

The following management's discussion and analysis ("MD&A") is current to March 29, 2016 and should be read in conjunction with Miraculins Inc.'s ("Miraculins" or the "Company") financial statements for the year ended November 30, 2015, which have been prepared under International Financial Reporting Standards ("IFRS"). Except as otherwise noted, the financial information contained in this MD&A and in the audited financial statements has been prepared in accordance with IFRS. All amounts are expressed in Canadian Dollars unless otherwise noted. Additional information regarding the Company is available on SEDAR at www.sedar.com and on the Company's website at www.miraculins.com.

Overview

Miraculins is a medical diagnostic company focused on acquiring, developing and commercializing non-invasive technologies for unmet clinical needs. The Company's Scout DS[®] device has been developed as a clinical tool to assist in the identification of both prediabetes and type 2 diabetes, and is the first non-invasive testing system designed to provide a highly sensitive and convenient method for measuring prediabetes/type 2 diabetes related biomarkers in the skin, the accumulation of which are accelerated by abnormal blood sugar levels and oxidative stress. Unlike current testing methods, a Scout DS[®] test requires no blood draw, no fasting, and no waiting for a lab result. The product has been used and validated in thousands of patients around the world.

On February 24, 2016, the Company announced that as a result of capital markets that continue to be challenging, the Company has developed a new business plan that will dramatically reduce its need for capital. The plan calls for the Company to achieve this by changing its core focus to manufacturing the Scout DS[®] device in the most economically feasible way possible, and to market exclusive territorial license rights to the Scout DS[®] to qualified third parties well positioned in their regional market segments.

The Company's previous business plan was to both manufacture the Scout DS[®] device and to play a lead role in establishing and proving business models in various market segments, including developing international markets for the Scout DS[®]. In order to have continued fully executing this plan, the Company would have needed to access a significant amount of additional working capital. However, due to the Company's current share price and resulting market capitalization, and overall capital market conditions, the previous business plan can no longer be supported.

The new business plan includes validating qualified licensing partners who will be responsible to invest in developing geographically defined markets under the guidance and direction of the Company. Since the Company acquired the Scout DS[®], several pilots have been conducted by the Company in the pharmacy and employee workplace screening market segments. The Company will use the data, experience and knowledge it has gained about these market segments in order to provide general direction and guidance to newly established licensing partners. The new licensees would be responsible for all market development costs for their given territory and all costs related to regulatory approval in any given market (if required) under the direction of the Company.

The Company plans that its main revenue stream will be generated from the sale or rental of the Scout DS[®] devices (including ongoing trailer fees per test), as well as from receipt of territorial license fees, and the ongoing sale of related Scout DS[®] products and services.

While under the strategic review process, as part of a broad operating cost reduction strategy, Miraculins chose not to re-apply for ISO 13485 certification. It is Miraculins intention to become re-certified after the Company's next financing as it moves forward with achieving full production capabilities of the Scout DS device. The Company will not be able to sell or distribute any Scout devices in any of the markets where it has achieved regulatory clearance until the Company becomes ISO 13485 compliant.

Overall Performance

Recent Developments

Developments indicated are at the time of the dates specified.

On **December 23, 2014**, the Company announced that it has executed an amendment (the "Amendment") to the asset purchase agreement dated June 28, 2013 between Miraculins and VeraLight Inc. ("VeraLight") (the "APA"), wherein Miraculins acquired all of the relevant assets relating to VeraLight's Scout DS[®] non-invasive diabetes screening technology. The Amendment eliminates the majority of the Company's remaining obligations and terminates the obligation to issue equity to VeraLight under the APA.

In connection with the Amendment, the Company has made a one-time payment of CDN \$500,000 to VeraLight. In addition to the one-time payment, the Company has issued 1,000,000 new common share purchase warrants (the "Warrants") to VeraLight at

an exercise price of CDN \$0.25 per share with a term expiring on the fifth anniversary after issuance. Of these, 450,000 of the Warrants will vest immediately and the remaining 550,000 Warrants will vest upon the earlier of (i) 12 months from the date of issuance, or (ii) a Liquidity Event (as defined in the Amendment). No common shares or warrants have previously been issued to VeraLight, and on the closing of the Amendment, VeraLight will have no right to receive common shares of the Company other than the Warrants described above.

On **January 27, 2015**, the Company announced that it will be commencing a pilot program with Lovell Drugs Ltd. ("Lovell") and Pear Healthcare Solutions Inc. ("Pear") that will see the placement of the first stand-alone, Scout DS[®] diabetes screening kiosks in Lovell's retail pharmacy locations in Ontario beginning in February 2015. Lovell is the oldest and one of the largest, independent drug store chains in Ontario and has been family-owned and community-minded for more than 100 years, with a reputation for innovative programming and forward-thinking product/service delivery.

This proof of concept pilot is being conducted to demonstrate that a stand-alone Scout DS[®] diabetes screening kiosk set up inside a pharmacy location, has the ability to not only deliver a rapid, non-invasive and superior diabetes screening clinic, but can be additionally purposed to generate a meaningful financial return on investment (ROI) for the pharmacy that would not have otherwise, or readily been achievable.

With a proven ROI model that could be easily reproduced in any pharmacy setting – independent as well as national chains – Miraculins could then make the business case for pharmacies to lease Scout DS[®] screening kiosks on a regular basis throughout the calendar year, to both meet the diabetes screening needs of their customers and to generate new retail revenue. The Company believes that the model it is developing will have application for retail pharmacy and pharmacy/grocery operations in North America and for similar retail settings in Europe and other countries as well.

On **February 18, 2015**, the Company announced that it had filed pre-submission documentation to the U.S. Food and Drug Administration regarding the de novo classification of its Scout[®] diabetes device, as a next step towards securing marketing clearance in the United States.

On **March 5, 2015**, the Company announced that its Scout DS[®] Diabetes Screening Kiosk pilot being conducted in partnership with Lovell Drugs Ltd. and Pear Healthcare Solutions Inc., has to date identified 145 individuals, or 41% of those screened in just 16 days, to be at elevated risk for pre-diabetes or type 2 diabetes. All customers who were identified as being at risk by the Scout DS[®] were recommended to follow-up with their physician for confirmatory blood testing. The Company also reports that pilot participants were pleased to complete a touch-screen survey while seated for their complimentary and non-invasive Scout DS[®] diabetes test, which resulted in the acquisition of valuable and traditionally difficult to procure consumer information. The survey was specifically tailored to help identify opportunities for the provision of enhanced healthcare and customer service, while isolating pathways for the pharmacy to potentially increase its revenues related to diabetes care and corresponding lifestyle change management. Both the screening and survey were preceded by participating individuals signing a consent form.

The Scout DS[®] Diabetes Screening Kiosk pilot concluded March 11, 2015. Over 560 individuals were provided with complimentary diabetes screening over a period of 23 days at pharmacies in Oshawa and Whitby, with 203 individuals (36%) identified by the Scout DS[®] as being at-risk of pre-diabetes, and 55 (10%) identified as being at risk of type 2 diabetes. All customers who were identified as being at-risk were recommended to follow-up with their physician for confirmatory blood testing. Additionally, the surveying was done while customers were being screened identified patients with high blood pressure and high cholesterol, those in need of medication reviews, customers who were filling prescriptions at different stores or had never had prescription filled at the screening pharmacy, smokers, those interest in weight loss, dietary and fitness counselling and new store customers who had come in specifically for a Scout DS[®] diabetes screen. Much of this data may be actionable by the pharmacy to increase in-store revenues, and in some cases products and services that can be offered by the pharmacy (medication reviews and smoking cessation) are covered by the Province of Ontario (other provinces as well).

On **March 10, 2015**, the Company announced that it has appointed leading occupational health physician and workplace wellness expert Dr. Alain Sotto, Hon. B.Sc., M.D., CCFP (E.M.), F.C.B.O.M to the Scout DS[®] Medical Advisory Board. Dr. Sotto is the Toronto Transit Commission's Occupational Medical Consultant, Investigative Coroner for York Region, and Director of the Medcan Wellness Clinic, Canada's largest executive healthcare clinic with more than 70 physicians and specialists. He is the former Chief Physician at Ontario Power Generation - Wellness Division, where he was the lead on the utility's corporate health and wellness strategy. He was also the Medical Director at Boeing Toronto for 17 years and the Medical Director for many other large employers in Toronto including Pratt and Whitney, Bombardier and McDonnell-Douglas Canada. Additionally, Dr. Sotto has served as Regional Medical Officer for the Great Lakes region at CN Railways and has been an occupational medical consultant to Stelco and several other companies.

Dr. Sotto is a certified specialist in Emergency and Family Medicine and is on staff in Family Medicine at William Osler Hospital in Brampton, where he has worked in the Emergency Department for 19 years. He has also had an active part-time Family Practice in Brampton for the last 26 years. Dr. Sotto serves on numerous medical advisory boards including the Ministry of Health and Long Term Care – Scientific Advisory Council (Ontario), Canadian Board of Occupational Medicine Executive, Benefits Canada, and the Morneau Shepell Mental Health Advisory Board. He also serves on the Sanofi Canada Healthcare Survey Advisory Board (2013, 2014, 2015), which publishes an annual report of the same name that since 1998 has been nationally tracking feedback from Canadians with employer-sponsored health benefit plans to help facilitate industry being more aware and responsive to healthcare issues and needs in the workplace. He is a highly regarded guest speaker, writer, and medical guest

commentator and in November 2012, he was the Keynote Speaker at the Annual International Foundation of Employee Benefit Plans (IFEBP) speaking to 1,330 attendees on aging and wellness. The IFEBP is the largest association serving the employee benefits and compensation industry with 33,000 members.

On **April 28, 2015** the Company announced that it had recently received important feedback from the United States Food and Drug Administration (FDA) as part of the de novo pre-submission process. Based on this communication from the FDA, the Company plans to continue advancing on the de novo clearance pathway for the Scout[®] device. The de novo process is generally considered to be appropriate for “novel” medical devices for which there are no legally marketed predicate devices, and whose risk profiles do not warrant the regulatory pathway known as a premarket approval (PMA), which is required of products considered to have the highest risk to public safety (Class III). The Company is of the view that there is no predicate for the Scout[®] device, and based on the feedback received from FDA the de novo process could provide the appropriate regulatory pathway for marketing clearance in the U.S.

On **May 22, 2015** the Company announced that it has completed all required preparations for the submission of its Scout DS[®] device for product testing in compliance with Chinese Food and Drug Administration (CFDA) requirements. Product testing, which must precede clinical trials in China, relates to a series of safety and operational tests that the CFDA testing center and its engineers decide are suitable for a medical device including electrical testing, biocompatibility testing, mechanical testing, stability testing, integrity testing, and other related tests to verify the device’s specified operating parameters.

Product testing is the first major step towards securing regulatory approval for the Scout DS[®] in China, and the Company has been diligently working with its lead Chinese regulatory consultant, Emergo Global, towards compiling and translating all of the technical documentation required for submission to enable the product testing process to begin.

Preparation for CFDA product testing was significant and included the translation of Scout DS[®] device engineering drawings, circuitry diagrams, operating manuals, ISO documentation, as well as all of the internationally-recognized electrical, safety, mechanical and related testing and performance documentation that the Company already had on file for the Scout DS[®] related to its prior clearances in Canada and the European Union.

The Company has also been working with Emergo Global to evolve a comprehensive regulatory strategy in China overall, that additionally includes the development of a study protocol for the Scout DS[®] clinical trials that will be conducted in China following the successful conclusion of the product testing process.

On **June 4, 2015** the Company announced that the 23rd World Congress of Dermatology has accepted a scientific poster from a collaboration between Miraculins and Amway Corporation’s Open Innovation Team (“Amway”). The World Congress of Dermatology is the world’s oldest and continuous international dermatology meeting, and will be held in Vancouver, BC from June 8-13, 2015. The poster, entitled “The Association of Skin Glycation with Facial Skin Aging”, concludes that advanced glycation end-products (“AGEs”) – as measured by the Scout DS[®] - are correlated with the visible signs of facial skin aging, and that vitamin supplementation was associated with lower skin AGEs. Miraculins has been reviewing these important pilot findings with Amway to determine the potential next steps in assessing the viability of Scout DS[®] intellectual property being utilized in a device specifically for the health and beauty segment.

The collaborative study was conducted in the United States on 555 women between the ages of 16 and 82, and was comprised of a mixed race cohort. Subjects were assessed through a cross-sectional survey using objective methods and a questionnaire that took into account age, ethnicity, BMI, smoking, sun protection habits, years working outdoors, vitamin supplementation, skin care habits, tanning, history of type 1 or 2 diabetes, kidney, heart and skin disease. Skin AGE’s were measured utilizing the Scout DS[®] device, and facial wrinkling and skin lightness were measured using standardized facial photography and analysis.

On **July 6, 2015** the Company announced that four abstracts featuring Scout[®] as a tool for the measurement of skin intrinsic fluorescence (SIF), a marker for pre-diabetes and diabetes, were presented at the recent 75th Scientific Sessions of the American Diabetes Association (ADA) from June 5-9 in Boston, MA. The ADA Scientific Sessions bring together scientists and health care professionals from around the world who are involved in diabetes research and care.

All four of the abstracts, presented as either posters or oral presentations, were as a result of investigator initiated studies where the Scout[®] was selected by leading academic and scientific experts as the device of choice for studies in the flourishing field of research related to skin advanced glycated end products (AGEs) and their role in diabetes.

On **July 30, 2015** the Company announced the execution of a non-binding Letter of Intent (the “LOI”) with New Leaf Health Ltd. (“New Leaf”), one of the largest, most experienced workplace wellness providers in the United Kingdom (UK), for the exclusive distribution of the Scout DS[®] diabetes screen into Britain’s workplace wellness segment. New Leaf has a large and growing roster of clients including multi-nationals such as British Airways, Airbus and Volvo and it delivers evidence-based and cost-effective wellness programming throughout the entirety of the UK.

On **August 13, 2015** the Company announced that it has made a supplemental filing with the United States Food and Drug Administration (“FDA”) regarding its recent de novo pre-submission for its Scout[®] device. The additional submission of documentation is part of the Company’s ongoing dialogue with the FDA regarding the evaluation of the de novo process as a potential pathway for the marketing clearance of the Scout[®] device as an aid in the identification of pre-diabetes.

On **February 24, 2016** the Company announced that as a result of capital markets that continue to be challenging, the Company has developed a new business plan that will dramatically reduce its need for capital. (See Overview above).

On **March 23, 2016** the Company announced that its shareholders and its Board of Directors had approved a consolidation of the Company's common shares on the basis of twenty five pre-consolidation common shares for each one post-consolidation common share, subject to the approval of the TSX Venture Exchange. The shareholders also approved a resolution giving the Board the discretion to change the name of the Company. The Board has not yet selected a new name, but the name change is planned to occur along with the consolidation. As of the date of this MD&A, the consolidation and name change had not occurred.

Corporate Developments

On **December 11, 2014**, the Company announced that it has closed a private placement offering with aggregate gross proceeds to the Company of \$200,000 from the sale of 2,000,000 units at a price of \$0.10 per Unit. Each Unit is comprised of one common share of the Company and one Share purchase warrant.

On **April 22, 2015** the Company closed a non-brokered private placement offering (the "Offering") of 4,000,000 units ("Units") at a price of \$0.10 per Unit for gross proceeds of up to \$400,000. Each Unit is comprised of one common share of the Company (a "Share") and one Share purchase warrant. Each whole warrant (a "Warrant") will entitle the holder to purchase one Share at a price of \$0.15 per Share for a period of 24 months from the date the Warrant is issued.

On **July 14, 2015** the Company closed a non-brokered private placement offering (the "Offering") of 4,375,000 units ("Units") at a price of \$0.08 per Unit for gross proceeds of up to \$350,000. Each Unit is comprised of one common share of the Company (a "Share") and one Share purchase warrant. Each whole warrant (a "Warrant") will entitle the holder to purchase one Share at a price of \$0.10 per Share for a period of 24 months from the date the Warrant is issued.

On **October 26, 2015** the Company announced a private placement offering (the "October 2015 Offering") of up to \$250,000 and closed its first tranche of 2,700,000 units ("Units") at a price of \$0.05 per Unit for gross proceeds of \$135,000. Each Unit is comprised of one common share of the Company (a "Share") and one half of one Share purchase warrant. Each whole warrant (a "Warrant") will entitle the holder to purchase one Share at a price of \$0.08 per Share for a period of 12 months from the date the Warrant is issued. A certain person assisted the Company by introducing a subscriber for the October 2015 Offering and was paid a finder's fee of 10% of the total subscription proceeds received from the subscriber introduced to the Company by that person.

On **November 23, 2015** the Company announced that it has entered into amending agreements to extend the maturity dates of its CDN\$1,000,000 non-convertible secured loan and its CDN\$611,334 non-convertible secured loan. The loans were extended by 90 days and will now mature on March 31, 2016. The Loans will continue to bear interest at 12% per annum.

On **December 8, 2015**, the Company closed unsecured loans with two private lenders totaling \$83,778. The promissory note evidencing the first loan of \$56,000 was issued at a discount for a purchase price of \$50,400. The promissory note evidencing the second loan of \$27,778 was issued at a discount for a purchase price of \$25,000. Both of the loans mature on March 31, 2016, are unsecured and bear interest at a rate of 20% per annum payable at the maturity of the loans. As consideration for the loans, the Company issued an aggregate of 670,224 warrants to purchase common shares of the Company at a purchase price of \$0.05 per common share for a period of twelve months from the date of loan.

On **February 17, 2016**, the Company closed a secured loan for \$100,000, with a company with an officer who is also an officer of the Company. The loan matures the earlier of i) one year from the closing date, ii) sixty days after the lender demands repayment, which the lender has the right to demand after May 16, 2016; or iii) upon the completion of any equity or debt financings or a combination of equity or debt financings that total \$100,000. The loan bears interest at a rate of 12% per annum. The loan is secured by a first ranking charge on all assets of the Company.

Overview

During 2015, the strategic direction of the Company was centered on the acquisition, development and commercialization of diagnostic and risk assessment technologies for unmet clinical needs. In order to advance these research and development programs, Miraculins continued incurring operating losses. Management has implemented certain operating costs control measures in an effort to conserve cash and manage the Company's burn rate.

The Company's audited financial statements have been prepared on a going concern basis in accordance with IFRS. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. There are material uncertainties that cast significant doubt upon the Company's ability to continue as a going concern as the Company has experienced operating losses and cash outflows from operations since incorporation, has accumulated a deficit of \$22,525,742 as at November 30, 2015 (November 30, 2014 - \$19,239,552), a working capital deficiency of \$2,997,582 as at November 30, 2015 (November 30, 2014 - \$441,263) and currently has limited cash available.

Management has forecast that expected expenditure levels and contracted commitments will exceed the Company's net cash inflows and working capital during the 2016 unless further financing is obtained. In short, additional sources of funding are required to carry on operations. The Company's secured debt has previously been extended and is now due on March 31, 2016. The Company intends to renegotiate the terms of its secured debt and/or seek an additional extension of the maturity date.

On February 24, 2016, the Company announced that it had developed a new business plan that will dramatically reduce its need for capital. The plan calls for the Company to achieve this by changing its core focus to manufacturing the Scout DS[®] device in the most economically feasible way possible, and to market exclusive territorial license rights to the Scout DS[®] to qualified third parties well positioned in their regional market segments.

Summary of Annual Financial Information

DESCRIPTION	30 Nov 2015	30 Nov 2014	30 Nov 2013
	AMOUNT \$	AMOUNT \$	AMOUNT \$
Revenues	9,146	12,459	87,832
Expenses	2,843,523	3,352,439	3,093,929
Net (loss) for the year	(3,286,190)	(1,913,737)	(3,500,282)
Basic & diluted loss per share	(0.08)	(0.12)	(0.34)
Cash flow from operating activities	(1,745,933)	(1,491,486)	(2,367,878)
Cash	1,997	1,161,744	159,757
Total assets	371,111	2,609,252	2,845,024
Total long-term financial liabilities	-	1,653,427	1,759,127
Dividends	-	-	-

Revenues for the year ended November 30, 2015 were as a result of the US\$150,000 up-front payment the Company received under the contract and the recognition of revenues from this agreement based on the performance of related activities under the contract. This payment, initially recorded as deferred revenue, represents an up-front payment where further services are to be provided by the Company and will be recognized over the period of performance of the related activities. The Company does not anticipate that it will be able to complete the contract and have set up the refundable portion of the up-front payment as an accrued liability.

The Company expects limited revenue for the 2016 fiscal year.

Selling, general and administration expenses include those costs not directly related to research and development activities. This includes expenses associated with management services, and professional fees such as legal, audit and investor and public relations activities.

The decrease in selling, general and administrative costs for the year ended November 30, 2015 as compared to the year ended November 30, can be attributed to the decrease in PreVu[®] technology commercialization costs as a result of cost reductions experienced throughout fiscal 2014 culminating in the decision to re-evaluate the technology and the decrease in stock-based compensation related costs as a result of fewer stock options issued during the year. These amounts were partially offset by the increase in Scout DS[®] costs as a result of the shift in focus of the Company towards the Scout DS[®] and the increase in other administration costs is a result higher consulting and investor relations expenses.

The Company expects a moderate level of Scout DS[®] technology costs, minimal PreVu[®] technology costs and a lower level of compensation and other administration costs for fiscal 2016 as a result of the implementation of further cost reductions that occurred in fiscal 2015.

During 2015, the Company wrote-down its intangible assets by \$893,367 (2014 - \$748,276) due to the current market conditions and the uncertainty to raise funds to complete the Company's contract in China. However, if the Company is able to be successful on its new strategic direction, there is a possibility that the impairment charge on the Scout DS[®] could be reversed, in whole or part. In 2014, the write-down related to an impairment of the Company's PreVu[®] technology.

Finance expense for the year ended November 30, 2015 increased to \$428,453 (2014 - \$359,676) due to increases in interest on the Company's secured debt as a result of higher debt levels during fiscal 2015 when compared to fiscal 2014. Unless a settlement of its debt can be reached, the Company anticipates higher levels of finance expense for fiscal 2015 as a result of the outstanding secured and unsecured debt.

The Company had a net loss of \$3,286,190 (2014 - \$1,913,737) and loss per average share outstanding of \$0.08 (2014 - \$0.12).

Selected Quarterly Financial Information

The selected financial information, presented under IFRS, provided in the table below is derived from the unaudited quarterly financial statements for each of the last eight quarters (in \$'s):

2015	Q4	Q3	Q2	Q1
Revenue	-	-	1,344	7,802
Loss	1,366,123	656,347	619,706	644,014
Loss per share	0.03	0.01	0.02	0.02
2014	Q4	Q3	Q2	Q1
Product sales	3,000	3,000	3,000	3,459
Loss	658,429	770,837	482,081	2,390
Loss per share	0.03	0.04	0.04	-

The Loss in the fourth quarter of fiscal 2015 includes impairment of the Company's intangible assets of \$893,367.

Liquidity and Capital Resources

Since inception, the Company has financed its operations from public and private sales of equity, issuance of debt, the exercise of warrants and stock options, interest income on funds available for investment and, government grants. As at November 30, 2015, the Company had unrestricted cash totaling \$1,997 as compared with \$1,161,744 at November 30, 2014.

The Company had a working capital deficiency of \$2,997,582 as at November 30, 2015 (November 30, 2014 - \$441,263) and currently has limited cash available. Included in the deficiency are loans and interest payable of \$2,065,213 that is due on March 31, 2016. The Company also has additional debt of \$183,778 that was borrowed subsequent to November 30, 2015 and is due during fiscal 2016. The Company will need to amend its debt or raise additional funds in the form of equity or debt to payout its current debt in the second quarter of fiscal 2016.

The Company periodically enters into long term contractual agreements for the leases of office facilities and equipment, management services, and certain purchased services. The following table presents commitments arising from agreements currently in force over the next five years.

	Payments due by Period				Total
	Within 1 year	2 - 3 years	4 - 5 years		
Accounts payable and accrued liabilities	\$ 1,017,766	\$ -	\$ -	\$ -	\$ 1,017,766
Long-term debt including interest	2,065,213	-	-	-	2,065,213
	\$ 3,087,979	\$ -	\$ -	\$ -	\$ 3,087,979

The Company is obligated to pay royalties to PreMD based on any future commercial sales of PreVu® Skin Cholesterol test equal to 10 percent of gross revenue associated with PreVu®. The Company retains the right to buy out the royalty at anytime for a one time payment of \$1,000,000. There were no royalties paid or accrued during the year ended November 30, 2015 or 2014.

The Company is obligated to pay royalties to Canada Israel Industrial Research and Development Foundation ("CIIRDF") based on any future product revenues, if any, from the exploitation of the preeclampsia technology contemplated in the project funding agreement equal to 2.5 percent up to a maximum of the amounts funded under the agreement. To November 30, 2015, no royalties are due and/or payable.

The Company is obligated to pay a royalty to MSH, subject to minimum annual royalties, of a stipulated percentage of the net sales of licensed products related to the worldwide rights to commercialize a portfolio of biomarkers for use in developing diagnostic assays for the early detection of preeclampsia, if any, along with other milestone payments. If the Company sub licenses any rights under the MSH Agreement to a third party, the Company shall pay MSH a stipulated percentage of sub license fee and sub license royalty fee. No royalties were paid to MSH during the year ended November 30, 2015 or 2014.

Off Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements.

Related Party Transactions

The Company has an on-going consulting agreement with a shareholder to provide services as needed from time to time. For the year ended November 30, 2015, \$28,455 (2014 - \$40,820), has been recorded in selling, general and administration expenses relating to this consulting agreement.

Fourth Quarter Events

On October 26, 2015 the Company announced a private placement offering (the "October 2015 Offering") of up to \$250,000 and closed its first tranche of 2,700,000 units ("Units") at a price of \$0.05 per Unit for gross proceeds of \$135,000. Each Unit is comprised of one common share of the Company (a "Share") and one half of one Share purchase warrant. Each whole warrant (a "Warrant") will entitle the holder to purchase one Share at a price of \$0.08 per Share for a period of 12 months from the date the Warrant is issued. A certain person assisted the Company by introducing a subscriber for the October 2015 Offering and was paid a finder's fee of 10% of the total subscription proceeds received from the subscriber introduced to the Company by that person.

On November 23, 2015 the Company announced that it has entered into amending agreements to extend the maturity dates of its CDN\$1,000,000 non-convertible secured loan and its CDN\$611,334 non-convertible secured loan. The loans were extended by 90 days and will now mature on March 31, 2016. The Loans will continue to bear interest at 12% per annum.

Proposed Transactions

On March 23, 2016 the Company announced that its shareholders and its Board of Directors had approved a consolidation of the Company's common shares on the basis of twenty five pre-consolidation common shares for each one post-consolidation common share, subject to the approval of the TSX Venture Exchange. The shareholders also approved a resolution giving the Board the discretion to change the name of the Company. The Board has not yet selected a new name, but the name change is planned to occur along with the consolidation. As of the date of this MD&A, the consolidation and name change had not occurred but the Board of Directors expects this transaction to take place in March or April of 2016.

Changes in Accounting Policies**New standards and interpretations not yet adopted**

Certain new standards, interpretations and amendments to existing standards issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are not yet effective up to the date of issuance of the Company's financial statements are listed below. The Company is assessing the impact of these pronouncements on its results and financial position. The Company intends to adopt those standards when they become effective.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 replaces the guidance in IAS 39 *Financial Instruments: Recognition and Measurement*, on the classification and measurement of financial assets. The Standard eliminates the existing IAS 39 categories of held to maturity, available-for-sale and loans and receivables.

Financial assets will be classified into one of two categories on initial recognition:

- financial assets measured at amortized cost; or
- financial assets measured at fair value.

Under IFRS 9, for financial liabilities measured at fair value under the fair value option, changes in fair value attributable to changes in credit risk will be recognized in other comprehensive income ("OCI"), with the remainder of the change recognized in profit and loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 and is to be applied retrospectively with some exemptions.

IFRS 15, Revenue from Contracts with Customers

IFRS 15, *Revenue from Contracts with Customers*, issued by the IASB in May 2014, is applicable to all revenue contracts and provides a model for the recognition and measurement of gains or losses from sales of some non-financial assets. The core principle is that revenue is recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively [for example, service revenue and contract modifications] and improve guidance for multiple-element arrangements. IFRS 15 is effective for annual periods beginning on or after January 1, 2018 and is to be applied retrospectively, with earlier adoption permitted. Entities will transition following either a full or modified retrospective approach. The Company is currently evaluating the impact of the above standard on its financial statements.

Financial and other instruments

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are carried in the financial statements:

	Carrying Amount November 30, 2015	Fair Value November 30, 2015	Carrying Amount November 30, 2014	Fair Value November 30, 2014
Financial Assets				
Loans and receivable				
Cash	\$ 1,997	\$ 1,997	\$ 1,161,744	\$ 1,161,744
Accounts receivable	9,010	9,010	29,627	29,627
Financial Liabilities				
Other financial liabilities				
Accounts payable and accrued liabilities	\$ 1,017,766	\$ 1,017,766	\$ 869,758	\$ 869,758
Current portion of secured debt	1,597,960	1,597,960	-	-
Accrued interest on secured debt	467,253	467,253	-	-
Secured debt	-	-	1,440,497	-
Other current obligation	-	-	631,000	631,000

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies. The carrying values of current monetary assets and liabilities approximate their fair values due to their relatively short periods to maturity. The fair value of the Company's secured debt is estimated to approximate its carrying value based on the terms of the secured debt. The royalty obligation and other current and long-term liabilities are carried at fair value (level 3).

IFRS 13 *Fair Value Measurement*, establishes a fair value hierarchy that reflects the significance of the inputs used in measuring fair value. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable;
- Level 3 - Unobservable inputs in which little or no market activity exists, therefore requiring an entity to develop its own assumptions about the assumptions that market participants would use in pricing.

The fair value hierarchy of financial instruments measured at fair value on the Statements of Financial Position as at November 30, 2015 is as follows:

	Level 1	Level 2	Level 3
Financial Liabilities			
Accounts payable and accrued liabilities	-	-	1,017,766
Current portion of secured debt	-	1,597,960	-
Accrued interest on secured debt	-	467,253	-

The fair value hierarchy of financial instruments measured at fair value on the Statements of Financial Position as at November 30, 2014 is as follows:

	Level 1	Level 2	Level 3
Financial Liabilities			
Accounts payable and accrued liabilities	-	-	869,758
Other current obligation	-	-	631,000
Secured debt	-	1,440,497	-

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. During the years ended November 30, 2015 and 2014, there were no transfers between Level 1 and Level 2 fair value measurements.

Risks arising from financial instruments and risk management:

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange and interest rate risks), credit risk and liquidity risk. The Company identifies, evaluates and, where appropriate, mitigates financial risks. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The audit committee of the board is responsible to review the Company's risk management policies.

(i) Market Risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings or financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Foreign exchange risk

The Company operates primarily within Canada although a portion of its expenses are incurred in other countries primarily the United States dollars ("US dollar"). Foreign exchange risk arises because the cost of transactions denominated in foreign currencies may vary due to changes in exchange rates. The Company has not entered into foreign exchange derivative contracts. A significant change in the currency exchange rates between the Canadian dollar relative to the US dollar would not have a significant effect on the Company's results of operations, financial position or cash flows.

As at November 30, 2015, the Company is exposed to currency risk through its cash and accounts payable denominated in US dollars. Based on the net exposures as at November 30, 2015, and assuming that all other variables remain constant, a 5% appreciation or deterioration of the Canadian dollar against the US dollar would not be significant.

Interest rate risk

The Company is subject to interest rate risk on its cash and cash equivalents and long-term debt. The Company believes that interest rate risk is low as the Company does not hold any term deposits and interest earned on cash equivalents is variable. The long-term debt is at a fixed interest rate. A change of 1% in interest rates over the year

ended November 30, 2015 would not have had a significant effect on loss for the period.

(ii) Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's accounts receivable. The carrying amount of financial assets represents the maximum credit exposure. The Company believes there is insignificant credit risk associated with its accounts receivable based on the nature of the counterparties.

Financial instruments that potentially expose the Company to significant concentrations of credit risk consist principally of cash. The Company has investment policies to mitigate against the deterioration of principal and to enhance the Company's ability to meet its liquidity needs.

(iii) Liquidity and Funding Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due and to fund future operations. The Company manages its liquidity risk by forecasting its cash needs on a regular basis and seeking additional financing based on those forecasts.

The Company's accounts payable and accrued liabilities have contractual maturities of less than one year. The Company's secured debt is due on March 31, 2016.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions. The Company manages its funding risk by forecasting its cash needs on a regular basis and continuously monitoring the stock price and other market conditions.

(c) Capital management

The Company's objectives when managing capital are:

- To safeguard the Company's ability to continue as a going concern in order to pursue the development of its products and to maintain a flexible capital structure which optimizes the cost of capital at an acceptable level; and
- To provide an adequate return to shareholders commensurate with the level of risk associated with a development stage biotechnology company.

The capital structure of the Company consists of cash, long-term debt and equity comprising, issued capital, contributed surplus, warrants, and stock options.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues, granting of stock options, the issuance of debt or by undertaking other activities as deemed appropriate under the specific circumstances. The Company's overall strategy with respect to capital risk management remains unchanged from the year ended November 30, 2014.

The Company is not subject to externally imposed capital requirements. In order to maximize ongoing research and development of its products, the Company does not pay out dividends.

Share Capital

In December 2015, the Company issued 670,224 bonus warrants (each exercisable into one common share at a price of \$0.05 for a one year period) to the lenders in connection with the the issuance of an unsecured loan.

	March 29, 2016	November 30, 2015	November 30, 2014
Common shares issued and outstanding	50,516,392	50,516,392	36,727,732
Options outstanding	3,365,500	3,454,000	3,454,000
Warrants outstanding	33,951,324	33,281,100	25,989,462

Risks and Uncertainty

The Company operates in a highly competitive environment that involves significant risks and uncertainties, some of which are

outside of the Company's control, which could have a material adverse effect upon the Company, its business and future prospects. Investors should carefully consider the risks and uncertainties described below, as well as other information contained in this MD&A. The risks and uncertainties described below are not exhaustive. There may be risks and uncertainties not presently known to the Company or that the Company believes to be immaterial which could adversely affect the Company and its business in the future.

Risks Related to the Company's Financial Condition

- The Company has mainly relied on equity and debt financing and grant funding to support operations and will continue to need significant amounts of additional capital. The Company intends to raise additional financing, as required, through research, partnering and licensing arrangements, the exercise of warrants and options, and through equity and/or debt financing. However, there can be no assurance that these financing efforts will be successful or that the Company will continue to be able to meet ongoing cash requirements. It is possible that financing will not be available or, if available, may not be on favourable terms. The Company may fail to obtain additional financing and be unable to fund operations and commercialize its product candidates. The availability of financing will be affected by the results of scientific and clinical research, the Company's ability to attain regulatory approvals, the market acceptance of the Company's products, the state of the capital markets generally (with particular reference to pharmaceutical, biotechnology and medical companies), the status of strategic alliance agreements, and other relevant commercial considerations. Any future equity financing could result in significant dilution to existing shareholders.
- The Company earned nominal revenue through 2015 through its commercial market development of the Scout DS[®] technologies but, in light of the length of time and expense associated with bringing new products through commercialization, obtaining regulatory approval and bringing products to market, operating losses are expected to continue unless and until the Company is able to generate sufficient revenues from the commercial sale or lease of its diagnostic products.
- The Company must meet its debt repayment obligations and/or renegotiate the terms and/or obtain an additional extension to the maturity date of the secured debt and failure to do so could cause the lender to demand on its security on the Company's long term debt. There can be no assurance that the Company will continue to meet its debt repayment obligations and/or renegotiate the terms and/or obtain an additional extension to the maturity date of the secured debt.

Risks Related to the Company's Business and Operations

- The Company is in various stages of development of diagnostic and risk assessment products and, as a result, is unable to predict whether it will be able to profitably commercialize its products. There can be no assurance that the Company will be able to commercialize its products.
- Failure to protect intellectual property, or infringement on the intellectual property rights of others, may impede the Company's ability to operate freely. There can be no assurance that the Company's intellectual property rights will not be challenged by third parties, that the Company will receive patents it seeks, or that the Company will receive any necessary licenses. The Company could incur substantial costs in enforcing its intellectual property rights or defending its intellectual property rights against claims brought by others. Miraculins views patents and other means of intellectual property protection as essential to the Company's core business by protecting the Company's proprietary technology from infringement by competitors. To that end, patents will be reviewed and continued to be sought in relation to those components or concepts of each of its pre clinical and clinical diagnostic products by management of the Company to ensure the highest level of protection possible given the Company's financial position is obtained. The Company requires all employees, consultants, and parties to collaborative research agreements to execute confidentiality agreements upon the commencement of employment, consulting relationships or a collaboration with the Company. These agreements require that all confidential information developed or made known during the course of the engagement with Miraculins is to be kept confidential. The Company also maintains agreements with scientific staff and all parties contracted in a scientific capacity, providing that all inventions resulting from work performed for Miraculins, using Miraculins' property, or relating to Miraculins' business and conceived or completed during the period covered by the agreement are the exclusive property of the Company. Despite these practices, there can be no assurance that the Company will be able to successfully protect its intellectual property rights.
- The Company's business is subject to significant government regulation and failure to achieve and maintain regulatory approval of diagnostic products would negatively affect its business. The process for obtaining such approval, including clinical trials, varies by country and type of product, and the process can be time consuming and costly.

- The Company is dependent on strategic partners, including clinical investigators and contract research organizations, as well as its lenders, as part of its diagnostic product development strategy, and it would be negatively affected if it is not able to initiate or maintain these relationships. Furthermore, a failure of any of these strategic partners to perform their obligations or to continue in the partnership could delay or halt the development strategy. There can be no assurance that these strategic partners will not pursue other technologies or develop alternative products competing with those of the Company. As well, there can be no assurance that the Company will continue to meet its debt repayment obligations and/or renegotiate the terms and/or obtain an additional extension to the maturity date of the secured debt.
- The Company may be dependent on others for the manufacture, development and sale of its products. If the Company is unable to establish or manage collaborations in the future, or if the Company encounters difficulties with these collaborations, there could be a delay in the manufacture, development and sale of products.
- Even if product candidates receive all of the required regulatory approvals, there is no guarantee of market acceptance or commercialization of the resulting product candidates, which will be determined by the Company's sales, marketing and distribution capabilities and the positioning and competitiveness of its diagnostic products compared with any alternatives.
- The Company's ability to successfully market certain diagnostic products may depend in part on the extent to which reimbursement for the cost of such products will be available from government health administration authorities, private health insurers and other organizations. Significant uncertainty exists as to whether newly approved healthcare products will qualify for reimbursement, or the timing by which such reimbursement can be secured. Furthermore, challenges to the price of medical products and services are becoming more frequent. There can be no assurance that adequate third party coverage will be available to establish price levels, which would allow the Company to realize an acceptable return on its investment in product development. Although non reimbursed, user pay models may be available to the Company, uncertainty exists to the degree to which lack of available reimbursement by government health administration authorities, private health insurers and other organizations could limit market adoption of the Company's products. Reimbursement issues and decisions vary country by country as to procedure and time for review and/or reimbursement approval.
- The Company's industry is characterized by intense competition and rapid change and a failure by the Company to react to such competition and change could have a material adverse effect on its business. Competitors may develop products that are more effective and less costly than those developed by the Company. There can be no assurance that developments by others will not cause the Company's products to become non-competitive.
- The Company may conduct development internationally and may be subject to laws and regulations of several countries which may affect the Company's ability to access regulatory agencies and may affect the enforceability and value of the Company's licenses and intellectual property.
- The testing and commercial use of diagnostic products involves exposure to product liability claims. Although the Company maintains liability insurance for certain claims, there is no assurance that such coverage will provide protection against all risks, or that such insurance will continue to be available on terms which would be acceptable to the Company. If a product liability claim was brought against the Company, it could have a material adverse effect on the Company and its financial condition.
- The Company is dependent on certain members of its management and scientific staff. If the Company fails to retain this staff, or to hire qualified key personnel, the implementation of the Company's business plan could slow and the Company may be unable to successfully develop and commercialize products.

Risks Relating to the Company's Common Shares

- The Company has not paid any cash dividends on its common shares and, for the foreseeable future, the Company does not intend to pay any cash dividends on its common shares and therefore its shareholders may not be able to receive a return on their shares unless they sell them. The policy of the Board of Directors of the Company is to retain all available funds in operations. The Board of Directors may reassess this policy from time to time. Any decision to pay dividends on the common shares of Miraculins will be made by the Board of Directors based on the assessment of, among other factors, earnings, capital requirements and the operating and financial condition of the Company.
- The market price and trading volume of the Company's common shares have been volatile, and may continue to be volatile in the future. Variations in earnings estimates by securities analysts and the market prices of the securities of competitors may also lead to fluctuations in the trading price of the common shares. In addition, the financial markets may experience significant price and volume fluctuations that affect the market price of the Company's common shares that are not related to the Company's operating performance. Broad market fluctuation and economic conditions generally, and in the medical device sector specifically, may adversely affect the market price of the Company's common shares.

- The significant costs that the Company will incur as a result of being a public company in Canada could adversely affect its business.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires the Company to select from possible alternative accounting principles and to make estimates and assumptions that determine the reported amounts of assets and liabilities at the balance sheet date, and revenue and reported costs and expenditures during the reporting period. Management believes that the estimates and assumptions upon which the Company relies are reasonable based upon information available at the time these estimates and assumptions are made. Estimates and assumptions may be revised as new information is acquired, and are subject to change.

In addition to the going concern assumption previously described, management believes that its most critical accounting policies and estimates relate to the following areas, with reference to notes contained in the financial statements for the year ended November 30, 2015:

Financial instruments

(i) Non-derivative financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company classifies non-derivative financial assets into the following categories: loans and receivables. The Company has not classified any assets or liabilities as held-to-maturity or available-for-sale.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost. Loans and receivables are comprised of cash and accounts receivable.

(ii) Non-derivative financial liabilities

The Company has the following non-derivative financial liabilities which are classified as other financial liabilities: accounts payable and accrued liabilities, secured debt and accrued interest on secured debt.

The Company had the following non-derivative financial liabilities, representing contingent consideration (note 8), which were classified as held for trading: other current obligation.

All other financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method. Costs incurred to obtain financing are deferred and amortized over the term of the associated debt using the effective interest method. The related amortization is a non-cash charge to finance expense.

Notes to the Financial StatementsYears ended November 30, 2015 and 2014

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

(iii) Share capital

Common voting shares are classified as equity. Incremental costs directly attributable to the issue of common voting shares are recognized as a deduction from equity, net of any tax effects.

(iv) Warrants

Warrants are classified as equity. Incremental costs directly attributable to the exercise of warrants and related issue of common voting shares are recognized as a deduction from equity, net of any tax effects.

Revenue recognition

Revenue from the sale of goods is measured by reference to the fair value of consideration received or receivable for goods supplied. Revenue from product sales is recognized when all the following conditions have been satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measure reliably.
- It is probable that the economic benefits associated with the transaction will flow to the Company, and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Company may enter into sales agreements with customers that have multiple element arrangements. When these multiple elements have stand-alone value to the customer, the components are accounted for separately, based on the relative selling prices, using the appropriate revenue recognition criteria as described above.

Lease revenue from leasing Scout DS[®] devices to customers under operating leases is recognized as earned over the term of the lease on a straight-line basis.

Royalty and license revenues will be recognized in revenue once an option to license a technology is exercised and as the contracted services are performed in accordance with the terms of the specific agreement.

Up-front payments and option fees received for the use of technology where further services are to be provided are recognized over the period of performance of the related activities on the statement of net loss and comprehensive loss. Amounts received in advance of recognition are included in deferred revenue.

Notes to the Financial StatementsYears ended November 30, 2015 and 2014

Intangible assets**(i) Research and development**

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. No development costs have been capitalized to date.

(ii) Acquired intellectual property - PreVu[®] and Scout DS[®]

Costs incurred for acquired intellectual property - PreVu[®] and Scout DS[®] were being amortized over the estimated period that they were available for use in the manner intended by management, commencing with the commercial launch of the products associated with the acquired intellectual property. The PreVu[®] had an estimated period of five years.

(iii) Patents and trademarks

Costs incurred for patents, patents pending and trademarks are capitalized and amortized from the date of issuance on a straight-line basis over their respective legal lives or economic life, if shorter. Trademarks have an indefinite life. Costs incurred in successfully obtaining a patent or trademark are measured at cost less accumulated amortization and accumulated impairment losses. The cost of servicing the Company's patents and trademarks is expensed as incurred.

(iv) Technology license

The Company's technology license was recorded at cost and amortized over its estimated useful life.

(v) Other intangible assets

The Company's other intangible assets are recorded at cost and amortized over their estimated useful life.

(vi) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit or loss as incurred.

Impairment**(i) Financial assets**

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Company recognizes an impairment loss for financial assets carried at amortized cost. The loss is the difference between the amortized cost of the loan or receivable and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

(ii) Non-financial assets

The carrying amounts of the long-lived non-financial assets, including intangible assets and property and equipment, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Intangible assets that have indefinite lives and intangible assets not yet put into use are evaluated for impairment at least annually.

An impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell or its value in use. The fair value less costs to sell calculation is based on available data from observable market prices, less incremental costs. The value in use calculation is based on a discounted cash flow model. These calculations require the use of estimates and forecasts of future cash flows. Qualitative factors, including market size and market growth trends, strength of customer demand and degree of variability in cash flows, as well as other factors, are considered when making assumptions with regard to future cash flows and the appropriate discount rate. A change in any of the significant assumptions or estimates used to evaluate the underlying assets could result in a material change to the results of operations.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed, to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment had been recognized. Write-downs as a result of impairment are recognized in selling, general and administration expense for commercialized technologies and in research and development expense for technologies that have yet to be commercialized in the statement of net loss and comprehensive loss.

Forward Looking Statements

This Management's Discussion and Analysis ("MD&A") contains forward-looking information as defined in applicable securities laws (referred to herein as "forward-looking statements") that reflect the Company's current expectations and projections about its future results. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are based on the current assumptions, estimates, analysis and opinions of management of the Company made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors which the Company believes to be relevant and reasonable in the circumstances.

The Company uses words such as "believes," "may," "plan," "will," "estimate," "continue," "anticipates," "intends," "expects," and similar expressions to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties, both known and unknown, as well as other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements.

Specifically, this MD&A contains forward-looking statements regarding, but not limited to, the Company's:

- intention to acquire, develop and commercialize diagnostic tests for unmet clinical needs;
- intention to partner with large diagnostic companies and reference laboratories to commercialize and market technology;
- expectation regarding collaborative research agreements, upfront payments, milestone payments, ongoing royalties on sales and other sources of revenue;
- expectation regarding new diagnostic program opportunities;
- intentions regarding the protection of intellectual property;
- business strategy; and
- intention with respect to dividends.

Inherent in forward-looking statements are known and unknown risks, uncertainties and other factors beyond the Company's ability to predict or control that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Such risk factors include, among others, the Company's stage of development, lack of product revenues, additional capital requirements, the ability to protect its intellectual property, dependence upon collaborative partners, changes in government regulation or regulatory approval processes, and rapid technological change in the industry. These factors should be considered carefully and readers are cautioned not to place undue reliance on such forward-looking statements.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- the availability of financing for the Company's research and development projects, or the availability of financing on reasonable terms;
- general business and economic conditions;
- the timing of the receipt of regulatory and governmental approvals for the Company's research and development projects;
- interest rates and foreign exchange rates;
- the Company's costs of research projects;
- positive results of current and future clinical trials;
- the uncertainties associated with the acceptance and demand for new products;
- research projects not being unreasonably delayed and expenses not increasing substantially;
- government regulation not imposing requirements that significantly increase expenses or that delay or impede the Company's ability to bring new products to market;
- the Company's ability to attract and retain skilled staff;
- the impact of changes in Canadian-US dollar and other foreign exchange rates on the Company's costs and results;
- market competition;

MIRACULINS INC.

Management's Discussion and Analysis



- tax benefits and tax rates; and
- the Company's ongoing relations with its employees and with its business partners.

Although management of the Company believes that these forward-looking statements are based on reasonable assumptions, a number of factors could cause the actual results, performance or achievements of the Company to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements. The forward-looking statements contained in this MD&A and any documents incorporated by reference herein are expressly qualified by this cautionary statement. The Company cautions you that the foregoing list of important factors and assumptions is not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. You should also carefully consider the matters discussed under "Risk Factors" in this MD&A which provides for additional risks and uncertainties relating to the Company and its business. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, other than as may be required by applicable legislation.