



**BriaCell Therapeutics Corp.**

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## **Condensed Interim Consolidated Financial Statements**

For the Three Months Ended October 31, 2020

Expressed in Canadian Dollars

(Unaudited)

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**NOTICE OF NO AUDITOR REVIEW OF THE  
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of BriaCell Therapeutics Corp. ("BriaCell", the "Company") for the three month period ended October 31, 2020 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

These condensed interim consolidated financial statements may contain "forward-looking information" within the meaning of applicable Canadian securities legislation ("forward-looking information"). Such forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made.

# BriaCell Therapeutics Corp

Unaudited Condensed Interim Consolidated Statements of Financial Position  
As of October 31, 2020 and July 31, 2020  
(Expressed in Canadian Dollars)

	<b>October 31, 2020</b>	<b>July 31, 2020</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 8,591	\$ 26,104
Amounts receivable	8,138	27,660
Prepaid expenses	270,845	267,444
<b>Total current assets</b>	<b>287,574</b>	321,208
Investments	2	2
Intellectual property (Note 5)	315,788	320,474
<b>Total Assets</b>	<b>\$ 603,364</b>	\$ 641,684
<b>LIABILITIES AND SHAREHOLDERS' DEFICIT</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 10)	\$ 4,555,201	\$ 4,562,856
Short term loans (Note 6(a))	344,727	306,878
<b>Total current liabilities</b>	<b>4,899,928</b>	4,869,734
<b>Long term liabilities</b>		
Government Grants (Note 6(b))	192,244	191,572
Total long term liabilities	<b>192,244</b>	191,572
<b>Shareholders' equity</b>		
Share capital (Note 7)	15,439,961	15,065,961
Share-based payment reserve (Note 8)	739,193	739,193
Warrant reserve (Note 7)	2,271,910	2,271,910
Accumulated other comprehensive loss	(126,959)	(170,374)
Deficit	(22,812,913)	(22,326,312)
<b>Total shareholders' deficit</b>	<b>(4,488,808)</b>	(4,419,622)
<b>Total liabilities and shareholders' deficit</b>	<b>\$ 603,364</b>	\$ 641,684

**Nature of Operations and Going Concern** (Note 1)

**Commitments** (Note 14)

**Events After the Reporting Period** (Note 15)

These financial statements were approved and authorized for issue on behalf of the Board of Directors on December 30, 2020 by:

**On behalf of the Board:**

"Jamieson Bondarenko"

Director

"William Williams"

Director

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

**BriaCell Therapeutics Corp**  
Condensed Interim Consolidated Statements of  
Operations and Comprehensive Loss  
For the Three Months Ended October 31, 2020 and 2019  
(Expressed in Canadian Dollars)

	<b>Three month period ended October 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>Expenses:</b>		
Research and development costs (Note 12)	\$ 155,656	\$ 995,595
General and administration costs (Note 13)	311,630	548,460
Share-based compensation (Note 8)	-	1,779
<b>Total Expenses</b>	<b>467,286</b>	<b>1,545,834</b>
<b>Operating Loss</b>	<b>(467,286)</b>	<b>(1,545,834)</b>
Interest expense (Note 5,6)	(19,315)	(2,256)
Change in fair value of convertible debt	-	(79,119)
Foreign exchange income (loss)	-	(19,764)
	<b>(19,315)</b>	<b>(101,139)</b>
<b>Loss For The Period</b>	<b>(486,601)</b>	<b>(1,646,973)</b>
<b>Items That Will Subsequently Be Reclassified To Profit Or Loss</b>		
Foreign currency translation adjustment	43,415	1,759
	<b>43,415</b>	<b>1,759</b>
<b>Comprehensive Loss for the Period</b>	<b>\$ (443,186)</b>	<b>\$ (1,645,214)</b>
<b>Basic and Fully Diluted Loss Per Share</b>	<b>\$ (0.57)</b>	<b>\$ (2.41)</b>
<b>Weighted Average Number Of Shares Outstanding</b>	<b>774,401</b>	<b>682,081</b>

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

**BriaCell Therapeutics Corp**  
Condensed Interim Consolidated Statements of Cash Flows  
For the Three Months Ended October 31, 2020 and 2019  
(Expressed in Canadian Dollars)

	Three month period ended October 31	
	2020	2019
<b>Cash flow from operating activities</b>		
Net loss for the period	\$ (486,601)	\$ (1,646,973)
Items not affecting cash:		
Depreciation and amortization	4,686	4,686
Share-based compensation	-	1,779
Accrued interest expense	8,199	-
Change in fair value of convertible loan	-	79,119
Changes in non-cash working capital:		
Amounts receivable	19,522	(698)
Prepaid expenses	(4,368)	(200,842)
Accounts payable and accrued liabilities	387,191	705,979
	<u>(71,371)</u>	<u>(1,056,950)</u>
<b>Cash flow from financing activities</b>		
Proceeds for private placements	-	1,414,744
Short-term loans	33,295	-
Repayment of unsecured convertible loan	-	(477,599)
	<u>33,295</u>	<u>937,145</u>
<b>Decrease in cash</b>	<b>(38,076)</b>	<b>(119,805)</b>
Effect of changes in foreign exchange rates	20,563	4,015
Cash and cash equivalents, beginning of period	26,104	192,916
Cash and cash equivalents, end of period	<u>\$ 8,591</u>	<u>\$ 77,126</u>

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

## BriaCell Therapeutics Corp

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity  
For the Three Months Ended October 31, 2020 and 2019  
(Expressed in Canadian Dollars)

	SHARE CAPITAL		SHARE-BASED PAYMENT RESERVE	WARRANT RESERVE	ACCUMULATED OTHER COMPREHENSIVE LOSS	ACCUMULATED DEFICIT	TOTAL SHAREHOLDERS' EQUITY (DEFICIT)
	SHARES	AMOUNT					
<b>Balance, July 31, 2019</b>	<b>654,593</b>	<b>13,651,217</b>	<b>877,089</b>	<b>2,870,442</b>	<b>(124,295)</b>	<b>(18,120,590)</b>	<b>(846,137)</b>
Private Placement	40,300	846,300	-	-	-	-	846,300
Private Placement	27,069	568,444	-	-	-	-	568,444
Expiration of warrants	-	-	-	(537,502)	-	537,502	-
Share-based compensation	-	-	1,779	-	-	-	1,779
Foreign exchange translation	-	-	-	-	1,759	-	1,759
Loss for the period	-	-	-	-	-	(1,646,973)	(1,646,973)
<b>Balance, October 31, 2019</b>	<b>721,962</b>	<b>\$ 15,065,961</b>	<b>\$ 878,868</b>	<b>2,332,940</b>	<b>\$ (122,536)</b>	<b>\$ (19,230,061)</b>	<b>\$ (1,074,828)</b>
<b>Balance, July 31, 2020</b>	<b>721,962</b>	<b>15,065,961</b>	<b>739,193</b>	<b>2,271,910</b>	<b>(170,374)</b>	<b>(22,326,312)</b>	<b>(4,419,622)</b>
Issuance of shares for debt (note 7b)	50,000	374,000	-	-	-	-	374,000
Foreign exchange translation	-	-	-	-	43,415	-	43,415
Loss for the period	-	-	-	-	-	(486,601)	(486,601)
<b>Balance, October 31, 2020</b>	<b>771,962</b>	<b>\$ 15,439,961</b>	<b>\$ 739,193</b>	<b>\$ 2,271,910</b>	<b>(126,959)</b>	<b>\$ (22,812,913)</b>	<b>\$ (4,488,808)</b>

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

# BriaCell Therapeutics Corp

Notes to the Condensed Interim Consolidated Financial Statements  
For the Three Months Ended October 31, 2020 and 2019  
(Unaudited)  
(Expressed in Canadian Dollars)

## 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 (“TSXV”). 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 Bria-IMT™, a whole-cell cancer vaccine (US Patent No.7674456) (the “Patent”). The Company is currently advancing its immunotherapy program, Bria-IMT™, 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 Bria-IMT™.

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 \$22,812,913 (July 31, 2020 - \$22,326,312) has negative working capital and negative cash flows from operating activities and 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 of October 31, 2020, the Company had not yet completed the clinical development of or achieved regulatory approval to market Bria-IMT™, its lead product candidate and expects to incur further losses; the nature of a development stage immuno-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 condensed interim 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 condensed interim consolidated financial statements were authorized for issue by the Board of Directors on December 30, 2020.

# BriaCell Therapeutics Corp

Notes to the Condensed Interim Consolidated Financial Statements  
For the Three Months Ended October 31, 2020 and 2019  
(Unaudited)  
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## 2. Basis of Presentation

### Statement of Compliance

The Company prepares its unaudited condensed consolidated interim financial statements in accordance with International Financial Reporting Standards (“IFRS”) using the accounting policies described herein as issued by International Accounting Standards Board (“IASB”) and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations. These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34 Interim Financial Reporting. The unaudited condensed interim consolidated financial statements do not include all of the information required for annual consolidated financial statements and should be read in conjunction with the Company’s audited consolidated financial statements for the year ended July 31, 2020.

The policies applied in these condensed interim consolidated financial statements are based on IFRS effective as of October 31, 2020.

### Basis of Presentation

The condensed interim consolidated financial statements are prepared on a going concern basis and have been presented in Canadian dollars which is the Company’s reporting currency.

### Retroactive Adjustment For Reverse Stock Split

In December 2019, the Board and TSXV approved a 1-for-300 reverse stock split, or the Reverse Split, which will be implemented effective January 2, 2020. Consequently, all share numbers, share prices, and exercise prices have been retroactively adjusted in these condensed interim consolidated financial statements for all periods presented.

### Basis of Measurement

These condensed interim consolidated financial statements have been prepared on a going concern basis, under the historical cost basis, except for financial instruments that are required to be measured at fair value.

### Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of BriaCell and its wholly-owned US subsidiary BriaCell Therapeutics Corp. (“BTC”) and BTC’s wholly owned subsidiary – Sapiientia Pharmaceuticals, Inc. (“Sapiientia”). The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commenced until the date control ceases. Control exists when the Company has the power directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The Company applies the acquisition method to account for business combinations in accordance with IFRS 3.

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

# BriaCell Therapeutics Corp

Notes to the Condensed Interim Consolidated Financial Statements  
For the Three Months Ended October 31, 2020 and 2019  
(Unaudited)  
(Expressed in Canadian Dollars)

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## 3. Significant Accounting Policies

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements as of July 31, 2020. The accompanying condensed interim consolidated financial statements should be read in conjunction with the Company's audited financial statements for the year ended July 31, 2020.

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## 4. Significant Accounting Judgments and Estimates

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 change in the fair value of the unsecured convertible loan is based on an estimate determined by the Black-Scholes Model.
- Preparation of the consolidated financial statement on a going concern basis, which contemplates the realization of assets and payments of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets, including its intangible assets and to meet its liabilities as they become due.
- Intangible assets are tested for impairment annually or more frequently if there is an indication of impairment. The carrying value of intangibles with definite lives is reviewed each reporting period to determine whether there is any indication of impairment. If there are indications of impairment the impairment analysis is completed and if the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and impairment loss is recognized.

## BriaCell Therapeutics Corp

Notes to the Condensed Interim Consolidated Financial Statements  
For the Three Months Ended October 31, 2020 and 2019  
(Unaudited)  
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### 5. Intellectual Property

The attributable intellectual property relates to Sipientia's various patents, which the Company is amortizing over 20 years, consistent with its accounting policy. During the three months ended October 31, 2020, the Company recorded \$4,686 in amortization on intellectual property (for the three months ended October 30, 2019 - \$4,686).

Costs			Accumulated Amortization			Net Book Value
<b>July 31, 2020:</b>						
July 31, 2019	Additions	July 31, 2020	July 31, 2019	Amortization during the year	July 31, 2020	July 31, 2020
\$ 374,852	\$ -	\$ 374,852	\$ 35,637	\$ 18,741	\$ 54,378	\$ 320,474
<b>October 31, 2020:</b>						
July 31, 2020	Additions	October 31, 2020	July 31, 2020	Amortization during the period	October 31, 2020	October 31, 2020
\$ 374,852	\$ -	\$ 374,852	\$ 54,378	\$ 4,686	\$ 59,064	\$ 315,788

### 6. Loans

#### a) Short-terms loans

(i) Composition:

	As of	
	October 31, 2020	July 31, 2020
<b>Opening balance</b>	\$ 306,878	\$ -
Additional loans (ii)	33,295	294,655
Accrued Interest (iii)	2,450	12,223
FX Adjustment	2,104	-
<b>Closing balance</b>	<b>\$ 344,727</b>	<b>\$ 306,878</b>

# BriaCell Therapeutics Corp

Notes to the Condensed Interim Consolidated Financial Statements  
For the Three Months Ended October 31, 2020 and 2019  
(Unaudited)  
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## 6. Loans (continued)

### a) Short-terms loans (continued)

- (ii) During the three months ended October 31, 2020, the Company received three unsecured loans from two directors and an officer in the total amount of US\$25,000 (“Short Term Loans”). The Short Term Loans all bear interest at 2.5% annually and are repayable on or before July 31, 2021.
- (iii) Total interest expense in respect to all short-term loans is \$2,450 for the three months ended October 31, 2020 (\$ nil for the three months ended October 31, 2019).

### b) Government grants

On April 24, 2020, the Company received a \$40,000 loan from the Canada Emergency Business Account (“CEBA Loan”). The CEBA Loan bears 0% interest until December 31, 2022. If the balance is not paid by December 31, 2022, the remaining balance will be converted to a 3-year term loan at 5% annual interest, paid monthly, effective January 1, 2023. The full balance must be repaid by no later than December 31, 2025. No principal payments required until December 31, 2022. Principal repayments can be voluntarily made at any time without fees or penalties. \$10,000 loan forgiveness is available, provided the outstanding balance is \$40,000 at December 31, 2020, and \$30,000 is paid back between January 1, 2021 and December 31, 2022. The loan was recognized at the fair value based on an estimated market interest rate of 15%.

For the three months ended October 31, 2020, the Company recorded an interest expense of \$1,059 being the interest accretion on the CEBA Loan (October 31, 2019 – nil).

On May 1, 2020 the Company received US\$127,030 as a loan from the Paycheck Protection Program in the United States (the “Program”) The terms of the Program provide that a portion of the loan may be forgiven, to the extent that the amounts spent during the eight week period following the first disbursement of the loan are incurred as follows: (i) payroll costs, (ii) interest payments on mortgages incurred before February 15, 2020, (iii) rent payments on leases in effect before February 15, 2020, and (iv) utility payments for which service began before February 15, 2020 (“Program Expenses”). The unforgiven part of the loan must be repaid within two years and bears interest at 1% per annum. The Company used the entire proceeds to pay Program expenses and is currently in the process of applying to have this loan forgiven. The loan was recognized at the fair value based on an estimated market interest rate of 15%.

For the three months ended October 31, 2020, the Company recorded an interest expenses of \$4,690 being the interest accretion on the PPP Loan.

# BriaCell Therapeutics Corp

Notes to the Condensed Interim Consolidated Financial Statements  
For the Three Months Ended October 31, 2020 and 2019  
(Unaudited)  
(Expressed in Canadian Dollars)

## 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.

#### Retroactive Adjustment For Reverse Stock Split

In December 2019, the Board and TSX-V approved a 1-for-300 reverse stock split, or the Reverse Split, which will be implemented effective on or about January 2, 2020. Consequently, all share numbers, share prices, and exercise prices have been retroactively adjusted in these condensed interim consolidated financial statements for all periods presented.

### b) Issued share capital

On August 18, 2020, the Company issued 50,000 common shares to Sichenzia Ross Ference LLP or certain members or employees of Sichenzia Ross Ference LLP as compensation for legal services. The shares were valued at \$7.48 per share.

### c) Share Purchase Warrants

There were no changes in share purchase warrants during the three months period ended October 31, 2020.

As of October 31, 2020, warrants outstanding were as follows:

<b>Number of Warrants</b>	<b>Exercise Price</b>	<b>Exercisable At October 31, 2020</b>	<b>Expiry Date</b>
11,404	\$ 90	11,404	April 26, 2021
141,074	\$ 42	141,074	March 27, 2021
26,050	\$ 36	26,050	October 2021-July 2022
<u>178,528</u>		<u>178,528</u>	

## BriaCell Therapeutics Corp

Notes to the Condensed Interim Consolidated Financial Statements  
For the Three Months Ended October 31, 2020 and 2019  
(Unaudited)  
(Expressed in Canadian Dollars)

### 7. Share Capital and Warrant Reserve (continued)

#### d) Compensation Warrants

- (i) There were no changes in compensation warrants during the three months period ended October 31, 2020
- (ii) As of October 31, 2020, compensation warrants outstanding were as follows:

Number Of Compensation Warrants	Exercise Price	Exercisable at October 31, 2020	Expiry Date
912	\$ 90	912	April 26, 2021 (a)
4,167	\$ 42	4,167	March 27, 2021 (b)
8,711	\$ 42	8,711	March 27, 2021 (b)
<u>13,790</u>		<u>13,790</u>	

(a) Each compensation warrant can be exercised at \$90 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 at \$105 if exercised by April 26, 2021.

(b) Each compensation warrant can be exercised at \$42 into one common share of BriaCell for a period of 36 months.

### 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.

## BriaCell Therapeutics Corp

Notes to the Condensed Interim Consolidated Financial Statements  
For the Three Months Ended October 31, 2020 and 2019  
(Unaudited)  
(Expressed in Canadian Dollars)

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

- a) There were no changes in stock options during the three months period ended July 31, 2020 and October 31, 2020
- b) The Company recognized stock based compensation expense of \$ nil for the three months ended October 31, 2020 (three months ended October 31, 2018 - \$1,779) in relation to the vesting of options issued during the current period and in previous years.
- c) As of October 31, 2020, stock options were outstanding for the purchase of common shares as follows:

<b>Number of Options</b>	<b>Exercise Price</b>	<b>Exercisable At October 31, 2020</b>	<b>Expiry Date</b>
667	\$ 77	667	November 4, 2025
1,917	\$ 77	1,917	November 4, 2020
8,000	\$ 45	8,000	Mar 1, 2021
1,667	\$ 60	1,667	March 10, 2022
6,719	\$ 42	6,719	May 1, 2021
833	\$ 42	833	July 1, 2023
166	\$ 21	166	September 9, 2024
<u>19,969</u>		<u>19,969</u>	

- d) As of October 31, 2020, stock options outstanding have a weighted average remaining contractual life of 0.73 years (October 31, 2018 – 1.49 years).

# BriaCell Therapeutics Corp

Notes to the Condensed Interim Consolidated Financial Statements  
For the Three Months Ended October 31, 2020 and 2019  
(Unaudited)  
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## 9. 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.

As of October 31, 2020, included in accounts payable and accrued liabilities and short term loans are amounts owing to a company controlled by an officer in the amount of \$69,869 (July 31, 2020 - \$52,500) for consulting fees and a short term loan; and amounts owing to directors of \$800,834 (July 31, 2020 - \$602,287) for accounting fees and short term loans.

During the three months period ended October 31, 2020 and 2019, the Company incurred the following expenses charged by directors and key management personnel or companies controlled by these individuals:

	Three month period ended	
	October 31,	
	2020	2019
a) Paid or accrued professional fees to a company controlled by an officer of the Company	\$ 10,500	\$ 42,000
b) Paid or accrued consulting fees to companies controlled by individual directors.	\$ 10,000	\$ 121,112
c) Paid or accrued wages and consulting fees to directors	\$ 134,456	\$ 280,938

## 10. 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 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.

# BriaCell Therapeutics Corp

Notes to the Condensed Interim Consolidated Financial Statements  
For the Three Months Ended October 31, 2020 and 2019  
(Unaudited)  
(Expressed in Canadian Dollars)

## 11. 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 of October 31, 2020, the Company has a negative working capital balance of \$4,612,354 (July 31, 2020 – negative working capital of \$4,548,526) and short term loans of \$240,672 (July 31, 2020 – \$306,878), 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.

	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years	5+ years
Accounts payable and accrued liabilities	\$ 4,555,201	\$ 4,555,201	\$4,555,201	\$ -	\$ -	\$ -
Short-Term Loan	344,727	344,727	344,727	-	-	-
Government grant	192,244	209,179	-	209,179	-	-
	<b>\$ 5,092,172</b>	<b>\$ 5,109,107</b>	<b>\$4,899,928</b>	<b>\$ 209,179</b>	<b>\$ -</b>	<b>\$ -</b>

### c) Market Risk

- i. Interest rate risk
- ii. Interest Rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. Loans payable include fixed interest rates; however, the Company does not believe it is exposed to material interest rate risk.
- iii. Price risk

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

- iv. Exchange risk

The Company is exposed to foreign exchange risk as a portion of the Company's transactions occur in a foreign currency (mainly its research operations which are conducted primarily in the United States of America in US dollars) and, therefore, the Company is exposed to foreign currency risk at the end of the reporting period through its U.S. denominated accounts payable and cash. As of October 31, 2020, a 5% depreciation or appreciation of the U.S. dollar against the Canadian dollar would have resulted in an approximate \$156,000 (July 31, 2020 - \$175,000) decrease or increase, respectively, in total loss and comprehensive loss.

# BriaCell Therapeutics Corp

Notes to the Condensed Interim Consolidated Financial Statements  
For the Three Months Ended October 31, 2020 and 2019  
(Unaudited)  
(Expressed in Canadian Dollars)

## 11. Financial Risk Factors

### d) COVID-19

Since January 2020, the Coronavirus outbreak has dramatically expanded into a worldwide pandemic creating macro-economic uncertainty and disruption in the business and financial markets. Many countries around the world, including Canada and the United States have been taking measures designated to limit the continued spread of the Coronavirus, including the closure of workplaces, restricting travel, prohibiting assembling, closing international borders and quarantining populated areas. Such measures present concerns that may dramatically affect the Company's ability to conduct its business effectively, including, but not limited to, adverse effect relating to employees' welfare, slowdown and stoppage of manufacturing, commerce, shipping, delivery, work, travel and other activities which are essential and critical for maintaining on-going business activities. Given the uncertainty around the extent and timing of the future spread or mitigation of COVID-19 and around the imposition or relaxation of protective measures, the Company cannot reasonably estimate the impact to its future results of operations, cash flows or financial condition; infections may become more widespread and the limitation on the ability to work, travel and timely sell and distribute products, as well as any closures or supply disruptions, may be extended for longer periods of time and to other locations, all of which would have a negative impact on the Company's business, financial condition and operating results. In addition, the unknown scale and duration of these developments have macro and micro negative effects on the financial markets and global economy which could result in an economic downturn that could affect demand for the Company's products and have a material adverse effect on its operations and financial results, earnings, cash flow and financial condition.

## 12. Research and Development Costs

	Three month period ended	
	October 31,	
	2020	2019
Wages and Salaries	\$ 48,974	\$ 247,449
Clinical Trials and Investigational drug costs	97,858	677,031
Office Rent	7,104	11,147
Licensing	-	40,366
Insurance product	1,720	2,017
Patents	-	17,585
	<u>\$ 155,656</u>	<u>\$ 995,595</u>

## BriaCell Therapeutics Corp

Notes to the Condensed Interim Consolidated Financial Statements  
For the Three Months Ended October 31, 2020 and 2019  
(Unaudited)  
(Expressed in Canadian Dollars)

### 13. General and Administration Costs

	Three month period ended	
	October 31,	
	2020	2019
Consulting (Note 10)	\$ 35,706	\$ 87,190
Insurance	197	4,000
Amortization	4,686	4,686
Professional fees (Note 10)	202,495	310,350
Regulatory, filing and transfer agent fees	5,601	7,121
Rent	4,956	3,974
Shareholder communications	15,288	71,770
Travel	8,058	1,948
Wages and salaries (Note 10)	32,632	35,347
Other	2,011	22,074
	<u>\$ 311,630</u>	<u>\$ 548,460</u>

### 14. Commitments

The Company's lease arrangement for office space in Berkeley, California ends in January 2021 and the lease commitment is on a monthly basis in the amount of \$2,368 per month.

# BriaCell Therapeutics Corp

Notes to the Condensed Interim Consolidated Financial Statements  
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## 15. Events After the Reporting Period

- a) On November 4, 2020, 1,917 stock options with an exercise price of \$77.00 expired.
- b) On November 17, 2020, the Company closed a brokered private placement (the "Offering") of an unsecured convertible debenture unit of the Company (the "Unit") to a single subscriber, purchased at a price of \$375,000, less an original discount of approximately 29.33%, for aggregate gross proceeds of \$265,000.

The Unit is comprised of (A) \$375,000 principal amount ("Principal Amount") of a 5.0% convertible unsecured debenture of the Company (the "Debenture"), due on the earlier of (i) 5 years from the issue date; (ii) the Company receiving \$2,000,000 or more by way of private placement or public offering; or (iii) such earlier date as the principal amount hereof may become due, subject to extension upon mutual agreement of the Company and the holder of the Debenture; and (B) 69,188 common share purchase warrants of the Company ("Warrants").

The Debenture is convertible, at the option of the holder thereof, from the period beginning on May 16, 2021, until the repayment of the Debenture in full, into that number of common shares of the Company ("Common Shares") computed on the basis of the principal amount of the Debenture divided by the conversion price of \$5.42 per Common Share (the "Conversion Price").

Each Warrant entitles the holder thereof to purchase one Common Share of the Company (each a "Warrant Share") for a period of five (5) years from the Closing Date at a price of \$5.42 per Warrant Share, subject to adjustment as set forth in the Warrants. Each Warrant may also be exercised by presentation and surrender of the Warrant to the Company with a written notice of the Subscriber's intention to effect a cashless exercise.

The Debenture will bear interest at a rate of 5.0% per annum and the Debenture may be prepaid in full or in part by the Company during the initial 120 day period after issuance of the Debenture without penalty. After 120 days, and only if the Company elects to prepay the Debenture prior to November 16, 2021, the Company will be required to pay a cash prepayment penalty equal to 35% of the Principal Amount of the Debenture (the "Prepayment Penalty"). In the event of default on the Debenture, the interest rate will increase to 12% per annum and a cash penalty payment equal to 40% of the Principal Amount of the Debenture will be added to the Principal Amount of the Debenture (the "Default Penalty"); and the Principal Amount, any accrued and unpaid interest and any other amount owing pursuant the Debenture, including any Prepayment Penalty and/or Default Penalty outstanding at that time shall be accelerated, and shall become immediately due and payable at the option of the holder.

In consideration for the services rendered by ThinkEquity, a division of Fordham Financial Management, Inc. (the "Broker"), the Broker received a cash commission of \$26,500 from the Company in connection with the Offering. As additional consideration, the Company also issued to the Broker 4,890 non-transferable compensation warrants (the "Compensation Warrants"). Each Compensation Warrant is exercisable to acquire one Common Share at an exercise price of \$5.42 at any time in whole or in part for a period of five (5) years from the Closing Date.