 - $198,801).
- A royalty provision was owed to MedMira Holding AG of $82,000 (July 31, 2018 - $82,000).
- Short term loans totalling $186,086 were owed to employees (July 31, 2018 - $174,337).
- Short loans totalling $1,454,860 are owed to Ritec AG (July 31, 2018 - $1,052,480).
- Short term loans totalling $213,041 were owed to one officer (July 31, 2018 - $174,579).

Adoption of new accounting policies

The following IASB standards, adopted as of August 1, 2018, have had no significant impact on the Company's Consolidated Financial Statements:

i.) IFRS 9 Financial Instruments

IFRS 9 Financial Instruments ("IFRS 9"), replacing IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"), includes finalized guidance on the classification and measurement of financial assets and liabilities, impairment, and hedge accounting. The Company adopted the new requirements on May 1, 2018 by applying the requirements for classification and measurement, including impairment, retrospectively with no restatement of comparative periods.

Financial instruments

Under IFRS 9, financial assets are classified and measured at amortized cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL") and financial liabilities are classified and measured as amortized cost or FVTPL, depending on the business model in which they are held and the characteristics of their contractual cash flows. All of the Company's financial assets and liabilities are measured at amortized cost.

Impairment

IFRS 9 replaces the incurred loss model in IAS 39 with a forward-looking expected credit loss ("ECL") model. Since the Company's trade receivables have a maturity of less than one year, the Company utilized a practical expedient available under the standard and estimated lifetime ECL using historical credit loss experiences, resulting in a minimal impact on the Company's financial statements.

ii.) IFRS 15 Revenue from Contracts with Customers

On August 1, 2018, the Company adopted the new accounting standard IFRS 15 to all revenue contracts using the modified retrospective approach, and this adoption did not have a material impact on our timing of revenue recognition policies previously disclosed in the prior year consolidated financial statements.

IFRS 15 supersedes previous accounting standards and interpretations for revenue and introduced a single model for recognizing revenue from contracts with customers. This standard applies to all contracts with customers (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard requires revenue to be recognized in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the consideration expected to be received in exchange for transferring those goods or services. This is achieved by applying the following five steps:

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenue when (or as) the entity satisfies a performance obligation.

The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles).

Compensation summary

A) Officers for Q2 FY2019

Name and Principal Position	**Paid Compensation ($)**	**Accrued Compensation Current year ($)**	**Share- and Option-based Awards* ($)**	**All other compensation ($)**	**Total Compensation current year ($)**	**Paid Compensation related to previous fiscal years ($)**	**Accrued Compensation related to previous fiscal years ($)**
Hermes Chan *CEO*	-	43,385	-	-	43,385	-	151,846
Markus Meile *CFO*	-	38,335	-	-	38,335	-	282,576

[1] All other compensation includes 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.

B) Directors for Q2 FY2019

Name and Principal Position	Paid Compensation ($)	Accrued Compensation Current year ($)	Share- and Option-based Awards* ($)	Total Compensation current year ($)	Paid Compensation related to previous fiscal years ($)	Accrued Compensation related to previous fiscal years ($)
Hermes Chan Director, Member of the Audit Committee	-	-	-	-	-	-
Lili Zhao Director, Member of the Audit Committee	-	-	-	.	-	-
Dr. Shou-Ching Tang Director, Member of the Audit and Nomination and 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.

Subsequent events

Subsequent to the end of the year, the Company entered into and signed a loan agreement for $250,000 from a related party. The loan is unsecured, bears an interest rate of 5% per annum and is payable on demand.

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 January 31, 2019.

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, 2019 and MedMira's Board of Directors approved these documents prior to release.

Risk and uncertainties

For the six month period ended January 31, 2019, the Company has not identified any significant changes to the risks and uncertainties it is exposed to which were previously described in the previous issued MD&A's.