BriaCell THERAPEUTICS CORP.

*Immunotherapy approaches to **breast** cancer management*

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Berkeley, CA, 94710

BriaCell Therapeutics Corp.

Consolidated Financial Statements

For the Years Ended July 31, 2017 and 2016

Expressed in Canadian Dollars

Independent Auditors' Report

To the Shareholders of BriaCell Therapeutics Corp.:

We have audited the accompanying consolidated financial statements of BriaCell Therapeutics Corp., which comprise the consolidated statements of financial position as at July 31, 2017 and 2016, and the consolidated statements of operations and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of BriaCell Therapeutics Corp. as at July 31, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements which highlights the existence of a material uncertainty relating to conditions that cast significant doubt on BriaCell Therapeutics Corp.'s ability to continue as a going concern.

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
November 22, 2017

MNP

BriaCell Therapeutics Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

		July 31, 2017		July 31, 2016
ASSETS				
Current assets				
Cash and cash equivalents	$	**1,264,429**	$	171,865
Short-term investments		**750,000**		900,000
Amounts receivable		**6,981**		3,487
Prepaid expenses		**15,414**		13,164
Total current assets		**2,036,824**		1,088,516
Security deposits		**2,372**		2,481
Investments (Note 5)		**2**		2
Office equipment		-		587
Intellectual property (Note 6)		**1**		1
Total Assets	$	**2,039,199**	$	1,091,587
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities (Note 10 and 15(c))	$	**472,362**	$	63,470
Advance Subscription (Note 16(b))		**631,785**		-
Total liabilities		**1,104,147**		63,470
Shareholders' equity				
Share capital (Note 7(b))		**6,609,615**		4,489,797
Share-based payment reserve (Note 8)		**884,763**		1,042,207
Warrant reserve (Note 7(c))		**1,841,448**		1,107,863
Accumulated other comprehensive income (loss)		**(72,174)**		(30,346)
Deficit		**(8,328,600)**		(5,581,404)
Total shareholders' equity		**935,052**		1,028,117
Total liabilities and shareholders' equity	$	**2,039,199**	$	1,091,587

The accompanying notes are an integral part of these consolidated financial statements.

Nature of Operations and Going Concern (Note 1)
Commitments and Contingencies (Note 15)
Events After the Reporting Period (Note 16)

Approved on behalf of the Board:

"Rahoul Sharan"	*"Saeid Babaei"*
Director	Director

BriaCell Therapeutics Corp.
Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year ended July 31	
	2017	2016
Expenses:		
Research costs (Note 13)	**$ 2,125,941**	$ 944,942
General and administartion costs (Note 10 and 14)	**820,281**	584,105
Share-based compensation (Note 8 and 10)	**272,014**	648,149
Total Expenses	**3,218,236**	2,177,196
Operating Loss	**(3,218,236)**	(2,177,196)
Interest income	**6,428**	4,738
Loss on available for sale investments (Note 5)	-	(27,763)
Foreign exchange loss	**(8,913)**	(14,561)
	(2,485)	(37,586)
Loss before income tax	**(3,220,721)**	(2,214,782)
Items That Will Subsequently Be Reclassified To Profit Or Loss		
Foreign currency translation adjustment	**41,828**	18,575
Unrealized loss on available for sale investments (Note 5)	-	(6,892)
	41,828	11,683
Items Reclassified To Profit Or Loss		
Reclass of unrealized losses on available for sale investments (Note 5)	-	27,763
Comprehensive Loss for the Year	**$ (3,178,893)**	$ (2,175,336)
Basic and Fully Diluted Loss Per Share	**$ (0.03)**	$ (0.04)
Weighted Average Number Of Shares Outstanding	**101,912,205**	86,541,678

The accompanying notes are an integral part of these consolidated financial statements.

BriaCell Therapeutics Corp.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended July 31	
	2017	2016
Cash flow from operating activities		
Net loss for the year	**$ (3,220,721)**	$ (2,214,782)
Items not affecting cash:		
Depreciation	**290**	1,185
Share-based compensation	**272,014**	648,149
Unrealized foreign exchange gain		177
Unrealized loss on avaliable for sale investments	-	27,763
Changes in non-cash working capital:		
Amounts receivable	**(3,494)**	31,850
Prepaid expenses	**(2,250)**	381
Security deposits	-	29,054
Accounts payable and accrued liabilities	**1,040,677**	(90,060)
	(1,913,484)	(1,566,283)
Cash flow from investing activities		
Cash acquired on reverse take over		
Purchase of equipment		
Change in short-term investments	**150,000**	207,400
	150,000	207,400
Cash flow from financing activities		
Proceeds from share issuance		
Units issued for cash	**3,046,900**	1,275,000
Share issuance costs	**(238,389)**	(231,159)
Proceeds from exercise of warrants	**88,959**	3,600
	2,897,470	1,047,441
Increase in cash and cash equivalents	**1,133,986**	(311,442)
Effect of changes in foreign exchange rates	**(41,422)**	18,575
Cash and cash equivalents, beginning of year	**171,865**	464,732
Cash and cash equivalents, end of year	**$ 1,264,429**	$ 171,865

The accompanying notes are an integral part of these consolidated financial statements.

BriaCell Therapeutics Corp.
Statement of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	SHARE CAPITAL												
	SHARES		AMOUNT		SHARE-BASED PAYMENT RESERVE		WARRANT RESERVE		ACCUMULATED OTHER COMPREHENSIVE LOSS		ACCUMULATED DEFECIT		TOTAL SHAREHOLDERS' EQUITY
Balance, July 31, 2015	84,736,316	$	3,847,782	$	502,636	$	702,437	$	(69,792)	$	(3,475,200)	$	1,507,863
Brokered Private Placement (see Note 7(b)(ii))	3,421,053		273,488		-		213,641		-		-		487,129
Non-Brokered Private Placement ((see Note 7(b)(iii))	3,125,000		363,869		-		192,843		-		-		556,712
Exercise of warrants (see Note 7(b)(i))	20,000		4,658		-		(1,058)		-		-		3,600
Share-based compensation (see Note 8)	-		-		648,149		-		-		-		648,149
Cancellation of stock options (see Note 8(x))	-		-		(108,578)		-		-		108,578		-
Change in market value of investments	-		-		-		-		(6,892)		-		(6,892)
Foreign exchange translation	-		-		-		-		27,763		-		27,763
Unrealized loss on available for saleinvestments other than termporary	-		-		-		-		18,575		-		18,575
Loss for the year	-		-		-		-		-		(2,214,782)		(2,214,782)
Balance, July 31, 2016	**91,302,369**	**$**	**4,489,797**	**$**	**1,042,207**	**$**	**1,107,863**	**$**	**(30,346)**	**$**	**(5,581,404)**	**$**	**1,028,117**

The accompanying notes are an integral part of these consolidated financial statements.

BriaCell Therapeutics Corp.
Statement of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	SHARE CAPITAL												
	SHARES		AMOUNT		SHARE-BASED PAYMENT RESERVE		WARRANT RESERVE		ACCUMULATED OTHER COMPREHENSIVE LOSS		ACCUMULATED DEFECIT		TOTAL SHAREHOLDERS' EQUITY
Balance, July 31, 2016	91,302,369	$	4,489,797	$	1,042,207	$	1,107,863	$	(30,346)	$	(5,581,404)	$	1,028,117
Private Placement (Note 7(b)(iv))	8,500,000		948,258		-		537,503		-		-		1,485,761
Private Placement (Note 7(b)(vii))	5,612,083		1,060,961		-		261,788		-		-		1,322,749
Exercise of warrants (Finders' Options) (Note 7(b)(ix))	490,109		110,599		-		(21,639)		-		-		88,960
Share-based compensation (Note 8)	-		-		272,014		-		-		-		272,014
Expiration of compensation warrants (Note 7(b))	-		-		-		(44,067)		-		44,067		-
Cancellation of stock options (Note 8(x))	-		-		(429,458)		-		-		429,458		-
Foreign exchange translation	-		-		-		-		(41,828)		-		(41,828)
Loss for the period	-		-		-		-		-		(3,220,721)		(3,220,721)
Balance, July 31, 2017	**105,904,561**	**$**	**6,609,615**	**$**	**884,763**	**$**	**1,841,448**	**$**	**(72,174)**	**$**	**(8,328,600)**	**$**	**935,052**

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of Operations and Going Concern

BriaCell Therapeutics Corp. ("BriaCell" or the "Company") was incorporated under the Business Corporations Act (British Columbia) on July 26, 2006 and is listed on the TSX Venture Exchange ("TSX Venture"). The Company trades on the TSX Venture under the symbol "BCT.V"

The Company's head office is located at Suite 300 – 235 West 15th Street, West Vancouver, British Columbia, V7T 2X1.

BriaCell is an immuno-oncology biotechnology company. BriaCell owns the US patent to BriaVax^{TM}, a whole-cell cancer vaccine (US Patent No.7674456) (the "Patent") (Note 6). The Company is currently advancing its vaccine program, BriaVax™, to complete a 24-subject Phase I/IIa clinical trial and by research activities in the context of BriaDx™, a companion diagnostic test to identify patients likely benefitting from BriaVax™.

During the year, the Company completed two private placements of units totaling gross proceeds of $3,046,900 (notes 7(b)(iv) and 7(b)(vii)). In August 2017, the Company subsequent to its year end completed a third private placement of units with gross proceeds of $631,785 (Note 17(b)).

The accompanying consolidated financial statements have been prepared on the basis of a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business for the foreseeable future. The Company has incurred losses from inception of $8,638,199, is currently in the development stage, and has not commenced commercial operations. The Company's ability to continue as a going concern is dependent upon its ability to attain future profitable operations and to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. As at July 31, 2017, the Company had not yet completed the clinical development of or achieved regulatory approval to market BriaVax^{TM}, its lead product candidate and expects to incur further losses; the nature of a development stage immune-oncology company requires the raising of financial capital to support its clinical development programs and administrative costs. The uncertainty of the Company's ability to raise such financial capital casts significant doubt on the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company not be able to continue as a going concern.

These consolidated financial statements were authorized for issue by the Board of Directors on November 22, 2017.

2. Basis of Presentation

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

Basis of Presentation

The consolidated financial statements are prepared on a going concern basis and have been presented in Canadian dollars which is the Company's reporting currency. A summary of the significant accounting policies is provided in Note 3. Standards and guidelines not effective for the current accounting period are described in Note 4.

Basis of Measurement

Theses consolidated financial statements have been prepared under the historical cost basis, except for financial instruments which have been measured at fair value.

2. Basis of Presentation (continued)

Basis of Consolidation

These consolidated financial statements include the accounts of BriaCell and its wholly-owned subsidiary, BriaCell Therapeutics Corp. ("BTC").

All inter–company balances, and transactions, have been eliminated upon consolidation.

3. Significant Accounting Policies

The significant accounting policies used in the preparation of these consolidated financial statements set out below have been applied consistently in all material respects for all periods presented.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held with banks and other short-term highly liquid investments with original maturities of three months or less. As at July 31, 2017 and 2016, the Company had no cash equivalents.

Short-term Investments

Short-term investments consist of variable rate guaranteed investment certificates ("GICs") with original terms of one year or less but greater than three months.

Translation of Foreign Currencies

These consolidated financial statements are presented in Canadian dollars. The functional currency of BriaCell is the Canadian dollar. The functional currency of BTC is the United States dollar.

Translation gains or losses resulting from the translation of the financial statements of BTC into Canadian dollars for presentation purposes are recorded in other comprehensive (loss) income.

Within each entity, transactions in currencies other than the functional currency ("foreign currencies") are translated to the functional currency at the rate of exchange prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency at the end of each reporting period at the period-end exchange rate. Exchange gains and losses on the settlement of transactions and the translation of monetary assets and liabilities to the functional currency are recorded in profit or loss.

Research and Development

Research and development costs are expensed as incurred.

Financial Instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of being sold or repurchased in the near term. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in the consolidated statements of operations.

3. Significant Accounting Policies (continued)

Financial Instruments *(continued)*

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the consolidated statements of operations.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized in comprehensive income (loss). Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from accumulated other comprehensive income (loss) and recognized in the consolidated statements of operations.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at the end of each reporting period.

Financial assets are impaired when there is any objective evidence that the cash flows related to a financial asset or group of financial assets have been negatively impacted. Different criteria to determine impairment are applied for each category of financial assets described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the corresponding asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of being sold or repurchased in the near term. They are carried in the consolidated statements of financial position at fair value with changes in fair value recognized in the consolidated statements of operations.

Other financial liabilities - This category includes accounts payables and accrued liabilities, all of which are recognized at amortized cost.

The Company's financial instruments consist of the following:

Financial assets:	Classification:
Cash and cash equivalents	Loans and receivables
Short-term investments	Fair Value through Profit or Loss
Amounts receivable (excluding for HST)	Loans and receivables
Investments	Available for sale
Security deposits	Loans and Receivables

3. Significant Accounting Policies (continued)

Financial liabilities:	Classification:
Accounts payable and accrued liabilities	Other financial liabilities
Advance subscription	Other financial liabilities

Financial instruments recorded at fair value in the statement of financial position are classified according to a three-level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The three levels of fair value hierarchy are as follows:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
- Level 3 - Inputs for assets or liabilities that are not based on observable market data.

Financial assets measured at fair value on a recurring basis include the following:

	FAIR VALUE INPUT LEVEL	As at July 31, 2017		As at July 31, 2016	
		CARRYING AMOUNT	ESTIMATED FAIR VALUE	CARRYING AMOUNT	ESTIMATED FAIR VALUE
Financial Assets:					
Cash and cash equivalents	1	$ 1,264,429	$ 1,264,429	$ 171,865	$ 171,865
Investments	2	$ 2	$ 2	$ 2	$ 2

Share-based Payments

Equity-settled share based payments for directors, officers and employees are measured at fair value at the date of grant and recorded as compensation expense with a corresponding increase to share-based payment reserve in the consolidated financial statements.

The fair value determined at the grant date of equity-settled share based payments is expensed using the graded vesting method over the vesting period based on the Company's estimate of payments that will eventually vest. Upon exercise of the stock options, consideration paid by the option holder together with the amount previously recognized in share-based payment reserve is recorded as an increase to share capital. Upon expiry, the amounts recorded for share-based compensation are transferred to the deficit from the share-based payment reserve. Shares are issued from treasury upon the exercise of equity-settled share based instruments.

Compensation expense on stock options granted to non-employees is measured at the earlier of the completion of performance and the date the options are vested using the fair value method and is recorded as an expense in the same period as if the Company had paid cash for the goods or services received.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a Black-Scholes valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

3. Significant Accounting Policies (continued)

Share Capital

Common shares are classified as equity. Proceeds from unit placements are allocated between shares and warrants issued using the relative fair value method. Costs directly identifiable with share capital financing are charged against share capital. Share issuance costs incurred in advance of share subscriptions are recorded as non-current deferred assets. Share issuance costs related to uncompleted share subscriptions are charged to operations in the period they are incurred.

Warrant Reserve

The fair value of warrants is determined upon their issuance either as part of unit private placements or in settlement of share issuance costs and finders' fees, using the Black-Scholes model. All such warrants are classified in a warrant reserve within equity. If the warrants are converted, the value attributable to the warrants is transferred to common share capital. Upon expiry, the amounts recorded for expired warrants is transferred to the deficit from the warrant reserve. Shares are issued from treasury upon the exercise of share purchase warrants.

Income Taxes

Income tax expense consists of current and deferred tax expense. Current and deferred taxes are recognized in profit or loss except to the extent they relate to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in profit or loss and comprehensive income (loss) or equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At the end of each reporting period, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all of part of the asset to be recovered.

Basic and Diluted Loss per Share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year. Diluted earnings per share reflect the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock.

The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method. Diluted amounts are not presented when the effect of the computations are anti-dilutive. Accordingly, at present, there is no difference in the amounts presented for basic and diluted loss per share.

3. Significant Accounting Policies (continued)

Significant Accounting Judgments and Estimates

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods when the revision affects both current and future periods.

The critical judgments and significant estimates in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are:

- The series of loans made to the subsidiary company are considered part of the parent company's net investment in a foreign operation as the Company does not plan to settle these balances in the foreseeable future. As a result of this assessment, the unrealized foreign exchange gains and losses on the intercompany loans are recorded through compressive loss. If the Company determined that settlement of these amounts was planned or likely in the foreseeable future, the resultant foreign exchange gains and losses would be recorded through profit or loss.
- The determination that the unrealized decrease in the fair value of available for sale investments is other than temporary.

4. Standards Issued but Not Yet Effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for future accounting periods. Many are not applicable to or are not expected to have a significant impact on BriaCell and have been excluded from the list below. The following have not yet been adopted and are being evaluated to determine their impact on BriaCell.

(i) IFRS 9 – Financial instruments ("IFRS 9") was issued by the IASB its final form in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS39. The standard is effective for annual periods beginning on or after January 1, 2018. The Company has yet to evaluate the impact of this new standard.

(ii) IFRS 15 - Revenue from contracts with customers ("IFRS 15") proposes to replace IAS 18 – Revenue, IAS 11 – Construction contracts and some revenue-related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five step analysis of transaction to determine whether, how much and when revenue is recognized. New estimates and judgemental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. The Company has yet to evaluate the impact of this new standard.

4. Standards Issued but Not Yet Effective (continued)

(iii) IFRS 16 - Leases ("IFRS 16") replaces IAS 17, Leases ("IAS 17"). The new model requires the recognition of almost all lease contracts on a lessee's statement of financial position as a lease liability reflecting future lease payments and a 'right-of-use asset' with exceptions for certain short-term leases and leases of low-value assets. In addition, the lease payments are required to be presented on the statement of cash flow within operating and financing activities for the interest and principal portions, respectively. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted if IFRS 15, Revenue from Contracts with Customers, is also applied. The Company has yet to evaluate the impact of this new standard.

(iv) IFRS 17 – Insurance Contract ("IFRS 17") was issued by the IASB in May 2017, which replaces IFRS 4 Insurance Contracts. IFRS 17 requires entities to measure insurance contract liabilities at their current fulfillment values using one of three measurement models, depending on the nature of the contract. IFRS 17 is effective for annual periods beginning on or after January 1, 2021. IFRS 17 will affect how we account for our insurance contracts and how we report our financial performance in our consolidated statement of operations. The Company has yet to evaluate the impact of this new standard.

5. Investments

The Company holds 300,000 common shares in GreenFlag Ventures Inc. and 300,000 common shares in Entourage Mining Ltd. The investments are held in BriaCell and were acquired in November 2014 at a fair value of $27,765. During the year ended July 31, 2016, the Company recorded a fair value adjustment of $6,892 which was included as an unrealized loss on available for sale investments in other comprehensive loss.

At July 31, 2016, the Company determined the reduction of the fair value in the investments was other than temporary and has reclassified $27,763 of unrealized loss from accumulated other comprehensive loss to profit or loss.

6. Intellectual Property

On April 8, 2014, Dr. Charles Wiseman, a significant shareholder, assigned certain intellectual property (US Patent No. 7,674,456) (the "Patent") to the Company which has been recorded as contributed surplus and ascribed a nominal value ($1).

The Patent carried certain royalty provisions payable to the St. Vincent Medical Centre ("SVMC"). On June 26, 2014, Dr. Wiseman and the Company entered into an agreement with SVMC pursuant to which SVMC would surrender its royalty rights on the intellectual property and in exchange would receive 875 of Dr. Wiseman's common shares in the pre-RTO Company, which were subsequently exchanged for 4,647,262 shares of BriaCell, and 833,333 Units with the same terms and conditions as the Subscription Units described in Note 8(b)(iii). The fair value of the unit issuance was $150,000 (Note 8(b)(iv)) and this amount has been expensed as termination of royalty obligations.

7. Share Capital and Warrant Reserve

a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares with no par value.

b) Issued share capital

(i) On April 1, 2016, 20,000 warrants were exercised into 20,000 common shares for a total cash consideration of $3,600.

(ii) On April 26, 2016, the Company completed a brokered private placement resulting in gross proceeds of $650,000. The brokered private placement involved the sale of 3,421,053 units at a price of $0.19 per unit (the "Brokered Units"). Each Brokered Unit comprised one Common Share and one common share purchase warrant (the "Brokered Warrant"). Each Brokered Warrant entitles the holder thereof to acquire one additional Common Share for a period of 60 months from April 26, 2016 at an exercise price of $0.30.

The agent for the brokered private placement received a cash commission in the amount of $58,500 and 273,685 compensation warrants (the "Compensation Warrants"). Each Compensation Warrant is exercisable into one Common Share in of the Company for a period of 60 months from April 26, 2016 at a price of $0.30 per Common Share.

The total fair value of each Brokered Warrant and Compensation Warrant was $213,641 and was determined using the Black Scholes option pricing model and the following assumptions: share price - $0.19; exercise price - $0.30; expected life – 5 years; annualized volatility – 95.34%; dividend yield – 0%; risk free rate – 0.64%. This amount was charged against warrant reserve in the statement of changes in shareholders' equity.

Gross proceeds, less issuance costs paid in cash and less the total fair value of the Non-Brokered Warrants and Finder's Options were charged against share capital and warrant reserve in the statement of changes in shareholders' equity.

(iii) On April 29, 2016, the Company completed a non-brokered private placement resulting in gross proceeds of $625,000. The non-brokered private placement involved the sale of 3,125,000 units at a price of $0.20 per unit (the "Non-Brokered Units"). Each Non-Brokered Unit comprised of one Common Share and one-half of one common share purchase warrant (each whole warrant a "Non-Brokered Warrant"). Each Non-Brokered Warrant entitles the holder thereof to acquire one additional Common Share for a period of 36 months from April 29, 2016 at an exercise price of $0.30 during the first 12 months and $0.35 thereafter.

Certain finders received a cash commission of $32,500 plus 176,000 Compensation Warrants exercisable into one Non-Brokered Unit at any time until April 29, 2018 at an exercise price of $0.20.

The total fair value of each Non-Brokered Warrant and Compensation Warrant was $192,843 and was determined using the Black Scholes option pricing model and the following assumptions: Non-Brokered Warrants - share price - $0.20; exercise price - $0.35; expected life – 3 years; annualized volatility – 92.86%; dividend yield – 0%; risk free rate – 0.64%. Compensation Warrants - share price - $0.20; exercise price - $0.20; expected life – 5 years; annualized volatility – 92.86%; dividend yield – 0%; risk free rate – 0.64%.

7. Share Capital and Warrant Reserve (continued)

b) Issued share capital (continued)

(iv) On August 19, 2016, the Company completed a non-brokered private placement resulting in gross proceeds of $1,700,000. The non-brokered private placement involved the sale of 8,500,000 units at a price of $0.20 per unit (the "August 2016 Non-Brokered Units"). Each August 2016 Non-Brokered Unit comprised one Common Share and one common share purchase warrant (the "August 2016 Non-Brokered Warrants"). Each August 2016 Non-Brokered Warrant entitles the holder thereof to acquire one additional Common Share for an initial period of 12 months from August 19, 2016 at an exercise price of $0.30 and at an exercise price of $0.35 during the subsequent 24 months.

Certain finders received a cash commission of $115,500 plus 595,000 compensation warrants (the "August 2016 Compensation Warrants") exercisable into one Non-Brokered Unit at any time until August 19, 2019 at an exercise price of $0.35.

The total fair value of each August 2016 Non-Brokered Warrants and August 2016 Compensation Warrants was $472,305 and $65,198, respectively and was determined using the Black Scholes option pricing model and the following assumptions: August 2016 Non-Brokered Warrants - share price - $0.22; exercise price - $0.35; expected life – 3 years; annualized volatility – 95.43%; dividend yield – 0%; risk free rate – 0.64%. August 2016 Compensation Warrants - share price - $0.20; exercise price - $0.20; expected life – 3 years; annualized volatility – 95.43%; dividend yield – 0%; risk free rate – 0.64%.

(v) On October 7, 2016, 192,140 Compensation Warrants were exercised into 192,140 common shares and 192,140 warrants for a total consideration of $34,585. The fair value of the warrants was determined using the Black Scholes option pricing model and the following assumptions: - share price - $0.21; exercise price - $0.35; expected life – 1.15 years; annualized volatility – 90.07%; dividend yield – 0%; risk free rate – 0.64%. Gross proceeds, less issuance costs paid in cash and less the total fair value of the warrants were charged against Share Capital in the statement of changes in shareholders' equity.

(vi) On November 30, 2016, 116,963 Compensation Warrants were exercised into 116,963 common shares and 116,963 warrants for a total consideration of $21,055. The fair value of the warrants was determined using the Black Scholes option pricing model and the following assumptions: - share price - $0.2; exercise price - $0.35; expected life – 1.01 years; annualized volatility – 94.09%; dividend yield – 0%; risk free rate – 0.64%. Gross proceeds, less issuance costs paid in cash and less the total fair value of the warrants were charged against Share Capital in the statement of changes in shareholders' equity.

7. Share Capital and Warrant Reserve (continued)

b) Issued share capital (continued)

(vii) On March 9, 2017 the Company and the Company's President and CEO, completed a non-brokered private placement financing (the "Offering") of 5,612,083 units (the "Units") for aggregate gross proceeds to the Company in the amount of $1,346,900.

Under the Offering, each Unit consisted of one common share in the capital of the Company (a "Common Share") and one-half of one Common Share purchase warrant (a "Warrant"). The fair value of the warrants was determined using the Black Scholes option pricing model and the following assumptions: - share price - $0.2; annualized volatility – 120.63%; dividend yield – 0%; risk free rate – 0.78%. Each Warrant will be exercisable for one Common Share at an exercise price of $0.30 if exercised 12 months following the date of closing of the Offering and $0.35 if exercised 24 months following the date of closing of the Offering. The Offering was subject to final approval of the TSX Venture.

The Offering was considered a "related party transaction" within the meaning of TSX Venture Policy 5.9 and Multilateral Instrument 61-101—Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company relied on the exemptions from the valuation and minority

shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(a) of MI 61-101 as neither the fair market value of the Units nor the aggregate proceeds of the Offering exceeded 25% of the Company's market capitalization.

(viii) On March 7, 2017, 144,006 Compensation Warrants were exercised into 144,006 common shares and 144,006 warrants for a total consideration of $25,921. The fair value of the warrants was determined using the Black Scholes option pricing model and the following assumptions: - share price - $0.18; exercise price - $0.35; expected life – 11 months; annualized volatility – 152.57%; dividend yield – 0%; risk free rate – 0.64%. Gross proceeds, less issuance costs paid in cash and less the total fair value of the warrants were charged against Share Capital in the statement of changes in shareholders' equity.

(ix) On April 24, 2017, 37,000 Finders' Options were exercised into 37,000 common shares and 18,500 warrants for a total consideration of $7,400. The fair value of the warrants was determined using the Black Scholes option pricing model and the following assumptions: - share price - $0.19; exercise price - $0.35; expected life – 24 months; annualized volatility – 117.96%; dividend yield – 0%; risk free rate – 0.64%. Gross proceeds, less issuance costs paid in cash and less the total fair value of the warrants were charged against Shares Capital in the statement of changes in shareholders' equity. The shares were issued on May 1, 2017.

(Expressed in Canadian Dollars)

7. Share Capital and Warrant Reserve (continued)

c) Share Purchase Warrants

A summary of changes in share purchase warrants for the years ended July 31, 2017 and 2016 is presented below:

	Number	Weighted Average Exercise Price
Balance, July 31, 2015	13,412,881	$ 0.25
Granted on brokered private placement (see note 7(b)(ii))	3,421,053	0.30
Granted on non-brokered private placement (see note 7(b)(iii))	1,562,500	0.35
Balance, July 31, 2016	18,396,434	$ 0.27
Granted on brokered private placement (note 7(b)(iv))	8,500,000	0.35
Granted on non-brokered private placement (note 7(b)(vii))	2,806,041	0.35
Granted from the exercise of Compensation Warrants and Finders' Options (notes 7(b)(v), (vi), (viii) and (ix))	471,609	0.35
Balance, July 31, 2017	30,174,084	$ 0.30

As at July 31, 2017, share purchase warrants outstanding were as follows:

Number Of Warrants	Exercise Price	Exercisable at July 31, 2017	Expiry Date
13,412,881	$ 0.25	13,412,881	November 27, 2017
3,421,053	$ 0.30	3,421,053	April 26, 2021
1,562,500	$ 0.35	1,562,500	April 29, 2018
8,500,000	$ 0.35	8,500,000	August 19, 2019
2,806,041	$ 0.35	2,806,041	March 6, 2019
192,140	$ 0.35	192,140	December 2, 2017
116,963	$ 0.35	116,963	December 2, 2017
144,006	$ 0.35	144,006	February 5, 2018
18,500	$ 0.35	18,500	April 29, 2019
30,174,084		30,174,084	

(Expressed in Canadian Dollars)

7. Share Capital and Warrant Reserve (continued)

d) Compensation Warrants

A summary of changes in compensation warrants for the years ended July 31, 2017 and 2016 is presented below:

	Number	Weighted Average Exercise Price
Balance, July 31, 2015	1,034,128	$ 0.18
Exercised	(20,000)	(0.18)
Granted on brokered private placement (see note 7(b)(ii))	273,685	0.30
Granted Finder's Options (see note 7(b)(iii))	176,000	0.20
Balance, July 31, 2016	1,483,813	$ 0.19
Granted on brokered private placement (see note 7(b)(iv))	595,000	0.20
Expiration of compensation warrants	(581,019)	(0.18)
Exercised (see notes 7(b)(v), (vi), (viii) and (ix))	(490,109)	(0.20)
Balance, July 31, 2017	1,007,685	$ 0.20

As at July 31, 2017, compensation warrants outstanding were as follows:

Number Of Compensation Warrants	Exercise Price	Exercisable At July 31, 2017	Expiry Date
273,685	0.30	273,685	April 26, 2021 (i)
139,000	0.20	139,000	April 29, 2019 (ii)
595,000	0.20	595,000	August 19, 2019 (iii)
1,007,685		1,007,685	

i) Each compensation warrant can be exercised at $0.30 into one unit of BriaCell comprising one common share and one share purchase warrant. Each resultant share purchase warrant acquired can be exercised into an additional common share of BriaCell an exercise price of $0.30 through to April 28, 2017 and $0.35 for the 48 months thereafter.

ii) Each compensation warrant can be exercised at $0.20 into one unit of BriaCell comprising one common share and a one half common share purchase warrant. Each resultant share purchase warrant acquired can be exercised into an additional common share of BriaCell an exercise price of $0.30 through to April 28, 2017 and $0.35 for the 24 months thereafter.

iii) Each compensation warrant can be exercised at $0.20 into one unit of BriaCell comprising one common share and one share purchase warrant. Each resultant share purchase warrant acquired can be exercised into an additional common share of BriaCell an exercise price of $0.30 through to August 19, 2019 and $0.35 for the 24 months thereafter.

(Expressed in Canadian Dollars)

7. Share Capital and Warrant Reserve (continued)

e) Shares Held in Escrow

The escrow agreement relating to the reverse takeover transaction provided for 54,282,952 shares to be held under an escrow agreement. Shares will be released from escrow equal to 10% of the initial shares subject to the agreement upon completion of the initial public offering or purchase agreement and listing on the Canadian Securities Exchange, the remaining shares will be released in 6 equal tranches (15%) every nine-months. On December 1, 2014, the Company received final approval of its change of business and trading of the Company's shares under the new name and ticker symbol commenced on December 3, 2014.

As of July 31, 2017, a total of 39,329,389 (July 31, 2016 - 23,395,919) shares have been released and a total of 14,953,563 (July 31, 2016 - 30,887,033) shares remain in escrow.

8. Share-Based Compensation and Share-Based Payment Reserve

The Company has adopted a stock option plan (the "Plan") under which it is authorized to grant options to officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. The options can be granted for a maximum of 5 years and vest as determined by the Board of Directors. The exercise price of each option granted may not be less than the fair market value of the common shares at the time of grant.

A summary of changes in stock options for the years ended July 31, 2017 and 2016 is presented below:

	Number of options outstanding		Weighted average exercise price
Balance, July 31, 2015	3,750,000	$	0.23
Granted (i), (ii), (iii)	4,368,000		0.26
Cancelled (x)	(1,150,000)		0.25
Balance, July 31, 2016	6,968,000	$	0.24
Granted (iv), (v), (vi), (vii), (viii)	1,882,000		0.25
Cancelled (x)	(2,768,000)		0.24
Balance, July 31, 2017	6,082,000	$	0.24

(i) On November 4, 2015, the Company issued 3,668,000 stock options. The options are exercisable at $0.255 and have the following expiry dates:

- 1,017,500 of the options expire on November 4, 2018, 517,500 vested immediately, and 500,000 vests quarterly over one year;
- 1,200,500 of the options expire on November 4, 2020, 525,000 of these options were issued to the Company's officers; 100,000 vested immediately, 600,500 vests quarterly over three years and 500,000 vests quarterly over four years;
- 1,450,000 of the options expire on November 4, 2025; all of these options were issued to three of the Company's directors and all of these options vested immediately.

The fair value of the stock options grant was $699,220. The fair value was estimated using the Black Scholes option pricing model and the following weighted average assumptions: share price - $0.26; exercise price - $0.26; expected life – 3 to 10 years; annualized volatility – 95%; dividend yield – 0%; risk free rate – 1.78%.

8. Share-Based Compensation and Share-Based Payment Reserve (continued)

(ii) On May 9, 2016, the Company issued 500,000 stock options that vested immediately. The options are exercisable at $0.255 and expire on January 15, 2018. The fair value of the stock options granted was $38,000.

The fair value was estimated using the Black Scholes option pricing model and the following weighted average assumptions: share price - $0.19; exercise price - $0.255; expected life – 1.64 years; annualized volatility – 95%; dividend yield – 0%; risk free rate – 1.25%.

(iii) On May 27, 2016, the Company issued 200,000 stock options that vested immediately. The options are exercisable at $0.255 and expire on January 15, 2018. The fair value of the stock options grant was $12,600.

The fair value was estimated using the Black Scholes option pricing model and the following weighted average assumptions: share price - $0.17; exercise price - $0.255; expected life – 1.69 years; annualized volatility – 95%; dividend yield – 0%; risk free rate – 1.25%.

(iv) On October 3, 2016, the Company issued 800,000 stock options to consultants, of which 25% vested immediately, and 25% vest every 90 days thereafter. The fair value of the stock options was $88,061. The fair value was estimated using the Black Scholes option pricing model and the following weighted average assumptions: share price - $0.20; exercise price - $0.25; expected life – 3 years; annualized volatility – 95%; dividend yield – 0%; risk free rate – 0.59%

(v) On November 1, 2016, a total of 632,000 stock options were issued to the Company's CEO, which vested immediately. The fair value of the stock options was $84,981. The fair value was estimated using the Black Scholes option pricing model and the following weighted average assumptions: share price - $0.19; exercise price - $0.21; expected life – 3 years; annualized volatility – 124%; dividend yield – 0%; risk free rate – 0.75%

(vi) On February 14, 2017, a total of 250,000 stock options were issued to a consultant, of which 25% vested immediately, and 25% vest every 90 days thereafter. The fair value of the stock options was $34,290. The fair value was estimated using the Black Scholes option pricing model and the following weighted average assumptions: share price - $0.2; exercise price - $0.2; expected life – 3 years; annualized volatility – 115%; dividend yield – 0%; risk free rate – 0.76%

(vii) On March 20, 2017, a total of 50,000 stock options were issued to a consultant of which 25% vested immediately, and 25% vest every 90 days thereafter. The fair value of the stock options was $7,041. The fair value was estimated using the Black Scholes option pricing model and the following weighted average assumptions: share price - $0.22; exercise price - $0.21; expected life – 3 years; annualized volatility – 103%; dividend yield – 0%; risk free rate – 0.67%

(viii) On March 22, 2017, a total of 150,000 stock options were issued to an employee of the Company of which 25% vested immediately, and 25% vest every 90 days thereafter. The fair value of the stock options was $21,122. The fair value was estimated using the Black Scholes option pricing model and the following weighted average assumptions: share price - $0.22; exercise price - $0.21; expected life – 3 years; annualized volatility – 103%; dividend yield – 0%; risk free rate – 0.67%

(ix) The Company recognized stock based compensation expense of $272,014 for the year ended July 31, 2017 (July 31, 2016 - $648,149).

(x) During the year ended July 31, 2017, 2,768,000 (July 31, 2016 – 1,150,000) options were cancelled. The fair value of the cancelled options, $429,458 (July 31, 2016 - $108,578), were transferred from share based payment reserve to accumulated deficit on the statement of changes in shareholders' equity.

(Expressed in Canadian Dollars)

8. Share-Based Compensation and Share-Based Payment Reserve (continued)

(xi) As at July 31, 2017, stock options were outstanding for the purchase of common shares as follows:

Number Of Options	Exercise Price		Exercisable at July 31, 2017	Expiry Date
1,700,000	$	0.220	1,700,000	January 15, 2018
250,000	$	0.220	250,000	April 8, 2018
175,000	$	0.300	175,000	May 4, 2018
950,000	$	0.255	950,000	November 4, 2025
575,000	$	0.255	262,500	November 4, 2020
150,000	$	0.210	75,000	March 22, 2020
500,000	$	0.255	500,000	November 4, 2018
700,000	$	0.255	700,000	January 15, 2018
150,000	$	0.250	150,000	July 31, 2018
632,000	$	0.250	632,000	November 1, 2019
250,000	$	0.200	125,000	February 14, 2020
50,000	$	0.210	25,000	March 20, 2020
6,082,000			5,544,500	

As at July 31, 2017, stock options outstanding have a weighted average remaining contractual life of 2.43 years (July 31, 2016 – 3.51 years).

9. Income Taxes

The provision for taxes differs from the amount obtained by applying the combined Canadian Federal and Provincial income tax rate of 26% (2016 - 26%) to loss before income taxes. The differences relate to the following items:

		Year Ended July 31, 2017		Year Ended July 31, 2016
Net loss before recovery of income taxes	**$**	**3,220,721**	$	2,214,782
Expected tax recovery based on statutory Canadian combined federal and provincial tax rates	**$**	**(837,390)**	$	(575,840)
Differences in foreign tax rates		**(375,590)**		(167,510)
Tax rate changes and other adjustments		**(3,990)**		15,870
Share based compensation and non-deductible expenses		**(26,070**		170,000
Change in deferred tax assets not recognized		**1,190,900**		557,480
Income tax (recovery) expense	**$**	**-**	$	-

(Expressed in Canadian Dollars)

9. Income Taxes (continued)

Unrecognized Deferred Tax Assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences because it is not probable that the future taxable profit will be available against which the Company can utilize the benefits:

The following table summarizes the components of the unrecognized deductible temporary differences:

	July 31, 2017	July 31, 2016
Deferred Tax Assets		
Non-capital losses carried forward - USA	**$ 4,313,110**	$ 1,767,020
Non-capital losses carried forward - Canada	**1,809,360**	1,233,500
Share issuance costs	**430,810**	264,880
Unrealized FX gain or losses	**245,990**	-
Marketable securities	**107,000**	107,000
Property, plant and equipment - Canada	**3,330**	-
Property, plant and equipment - USA	**1,980**	1,750
	$ 6,911,580	$ 3,374,150

The Company has Canadian non-capital income tax loss carry forwards which expire between 2034 and 2037 as noted in the below table.

2034	**$ -**
2035	**767,440**
2036	**467,980**
2037	**573,930**
	$ 1,809,360

The Company also has US tax loss carry forwards which begin to expire in fiscal 2034 as noted in the below table.

2034	**$ 1,240**
2035	**631,660**
2036	**1,134,120**
2037	**2,546,090**
	$ 4,313,110

The Canadian financing costs will be fully amortized by 2021. The remaining deductible temporary differences may be carried forward indefinitely.

(Expressed in Canadian Dollars)

10. Related Party Transactions and Balances

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions. This would include the Company's senior management, who are considered to be key management personnel by the Company. Parties are also related if they are subject to common control or significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Employment Agreements

On November 27, 2014, the Company entered into a consulting arrangement with Dr. Charles Wiseman for a term of one year expiring November 26, 2015. Pursuant to the agreement, Dr. Charles Wiseman is to receive US$10,000 per month over the term of the agreement. The agreement also provides that Dr. Charles Wiseman may participate in the Company's Stock Option Plan. The agreement can be terminated by Dr. Charles Wiseman by giving 30 days written notice to the Company and by the Company delivering 90 days written notice to Dr. Charles Wiseman with no further compensation. Upon conclusion of the above agreement, the Company reduced its monthly payment to Dr. Charles Wiseman from US$10,000 to CAD$4,000, effective February 1, 2016. This step was taken primarily in order to cut costs and preserve capital.

Other Items

As at July 31, 2017, included in accounts payable and accrued liabilities are amounts owing to a company controlled by an officer of $3,500 (July 31, 2016 - $nil) for accounting fees; amounts owing to two companies each controlled by an individual director of $14,125 (July 31, 2016 – $nil) for consulting fees and amounts owing to directors of $12,872 (July 31, 2016 - $nil).

During the years ended July 31, 2017 and 2016, the Company also incurred the following expenses by key management personnel or companies controlled by these individuals:

		Year Ended July 31, 2017	Year Ended July 31, 2016
a)	Paid or accrued professional fees to a company controlled by an officer of the Company	**$ -**	$ 15,000
b)	Paid or accrued consulting fees to Companies controlled by individual directors.	**134,500**	154,221
c)	Paid or accrued wages and consulting fees to directors	**277,621**	327,398
d)	Paid or accrued management fees to an officer for services provided	**43,200**	-
e)	Share based compensation to directors and officers	**84,981**	392,870

11. Capital Management

The Company's capital comprises share capital, share-based payment reserve, warrant reserve, and accumulated other comprehensive loss. The Company manages its capital structure, and makes adjustments to it, based on the funds available to the Company in order to support the Company’s business activities. The

11. Capital Management (continued)

Board of Directors does not establish quantitative return on capital criteria for management; it relies on the expertise of the Company's management to sustain future development of the business.

The intellectual property in which the Company currently has an interest is in the development stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned research and development and pay for administrative costs, the Company intends to raise additional amounts as needed (Note 1).

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

12. Financial Risk Factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Credit risk

The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to financial instruments is remote.

b) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they come due. As at July 31, 2017, the Company had a working capital balance of $932,677 (July 31, 2016 - $1,025,046). As a result, the Company currently has little exposure to liquidity risk. However, as described in Note 1, the Company has not yet achieved profitable operations and expects to incur further losses in the development of its products; these factors cast significant doubt about the Company’s ability to continue as a going concern.

c) Market Risk

i) Interest rate risk

As the Company has cash and cash equivalents and short-term investment balances and no interest-bearing debt, interest rate risk is remote.

ii) Price risk

As the Company has no revenues, price risk is remote.

iii) Exchange risk

The Company is exposed to foreign exchange risk as its research operations are conducted primarily in the United States of America.

(Expressed in Canadian Dollars)

13. Research and Development Costs

	Year Ended July 31,	
	2017	2016
Vaccine	**$ 868,792**	$ 88,655
Clinical Trials	**591,777**	128,750
Wages and Salaries (Note 10)	**518,192**	571,453
Licensing	**96,309**	14,289
Office Rent	**31,051**	107,355
Supplies	**19,820**	34,440
	$ 2,125,941	$ 944,942

14. General and Administration Costs

	Year Ended July 31,	
	2017	2016
Consulting (Note 10)	**$ 289,005**	$ 220,340
Professional fees (Note 10)	**198,171**	113,499
Shareholder communications	**119,120**	44,943
Wages and salaries, net of recoveries (Note 10)	**76,239**	72,415
Travel	**35,057**	36,271
General and Administrative	**30,448**	40,792
Regulatory, filing and transfer agent fees	**30,166**	39,530
Insurance	**15,358**	-
Conferences	**14,256**	7,525
Rent, net of recoveries (Note 15)	**12,171**	7,000
Depreciation	**290**	1,790
	$ 820,281	$ 584,105

15. Commitments and Contingencies

a) Office Leases

On August 2016, the Company renewed its lease arrangement for office space in Berkeley, California until August 2017, and in September 2017, the agreement was renewed for a further one-year period expiring August 31, 2018. The annual lease commitment is approximately US$30,000 plus common area maintenance charges.

b) Litigation

On July 15, 2016, two lawsuits were served against BriaCell. Both plaintiffs are claiming unpaid wages paid on miscalculation of an independent contractor and for race discrimination. The Company disputes these claims and is vigorously defending these lawsuits. The Company's legal counsel believe that the racial discrimination claims will be dismissed on motions to dismiss in December 2017 and January 2018 based on indications by the court. The claim for unpaid wages and related damages on both lawsuits is less than US$30,000 combined for which the Company has accrued a liability in respect thereof.

16. Events After the Reporting Period

a) On July 24, 2017, the Company has entered into a definitive share exchange agreement (the "Share Exchange Agreement") with its wholly-owned subsidiary, BriaCell Therapeutics Corp., Sapientia Pharmaceuticals, Inc. ("Sapientia") and all the shareholders of Sapientia. Sapientia, a biotechnology company based in Havertown, PA, that is developing novel targeted therapeutics for multiple indications including several cancers and fibrotic diseases.

Pursuant to the terms of the Share Exchange Agreement, BriaCell Therapeutics Corp has agreed to acquire from the Sapientia Shareholders all of the issued and outstanding shares in the capital of Sapientia as at the date hereof in consideration to the Sapientia Shareholders, pro rata, of an aggregate of 2,500,000 common shares in the capital of BriaCell (the "Transaction"), which were issued on September 5, 2017. As part of the Transaction, BriaCell acquired all rights, including composition of matter patents, and preclinical study data to a novel therapeutic technology platform, known as protein kinase C delta (PKCδ) inhibitors, which represents a unique, highly-targeted approach to treat cancer and to boost the immune system.

b) On August 2, 2017, the Company and the Company's President and CEO completed a non-brokered private placement resulting in gross proceeds of $631,785. The non-brokered private placement involved the sale of 4,058,441 units at a price of $0.16 per unit. Each Unit consisted of one common share in the capital of the Company. The Units (and securities underlying the Units) issued under the Offering will be subject to a four-month and one day hold period from the date of closing.

16. Events After the Reporting Period (continued)

c) On October 3, 2017, the Company announced that it is applying to the TSX Venture for approval to amend the terms of an aggregate of 1,562,500 common share purchase warrants (the "Revised Warrants") issued pursuant to a non-brokered private placement that closed on May 3, 2016 (the "Private Placement").

The original Revised Warrants are exercisable into common shares in the capital of the Company at an exercise price of $0.35 per common share and are set to expire on April 28, 2019. Subject to TSX Venture approval and the consent of all Revised Warrant holders, BriaCell will amend the Revised Warrants by reducing the exercise price of the Revised Warrants from $0.35 to $0.14, consistent with the current trading value of BriaCell's shares.

In accordance with TSX Venture requirements, the terms of each Revised Warrant are to be amended to include an accelerated expiry clause such that the exercise period of the Revised Warrants will be reduced to 30 days if, for any 10 consecutive trading days during the unexpired term of the warrants, the closing price of the Company's shares is $0.175 or more.

The proposed Warrant amendment is subject to TSX Venture approval.