

MedMira Inc.

Management's Discussion And Analysis

For The Three Months Ended October 31, 2009

This Management's Discussion and Analysis (MD&A) for the three months ended October 31, 2009 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 for the year ended July 31, 2009. 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 based on current expectations of management that involve certain uncertainties and risks, including those discussed herein. 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, and the quarterly MD&A's and financial statements, can also be viewed on the Company's website at www.medmira.com and at www.sedar.com. The Company's Annual Information Form is also available on these websites.

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 current line of diagnostics, which are highly accurate, easy-to-use, and produce immediate results – a strong advantage over most rapid diagnostics on the market today. With these characteristics, 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,

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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. MedMira's flagship product, its rapid HIV test, is the only test in the world today to be approved by all of these major health and medical regulators.

MedMira has been granted patents encompassing this test system, which serve to protect the test components and testing procedure that comprise its technology. This allows us to produce and market tests without worrying about potential infringement of other international patents. Recently, UNAIDS has added a provision to its procurement procedures, it requires drug manufacturers to certify that products do not violate international patents, it will only be a matter of time until this provision is applied to diagnostics.

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.

First Quarter Highlights

- In August 2009 MedMira introduced the new Multiplo rapid tests at the US Military's Advanced Technology Applications for Casualty Combat Care (ATACCC) Conference. The launch included several new multiple rapid tests that specifically diagnose diseases such as HIV, Hepatitis B and C, Syphilis, Malaria and Dengue Fever in combination. The introduction of our products and technology was a success and our business development team is pursuing a number of opportunities from leads gathered at this event.
- The Multiplo product line is also being put forward for regulatory approval with the SFDA and subsequent market launch through MedMira's China partner, Triplex International Biosciences Co., Ltd. As well, MedMira's rapid H. Pylori test, which detects a bacteria linked to the development of stomach cancer, is also being submitted for approval in China.
- During this quarter MedMira developed, in collaboration with Triplex, single and multiple rapid tests for drugs of abuse such as amphetamines, methamphetamines, morphine, barbital, benzodiazepine, cocaine, THC, and ketamine. The multiple test can detect up to five of these drugs in just a few drops of urine.
- In October, MedMira entered into an investment agreement with Andurja AG resulting in CDN\$2 million in equity. Andurja is the controlling and majority shareholder of Vitest AG. The partners will draw on each others strengths, knowledge, and expertise to provide comprehensive, advanced rapid diagnostics solutions to customers.

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- During the quarter the final stages of the consolidation of our Dartmouth and Halifax facilities were completed enabling further operational and administrative efficiencies and savings.
- The net loss for the quarter was reduced by more than 35% to \$1.1 million or \$0.01 per share.

Business Development

MedMira is on the threshold of a diagnostics market predicted to be \$43.1 billion by 2011*. Our strategic business plan initiatives are gaining momentum and we are clearly positioned to capitalize on the market opportunities.

Our global business growth strategies are to:

1. Develop our strategic partnership program in key regions of the world including North America, China and Africa. Vitest AG is the first strategic equity partner for MedMira. We continue to seek out and evaluate other likeminded enterprises to bring in as strategic equity partner within key markets such as China.

Vitest AG has invested directly into MedMira becoming much more than just a distributor of our products. Building on an established distributor/manufacturer relationship Vitest and MedMira have taken their partnership to the next level. This newest partnership initiative between Vitest and MedMira will advance the reach and market share of both companies in the global diagnostics sector, with a particular focus on developing countries where rapid testing is most needed and most useful. The partners will draw on each others strengths, knowledge, and expertise to provide comprehensive, advanced rapid diagnostics solutions to customers.

2. Build a private label line of business for MedMira rapid tests, meeting demand in high volume/low price markets through an outsourced manufacturing services partner in China
3. Capitalize on our patented, market-ready diagnostics platform; advancing the platform to encompass new swab and urine based applications as well as ensuring product usability in the next generation platform that is in line with over-the-counter market demands
4. Create an OEM business model to provide contract research, product commercialization, and consulting services to assist developers in bringing new diagnostics from concept to market

*Frost & Sullivan

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With many opportunities on the horizon MedMira is seeking for strategic investors that can support the rapid growth and development that our company will experience as we execute on these strategies. MedMira is committed to achieving success for our partners, shareholders and investment.

Operations

During this quarter the final stages of Fusion'09 were completed; the consolidation of the Dartmouth operations into existing space at the Halifax facility. In addition to output efficiencies, significant, recurring operating savings should be realized. FDA approval was required on the manufacturing integration (received subsequent to the close of the quarter) and shipments, for the most part, could not be expedited until this approval was issued. As a result, Q2-2010 sales are on track for significant improvement over Q1-2010.

Our manufacturing partner in China is fully operational and is currently focusing on the production of the first shipment to Africa for over half a million tests.

Additional demand from Africa is expected and our operations team has been working diligently to ensure smooth production with the same quality standards that MedMira has been turning out for many years. Key biological product components are continuing to be produced in our manufacturing facility in Halifax, Nova Scotia, Canada.

Research & Development

MedMira's research team has made further advancements on the Company's product pipeline and continues to evolve our patented technology platform upon which we build our rapid diagnostic tests.

MedMira has developed new rapid test applications (Multiplo product line) for infectious diseases, sexually transmitted diseases, tropical diseases, and Drugs of abuse, and is readying them for the next stage of commercialization.

The research team continues working on enhancements to MedMira's rapid flow-through technology (RFT) platform and to file intellectual property applications to protect the latest version of the RFT. These new enhancements will bring even more simplicity and ease to MedMira's rapid diagnostic tests, reducing the test procedure to just two steps.

Simplifying the test procedure as well as successfully implementing the new urine-based testing application, is setting the groundwork for the eventual move to the over-the-counter sector, a market evolution that we are carefully monitoring in the US and elsewhere. The new test

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platform will also enable a broader scope of applications including the diagnosis and monitoring of non-infectious conditions such as cancer and cardiovascular disease.

Finance

The execution of the high level Strategic Partnership Investment Program reached its first major milestone in late October this year with Andurja AG from Switzerland, the controlling partner of Vitest AG, our exclusive distributor for Africa and Europe. MedMira's management team has prioritized this Program as a corporate focus to ensure additional partners will be joining to help us in building significant revenue streams. New capital resources via sales and equity infusion will be used to fuel our strategic growth plan.

Cost containment and debt reduction continue to be a key area of activity for our Finance team.

In November, the Dartmouth facility was consolidated into existing space at the Halifax location. Management is expecting significant cost savings and improved administration efficiency.

FINANCIAL RESULTS

Revenue

During the first quarter of this year, the Company recorded revenue from product sales of \$375,802 as compared to \$378,374 for the same period last year.

	3 Months Ended October 31, 2009	3 Months Ended October 31, 2008
North America	\$ 249,615	\$ 283,850
Central and South America	13,846	
Europe	66,523	92,539
Asia	41,529	-
Other	4,289	1,985
Total Q1 Sales	\$ 375,802	\$ 378,374

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Gross Margin

Gross margin for the first quarter was \$217,448 (58%) compared to \$238,513 (63%) for the same period last year.

Expenses

General and Administrative expenses were \$343,803 for the three month period ending October 31, 2009 compared to \$299,880 for the same period last year.

Research and Development (R&D) expense were relatively constant at \$64,330 (2009) and \$66,119 (2008).

Sales and Marketing expense were \$ 36,567 in the first quarter of 2009 versus \$11,060 for the same period last year. Marketing expenses consisted primarily of increased travel to China and Europe.

Wages and benefits for the three month period ended October 31, 2009 decreased to \$291,065 from \$395,390, a decrease of 26.4% from the same period in 2008, due to attrition, salary and bonus freezes.

Interest expense in the first quarter was \$544,166 compared to \$416,171 in the first quarter last year.

Foreign exchange losses for the first quarter of 2010 were \$6,266 compared to \$787,174. The company has US\$ denoted debt and a one cent difference in the exchange rate has an impact of approximately \$37,000 on the translation of debt.

An end of quarter, exchange rate of 1.0819 was used to convert US dollars advance payments (unearned revenue) and debt denoted in US dollars. The rate used for Q1-2208 was 1.2165.

The Company reported a net loss of \$1,072,992 or \$0.01 per share as compared to a net loss of \$1,748,906 (\$0.02 per share) for the same period last year.

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UNAUDITED QUARTERLY FINANCIAL DATA

The following consolidated quarterly data was drawn from the unaudited interim consolidated financial statements for the current and last fiscal year.

3 Months Ending October 31	Q1-2010	Q1-2009
Sales	\$ 376	\$ 378
Cost of Goods Sold	158	140
Gross Margin	217	238
Operating & Other Expenses	1,290	1,987
Loss per Quarter	(1,073)	(1,749)
Loss Per Share	(0.01)	(0.02)

LIQUIDITY AND CAPITAL RESOURCES

The Company's net working capital position as of October 31, 2009 was a deficit of \$11,184,314 compared to the July 31, 2009 working capital deficit of \$15,094,110.

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.

During the three months ended October 31, 2009 there were no significant changes to the systems of internal control within the Company.

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

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forward-looking statements. Factors that may cause such differences include, but are not limited to, the following:

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

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.