



Management's Discussion & Analysis
For the Six Months Ended January 31, 2010

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This Management's Discussion and Analysis (MD&A) for the six months ended January 31, 2010 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 Director's 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.



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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. 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.

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.

SECOND QUARTER HIGHLIGHTS

- Vitest now actively working in over a dozen African countries
- Market expansion activities underway in Europe for rapid HIV test and introduction of Miriad product line
- Miriad product line introduced in US market with key differentiating product for research market
- Research team working to expand product pipeline and build on collaboration opportunities
- MedMira seeing improved work flow resulting from facilities consolidation in 2009
- Facilities consolidation receives FDA approval
- Continued manufacturing efficiencies being achieved through outsourced services partners in Asia

CORPORATE DEVELOPMENT

The Company's key strategic marketing and business development partner, Vitest AG continues to make significant progress in its two major markets, Africa and Europe.

In Africa, Vitest has business development initiatives including product evaluations, registrations and



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market entry activities ongoing in over a dozen countries. Building on the progress made in Nigeria in gaining product registration and inclusion in the testing algorithm, Vitest is advancing MedMira rapid tests in to untapped territories. Vitest now has dedicated personnel on the ground in Africa overseeing these business development initiatives and building key relationships with governments and healthcare providers.

In Europe, Vitest is making progress in the several different markets for MedMira's rapid HIV test and will soon introduce the Miriad line of products for the European life sciences sector.

The second quarter also saw the introduction of MedMira's newest line of rapid diagnostics products. Building on the Company's in-depth experience in the clinical diagnostics market, it introduced Miriad – a line of rapid diagnostics and tools for medical and academic life sciences researchers. This product line includes a number of fully commercialized multiple tests for researchers to use in various kinds of work including vaccine development, tissue bank screening, and clinical trial screening.

A key differentiator in the Miriad product line is the Developer Toolkit. Using MedMira's patented and award-winning technology platform, the Developer Toolkit is an off-the-shelf set of components, proven to work together, so that researchers can create unique rapid tests. The researcher simply provides the antigen of interest and specimens containing the analyte, and the Developer Toolkit contains all other necessary components to build a rapid test. This product enables researchers to focus on their work, rather than sourcing components that may or may not work together. More importantly it provides researchers with a clear path to eventual commercialization through licensing MedMira's technology platform.

MedMira's research team continues to work on expanding the Company's product pipeline to capitalize on the rapid flow-through technology platform's capabilities and explore new combination tests based on customer feedback and market intelligence. Commercialization of the next generation technology platform is in the final stages. The Company's research team is also working a number of collaborative opportunities, partnering with well known researchers and other biotech leaders to capitalize on opportunities with international organizations such as the Gates Foundation.

MedMira continues to seek strategic investments to fuel the growth and development of sustainable long term business channels for the Company. MedMira is committed to achieving success for our partners, shareholders and investment.



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OPERATIONS

MedMira production and overall operations saw an improvement in work flows and general efficiencies during the second quarter resulting from the consolidation of facilities. FDA approval on this major facilities change was received early in the second quarter ensuring the flow of product shipments resumed.

The Company continues to gain manufacturing efficiencies through its outsourced services partners in Asia.

FINANCIAL RESULTS

Revenue

The Company recorded revenue from product sales for the six months ended, January 31, 2010 of \$879,579 compared to \$575,644 same period last year.

	6 Months Ended January 31, 2010	6 Months Ended January 31, 2009
North America	\$ 733,699	\$ 431,123
Central and South America	15,708	1,009
Europe	70,873	134,151
Other	17,770	9,361
Asia	41,529	—
TOTAL	\$ 879,579	\$ 575,644

- This represents an approximate increase of 53% between the two periods.
- Q2 - 2010 compared to Q1 - 2010 an increase of approximately 34 %
- Q2 - 2010 compared to Q2 - 2009 an increase of approximately 255%



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GROSS MARGIN

- For the six month period, Ended January 31, 2010 - \$549,003 (62.4%)
- For the six month period, Ended January 31, 2009 - \$351,444 (61.1%)

The overall high margin in both periods is a result of the geographic sales mix. As sales, outside of North America become a larger percentage of total sales, management expects a decline in Gross Margin.

EXPENSES

General and Administrative

This expense category decreased \$10,508 (2.7%) during the quarter, when compared to last year. Year to date shows an increase of \$42,541 (6.2% over last year). The consolidation of the manufacturing incurred a number of one time expenses. The full impact of "Fusion'09" savings should be realized in the coming quarters.

Research and Development (R&D)

This expense category almost doubled in the three month period to \$125,008 when compared to 2009. Year to date shows an increase of \$60,092 (46%) to \$189,339. The Miriad product line was introduced to the market .The R&D group continues to work on a number of new products and collaborative efforts.

Sales and Marketing

This category primarily consists of marketing materials and travel. The dollar expenditures are relatively low when compared to the other categories, however, there were significant percentage increases; for the 6 months ending, up 227% (\$33,875). The increased positive activity resulting from our "Partnership Program" had a direct bearing on the increase in expenditures.

Wages & Benefits

This category has undergone significant cuts, during the past several years because of lay-offs, attrition, salary freezes, and salary and benefit cuts. The year to date decreased \$100,455 (13.7%) to \$632,255. This category has reached its "base load" and there should not be any more significant decreases. In fact, with the forth coming anticipated increased sales activity there could be an increase in personnel.



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Interest Expense

Interest Expense was relatively stable for the 3 months ended, 2010 (\$475,793) compared to the 3 months ended, 2009 (\$470,067). Year to date showed an increase of 17.7% to \$1,019,985. This of course is a direct reflection of the level of debt and the interest rate. Management continues to place a high priority on the reduction of debt servicing costs through renegotiation of existing agreements.

Foreign Exchange Gain

The 6 months ending, shows a year to date gain of \$45,119 vs. a comparative loss of \$827,166 loss. The Company has Unearned Revenue and US dollar denoted Debt of approximately \$4 million dollars. The wide fluctuations between the US and CDN dollars have a considerable impact on this category.

UNAUDITED QUARTERLY FINANCIAL DATA

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

Three Months Ended January 31				
	Q2 2010		Q2 2009	
Sales	\$	503.8	\$	197.3
Cost of Goods Sold		172.2		84.3
Gross Margin		331.6		113.0
Gross Margin -%		65.8		57.2
Operating & Other Expenses		1,288.3		1308.7
Recovery on Settlement of interest and penalties on promissory notes				-
Loss per Quarter		(956.7)		(1,195.7)
Loss per Share		(\$0.004)		(0.01)



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LIQUIDITY AND CAPITAL RESOURCES

At January 31, 2010, the Company had Total Assets of \$1,207,638 compared to total assets of \$523,414 at July 31, 2009.

The Company has Current Liabilities of \$11,043,955 compared to \$15,583,695, July 31, 2008.

The Company's net working capital position as of January 31, 2010 was a deficit of \$9,913,478 compared to the July 31, 2009 working capital deficit of \$15,094,110

The Company has incurred losses on a cumulative basis since inception.

As January 31, 2010, the Company has an accumulated deficit of approximately \$66.6 million.

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

- its research and development programs;
- promissory notes payable of approximately \$3.8 million;
- long-term debt repayments through 2015, including approximately \$2.0 million due in fiscal 2010;
- redemption of convertible debentures of approximately \$1.5 million.

These circumstances lend substantial doubt as to the ability of the Company to meet its obligations as they come due.

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 six months ended January 31, 2010 there were no significant changes to the systems of internal control within the Company.



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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:

- 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.