

MEDIFOCUS INC.

FORM 51-102F1

MANAGEMENT'S DISCUSSION & ANALYSIS AS AT SEPTEMBER 30, 2008.

The following discussion and analysis should be read in conjunction with the Company's financial statements as at September 30, 2008.

Date

This management discussion and analysis ("MD&A") is dated November 29, 2008 and is in respect of the period ending September 30, 2008.

Overall Performance

Medifocus Inc. (the "Company") is classified as a "Capital Pool Company" for the purposes of Policy 2.4 of the TSX Venture Exchange (the "Exchange"). As a result, the Company's current business is to identify and evaluate businesses and assets with a view to completing a "Qualifying Transaction". Any proposed Qualifying Transaction must be accepted by the Exchange and in the case of a non-arm's length Qualifying Transaction is also subject to "majority of the minority approval" in accordance with Policy 2.4 of the Exchange. The Company has not conducted commercial operations other than to enter into discussions for the purpose of identifying potential acquisitions. The Company is reviewing assets and businesses in the medical treatment sectors in various geographical areas.

Initial Public Offering

On June 29, 2006, the Company issued, for cash, 4,600,000 common shares at \$0.20 to the public pursuant to a prospectus dated June 20, 2006.

Liquidity

As at September 30, 2008, the Company had cash and cash equivalents of \$88,018 and Government of Canada Treasury Bills in the amount of \$946,010 all of which were generated from the proceeds of the initial capitalization and the initial public offering and the exercise of the agent's warrants.

Results of Operations

Prior to the completion of the initial public offering, the Company had no operations. Since then the Company's only activity has been to attempt to identify businesses with a view to completing a Qualifying Transaction. For the period April 1, 2007 to September 30, 2008, the Company earned interest income in the amount of \$11,107 and incurred general and administrative costs of \$54,844 which consisted mainly of legal and accounting expenses. Net loss for the period was \$43,737 or \$ (0.0062) on a per share basis or \$ (0.0056) on a fully diluted per share basis.

Outstanding Share Data

There are 7,079,410 common shares issued and outstanding. There are options outstanding pursuant to stock option agreements entitling the directors of the Company to purchase up to an aggregate of 665,000 common shares at a price of \$0.20 per share on or at any time prior to June 29, 2011. The agent and sub-agents for the Company's initial public offering were compensated, in part, through the granting of agents' warrants to purchase up to 460,000 common shares at a price of \$0.20 per share at any time on or prior to July 12, 2008. During the period, certain of the agents exercised a total of 429,410 warrants. The balance of the agent's options, in the aggregate amount of 30,590, expired on July 12, 2008.

Proposed Qualifying Transaction

On November 25, 2008, the Company received the Exchange's final approval and completed its Qualifying Transaction through the acquisition of Celsion (Canada) Limited ("Celsion").

The Company has issued 11,200,000 common shares in exchange for all the outstanding common shares of Celsion. The Share Exchange Agreement was negotiated at arm's length among Medifocus, Celsion and the shareholders of Celsion.

Following completion of the Qualifying Transaction, Celsion became a wholly-owned subsidiary of the Company. The Company will carry on the business of Celsion under current Celsion management. Dr. Augustine Cheung will serve as Chief Executive Officer and Director, Charles Shelton will serve as Executive Vice President and General Counsel, John Mon will serve as Chief Operating Officer and Mirsad Jakubovic will serve as Chief Financial Officer of Medifocus. Herbert Gasser has resigned as President, Chief Executive Officer and Chief Financial Officer of Medifocus and Maurice Colson has resigned as a Director of Medifocus. Herbert Gasser and Joe Tai will continue as Directors of Medifocus and Andy Lam, Jeffrey Collins and Grant Walsh will become Directors of Medifocus.

Trading in Medifocus Shares will resume on November 26, 2008.

Concurrently with the closing of the Qualifying Transaction, the Company completed a private placement of 4,090,775 units, at a price of \$0.50 per unit, for aggregate gross proceeds of \$2,045,377.50. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share for a period of 24 months at a price per share of \$0.60.

Maison Placements Canada Inc. acted as financial advisor in connection with the concurrent public offering. Maison Placements received cash compensation of 8% of the gross proceeds of the offering raised by them, and 10,000 units of Medifocus as broker warrants. In addition, Maison Placements Canada Inc. received a cash fee of US\$100,000 for financial advisory services and 50,000 units of Medifocus to act as the Sponsor of the Qualifying Transaction. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share for a period of 24 months at a price per share of \$0.60.

Disclosure Controls and Procedures

Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as of September 30, 2008. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer has concluded that the Company's disclosure controls and procedures, as defined in Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, are effective to ensure that information required to be disclosed in reports filed or submitted by the Company under Canadian securities legislation is recorded, processed, summarized and reported within the time periods specified in those rules.

Transactions with Related Parties

There were no related party transactions during the interim period ended September 30, 2008.