

PART I-FINANCIAL INFORMATION

Item 1. Financial Statements

BRIACELL THERAPEUTICS CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS

	October 31, 2024 (Unaudited)	July 31, 2024 (Audited)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 5,792,265	\$ 862,089
Amounts receivable and prepaid expenses	2,426,830	2,791,765
Total current assets	8,219,095	3,653,854
NON-CURRENT ASSETS:		
Equity Investment in BC Therapeutics	421,975	418,490
Intangible assets, net	195,978	199,796
Property and equipment, net	365,336	388,175
Long term prepaid expenses	1,211,946	1,211,946
Total non-current assets	2,195,235	2,218,407
Total assets	\$ 10,414,330	\$ 5,872,261
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	\$ 4,233,968	\$ 7,170,781
Accrued expenses and other payables	754,668	290,376
Total current liabilities	4,988,636	7,461,157
NON-CURRENT LIABILITIES:		
Warrant liability	1,712,679	1,096,036
Total non-current liabilities	1,712,679	1,096,036
SHAREHOLDERS' EQUITY (DEFICIT):		
Share capital of no par value - Authorized: unlimited at October 31, 2024 and July 31, 2024, Issued and outstanding: 36,183,161 shares October 31, 2024 and 18,284,661 July 31, 2024, respectively	82,040,741	72,166,414
Share-based payment reserved	9,456,232	9,189,261
Warrant reserve	3,930,221	1,844,296
Accumulated other comprehensive loss	(138,684)	(138,684)
Non-controlling interest	(329,623)	(302,522)
Accumulated deficit	(91,245,872)	(85,443,697)
Total shareholders' equity (deficit)	3,713,015	(2,684,932)
Total liabilities and shareholders' equity	\$ 10,414,330	\$ 5,872,261

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

BRIACELL THERAPEUTICS CORP.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Unaudited)

	Three months ended	
	October 31,	
	2024	2023
Operating expenses:		
Research and development expenses	\$ 3,665,341	6,857,257
General and administrative expenses	1,487,491	1,645,771
Total operating expenses	5,152,832	8,503,028
Operating loss	(5,152,832)	(8,503,028)
Financial income, net	11,714	179,822
Change in fair value of the warrant liability	(616,643)	14,282,078
Share of loss on equity investment	(71,515)	-
Net income (loss) for the period	\$ (5,829,276)	\$ 5,958,872
Net loss attributable to non-controlling interest	(27,101)	(42,671)
Net income (loss) for the period attributable to BriaCell	(5,802,175)	6,001,543
Net income (loss) per share attributable to BriaCell – basic	\$ (0.22)	\$ 0.38
Net income (loss) per share attributable to BriaCell – diluted	(0.22)	(0.50)
Weighted average number of shares used in computing net basic earnings per share of common stock	26,641,036	15,981,726
Weighted average number of shares used in computing net diluted earnings per share of common stock	26,641,036	16,674,891

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

BRIACELL THERAPEUTICS CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)
FOR THE THREE MONTHS ENDED OCTOBER 31, 2024

	Share capital		Additional paid in capital	Accumulated other comprehensive loss	Accumulated Equity	Non-controlling interest	Total shareholders' equity (deficit)
	Number	Amount					
Balance, July 31, 2023	15,981,726	\$ 69,591,784	\$ 7,421,950	\$ (138,684)	\$ (80,652,231)	-	\$ (3,777,181)
Instruments issued to minority shareholders at the Arrangement Date	-	-	(36,767)	-	-	(162,440)	(199,207)
Issuance of options	-	-	533,816	-	-	-	533,816
Income (loss) for the period	-	-	-	-	6,001,543	(42,671)	5,958,872
Balance, October 31, 2023	15,981,726	\$ 69,591,784	\$ 7,918,999	\$ (138,684)	\$ (74,650,688)	(205,111)	\$ 2,516,300

	Share capital		Additional paid in capital	Warrant reserve	Accumulated other comprehensive loss	Accumulated deficit	Non-controlling Interest	Total shareholders' equity (deficit)
	Number	Amount						
Balance, July 31, 2024	18,284,661	\$ 72,166,414	\$ 9,189,261	\$ 1,844,296	\$ (138,684)	\$ (85,443,697)	\$ (302,522)	\$ (2,684,932)
Issuance of Options	-	-	266,971	-	-	-	-	266,971
Exercise of prefunded warrants	100,000	-	-	-	-	-	-	-
Exercise of broker warrants	345,000	442,677	-	(149,426)	-	-	-	293,251
Issuance of units	17,453,500	9,431,650	-	2,235,351	-	-	-	11,667,001
Net loss for the period	-	-	-	-	-	(5,802,175)	(27,101)	(5,829,276)
Balance, October 31, 2024	36,183,161	\$ 82,040,741	\$ 9,456,232	\$ 3,930,221	\$ (138,684)	\$ (91,245,872)	\$ (329,623)	\$ 3,713,015

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

BRIACELL THERAPEUTICS CORP.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

	Three months ended	
	October 31,	
	2024	2023
Cash flow from operating activities		
Net income (loss) for the period	\$ (5,829,276)	\$ 5,958,872
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization	3,818	3,818
Depreciation	22,839	-
Share-based compensation	266,971	533,816
Equity losses	71,515	-
Change in fair value of warrants	616,643	(14,282,078)
Changes in assets and liabilities:		
Decrease (increase) in amounts receivable	736,788	(2,537)
(Increase) decrease in prepaid expenses	(371,853)	937,816
Decrease in accounts payable	(2,936,813)	(689,824)
Increase (decrease) in accrued expenses and other payables	464,292	(65,128)
Total cash flow from operating activities	(6,955,076)	(7,605,245)
Cash flows from Investing activities		
Equity investment in BC Therapeutics	(75,000)	-
Total cash flow from investing activities	(75,000)	-
Cash flows from financing activities		
Proceeds from exercise of warrants	293,251	-
Proceeds from the issuance of shares, net of issuance costs	11,667,001	-
Total cash flow from financing activities	11,960,252	-
Increase (decrease) in cash and cash equivalents	4,930,176	(7,605,245)
Cash and cash equivalents at beginning of the period	862,089	21,251,092
Cash and cash equivalents at end of the period	\$ 5,792,265	\$ 13,645,847

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

BriaCell Therapeutics Corp
Notes to the Condensed Consolidated Financial Statements
(Unaudited, expressed in US Dollars, except share and per share data and unless otherwise indicated)

NOTE 1: GENERAL AND GOING CONCERN

- a. 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 Toronto Stock Exchange (“TSX”) under the symbol “BCT”. The Company also trades on the Nasdaq Capital Market (“NASDAQ”) under the symbols “BCTX” and “BCTXW”.
- b. BriaCell is an immuno-oncology biotechnology company. The Company is currently advancing its Bria-IMT targeted immunotherapy program against end-stage breast cancer to Phase 3 study which has been approved by the FDA. BriaCell is also developing a personalized off-the-shelf immunotherapy, Bria-OTS™, and a soluble CD80 protein therapeutic which acts both as a stimulator of the immune system as well as an immune checkpoint inhibitor.
- c. Basis of presentation of the financial statements:

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) for interim financial information and in accordance with the instructions to Form 10-Q and Article 8 of Regulation S-X promulgated by the U.S. Securities and Exchange Commission (the “SEC”). Certain information or footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to the rules and regulations of the SEC for interim financial reporting. Accordingly, they do not include all the information and footnotes necessary for a complete presentation of financial position, results of operations, or cash flows. In the opinion of management, the accompanying unaudited condensed consolidated financial statements include all adjustments consisting of a normal recurring nature which are necessary for a fair presentation of the financial position, operating results, and cash flows for the periods presented.

The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the Company’s Annual Report for the year ended July 31, 2024, filed with the SEC on October 28, 2024. The interim period results do not necessarily indicate the results that may be expected for any other interim period or for the full fiscal year.

- d. Going concern

The Company continues to devote substantially all of its efforts toward research and development activities. In the course of such activities, the Company has sustained operating losses and expects such losses to continue in the foreseeable future. The Company’s accumulated deficit as of October 31, 2024 was \$91,245,872 and negative cash flows from operating activities during the three-month period ended October 31, 2024 was \$6,955,076. The Company is planning to finance its operations by exploring additional sources of capital and financing, while managing its existing working capital resources. 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 arising from normal business operations when they come due. The uncertainty of the Company’s ability to raise such financial capital casts substantial 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. See note 5(b) for details of an \$8.5 million gross and \$5.0 million gross offering that was completed in September 2024 and October 2024, respectively.

- e. The Company has two wholly-owned U.S. subsidiaries: (i) BriaCell Therapeutics Corp. (“BTC”), which was incorporated in April 3, 2014, under the laws of the state of Delaware, and (ii) BTC has a wholly-owned subsidiary, Sapientia Pharmaceuticals, Inc. (“Sapientia”), which was incorporated in September 20, 2012, under the laws of the state of Delaware. The Company also has one Canadian subsidiary: BriaPro Therapeutics Corp. (“BriaPro”) which was incorporated on May 15, 2023, under the Business Corporations Act (British Columbia). See also note 1f. (Sapientia and BTC and BriaPro together, the “Subsidiaries”).
- f. On August 31, 2023, the Company closed a plan of arrangement spinout transaction (the “Arrangement”) pursuant to which certain pipeline assets of the Company, including Bria-TILsRx™ and protein kinase C delta (PKCδ) inhibitors for multiple indications including cancer (the “BriaPro Assets”), were spun-out to BriaPro Therapeutics Corp. (“BriaPro”), resulting in a 2/3rd owned subsidiary of the Company with the remaining 1/3rd held by BriaCell shareholders (“BriaCell Shareholders”).

Pursuant to the terms of the Arrangement, BriaPro has acquired the entire right and interest in and to the BriaPro Assets in consideration for the issuance by BriaPro to the Company of BriaPro common shares. Under the terms of the Arrangement, for each BriaCell share held immediately prior to closing, BriaCell Shareholders receive one (1) common share of BriaPro, and one (1) new common share of BriaCell (retiring their old share) having the same terms and characteristics as the existing BriaCell common shares. The Company will remain listed on the NASDAQ Stock Market and Toronto Stock Exchange, and BriaPro is an unlisted reporting issuer in Canada.

Immediately following the closing of the Arrangement, the Company controls 2/3rd of the BriaPro common shares representing approximately 66.6% of the issued and outstanding common shares of BriaPro.

As a result of the Arrangement, there are 47,945,178 BriaPro common shares issued and outstanding. The Company now beneficially owns or controls approximately 31,963,452 BriaPro common shares, representing 2/3rd of the issued and outstanding BriaPro common shares.

Pursuant to the Arrangement, each BriaCell warrant in issuance at the time of the Arrangement shall, in accordance with its terms, entitle the holder thereof to receive, upon the exercise thereof, one BriaCell Share and one BriaPro Share for the original exercise price. Warrants issued by the Company, subsequent to the Arrangement are not subject to the terms above.

Upon the exercise of BriaCell Warrants, BriaCell shall, as agent for BriaPro, collect and pay to BriaPro an amount for each one (1) BriaPro Share so issued that is equal to the exercise price under the BriaCell Warrant multiplied by the fair market value of one (1) BriaPro Share at the Effective Date divided by the total fair market value of one (1) BriaCell Share and one (1) BriaPro Share at the Effective Date (“BriaPro Warrant Shares”).

Pursuant to the Arrangement, all BriaCell option holders received the same amount of BriaPro options (“BriaPro Option”) and under the BriaPro incentive plan. The exercise price of the BriaCell options was apportioned between the BriaCell options and the BriaPro options, as follows:

Each one (1) BriaPro Option to acquire one (1) Share shall have an exercise price equal to the product obtained by multiplying the original exercise price of the BriaCell Option by the quotient obtained by dividing (A) the fair market value of a BriaPro Share at the Effective Date by (B) the aggregate fair market value of a BriaCell Share and a BriaPro Share at the Effective Date.

Pursuant to the Arrangement, all BriaCell Restricted Shares Units (“RSU”) holders received the same amount of BriaPro RSU’s under the BriaPro incentive plan.

Transition Services Agreement

On August 31, 2023, the Company and BriaPro executed a transition services agreement (the “Agreement”), pursuant to which BriaCell will provide certain research and development and head office services (the “Services”) to BriaPro for a fixed monthly fee of \$20,000.

BriaCell and BriaPro acknowledged the transitional nature of the Services and accordingly, as promptly as practicable, BriaPro agreed to use commercially reasonable efforts to transition each Service to its own internal organization or to obtain alternate third party providers to provide the Services.

In accordance with US GAAP’s Accounting Standards Codification 505 “Equity”, the Arrangement was determined to be a spinoff of nonmonetary assets which did not constitute a business. However, since the assets were transferred to an entity under the Company’s control, the assets is being recorded on the Company’s basis (carry value) and

not at fair market value.

BriaCell Therapeutics Corp
Notes to the Condensed Consolidated Financial Statements
(Unaudited, expressed in US Dollars, except share and per share data and unless otherwise indicated)

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

a. Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates, judgments and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. The Company's management believes that the estimates, judgment and assumptions used are reasonable based upon information available at the time they are made. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities at the dates of the condensed consolidated financial statements, and the reported amount of expenses during the reporting periods. Actual results could differ from those estimates.

b. Prepaid expenses

The Company has prepaid certain expenses in respect of its pivotal phase III trial and estimates the period over which such expenses will be incurred. As of July 31, 2024, the Company revised its estimate of the time to completion in respect of this trial. Amounts estimated to be expenses in more than 12 months have been classified to long-term prepaid expenses.

c. The useful life of property and equipment

Property and equipment are depreciated over their useful lives. Useful lives are based on management's estimates of the period that the assets will be used which are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the amounts charged to the consolidated statement of operations and comprehensive loss in specific periods.

d. Investment equity method:

Investments in entities over which the Company does not have a controlling financial interest but has significant influence are accounted for using the equity method, with the Company's share of losses reported in the loss from equity method investments on the statements of operation and comprehensive loss. The Company has a 54.6% interest in BC Therapeutics. Management evaluates whether it has control over the investee in accordance with the guidance of ASC 810, which requires judgment to assess factors such as power over significant activities of the investee, exposure to variable returns, and the ability to affect those returns. Based on this evaluation, management determines whether control or significant influence is present for accounting purposes.

e. Recently issued and adopted accounting standards:

As an "emerging growth company," the Jumpstart Our Business Startups Act ("JOBS Act") allows the Company to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies. The Company has elected to use this extended transition period under the JOBS Act. The adoption dates discussed below reflect this election. The pronouncements below relate to standards that impact the Company.

1. In December 2023, the FASB issued ASU 2023-09 - *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. This standard modifies the rules on income tax disclosures to require entities to disclose specific categories in the rate reconciliation, the income or loss from continuing operations before income tax expense or benefit, and income tax expense or benefit from continuing operations. ASU 2023-09 also requires entities to disclose their income tax payments to international, federal, state, and local jurisdictions. The ASU is effective for years beginning after December 15, 2024, but early adoption is permitted. This ASU should be applied on a prospective basis, although retrospective application is permitted. The Company is currently evaluating the impact of this standard on its financial statements and disclosures.
2. In March 2024, the FASB issued ASU 2024-01 - *Compensation—Stock Compensation (Topic 718): Scope Application of Profits Interest and Similar Awards*. This standard clarifies whether profits interest and similar awards fall within the scope of stock-based compensation guidance as defined in ASC Topic 718, introducing examples to demonstrate this. The ASU includes scenarios where profits interest awards are classified as equity instruments or liability awards and situations where they fall outside ASC Topic 718, being accounted for under ASC Topic 710. The ASU is effective for years beginning after December 15, 2024, but early adoption is permitted. This ASU should be applied on a prospective basis, although retrospective application is permitted. The Company is currently evaluating the impact of this standard on its financial statements and disclosures.

BriaCell Therapeutics Corp
Notes to the Condensed Consolidated Financial Statements
(Unaudited, expressed in US Dollars, except share and per share data and unless otherwise indicated)

NOTE 3: INVESTMENT IN BC THERAPEUTICS INC.

On December 21, 2021, the Company and BC Therapeutics, Inc. (“BC Therapeutics” or “the Investee”) entered a share purchase agreement (“SPA”), pursuant to which the Company initially provided a loan of \$300,000 to BC Therapeutics, with no interest to be paid. Subsequently, in accordance with the SPA, this loan was converted into an equity investment in BC Therapeutics at a rate of \$1.25 per share, resulting in a 37.5% ownership interest (“Initial Investment”).

Pursuant to the SPA (“Initial Investment”), Briacell also received two options to invest an additional \$225,000 per option at \$1.25 per BC Therapeutics share. The first option expired on February 15, 2024 (“First BC Therapeutics Option”) and the second option expired on June 30, 2024 (“Second BC Therapeutics Options”, together, the “BC Therapeutic Options”). In accordance with ASC 321 and ASC 815, the BC Therapeutics Options were valued at \$76,350 in accordance with the Black Scholes Option Price Model, using the following assumptions: Share price: \$1.25, Exercise price: \$1.25, Dividend yield: 0%, Risk free interest rate: 4.902%, Volatility: 100%.

BC Therapeutics has a board of four representatives, with two representatives appointed by Briacell and two representatives appointed by the existing shareholders. All significant decisions related to BC Therapeutics require the approval of at least a majority of the board members.

The Company initially acquired a significant interest in BC Therapeutics on February 1, 2024, by exercising the First BC Therapeutics Option, increasing its ownership to 51.2%. On August 7, 2024, following the expiration of the original Second BC Therapeutics Option, the Company and BC Therapeutics amended the SPA to introduce new options, allowing the exercise in tranches of at least 20,000 shares at \$1.25 per share. During the quarter ended October 31, 2024, the Company exercised this option in three tranches, totaling \$75,000 for 60,000 shares. As of October 31, 2024, the Company holds 480,000 shares in BC Therapeutics, representing 54.6% of the total issued and outstanding shares.

In accordance with ASC 810, the Company continues to account for the investment under the equity method of accounting as the Company does not exercise control over BC Therapeutics.

Changes in the Company’s equity investment in BC Therapeutics is summarized as follows:

Balance – August 1, 2023	\$	-
Funding (including the value of the BC Therapeutics Options)		525,000
Share of losses		<u>(106,510)</u>
Balance – July 31, 2024		418,490
Funding		75,000
Share of losses		<u>(71,515)</u>
Balance – October 31, 2024	\$	<u>421,975</u>

The following amounts represent the Company’s 54.6% share of the assets of BC Therapeutics:

		As of
		October 31, 2024
Current assets: Cash	\$	<u>2,805</u>
Net assets		<u>2,805</u>

BriaCell Therapeutics Corp
Notes to the Condensed Consolidated Financial Statements
(Unaudited, expressed in US Dollars, except share and per share data and unless otherwise indicated)

NOTE 4: CONTINGENT LIABILITIES AND COMMITMENTS

a. BriaPro Warrants

Upon the exercise of BriaCell Warrants, BriaCell shall, as agent for BriaPro, collect and pay to BriaPro an amount based on an agreed formula (detailed in note 1(f)). As of October 31, 2024, this amount totaled up to \$241,164 and is eliminated on consolidation.

b. Lease

The Company was previously in a 12-month commitment for office and lab space in Philadelphia, PA, costing approximately \$38,110 per month. The lease expired on August 31, 2024, and as of October 2024, the Company continues to occupy the space on a month-to-month basis under the same terms.

NOTE 5: FAIR VALUE MEASUREMENTS

The following table presents information about our financial instruments that are measured at fair value on a recurring basis as of October 31, 2024 and July 31, 2024:

	Fair Value Measurements at					
	October 31, 2024			July 31, 2024		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial Assets:						
Cash and cash equivalents	5,792,265	-	5,792,265	862,089	-	862,089
Total assets measured at fair value	<u>\$ 5,792,265</u>	<u>\$ -</u>	<u>\$ 5,792,265</u>	<u>\$ 862,809</u>	<u>\$ -</u>	<u>\$ 862,089</u>
Financial liabilities:						
Warrants liability	1,207,621	505,058	1,712,679	760,657	335,379	1,096,036
Total liabilities measured at fair value	<u>\$ 1,207,621</u>	<u>\$ 505,058</u>	<u>\$ 1,712,679</u>	<u>\$ 760,657</u>	<u>\$ 335,379</u>	<u>\$ 1,096,036</u>

We classify our cash and cash equivalents and the liability in respect of publicly traded warrants within Level 1 because we use quoted market prices in active markets.

The fair value of the warrant liability for non-public warrants is measured using inputs other than quoted prices included in Level 1 that are observable for the liability either directly or indirectly, and thus are classified as Level 2 financial instruments.

NOTE 6: SHAREHOLDERS' EQUITY

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) The Company issued the following shares during the three-month period ended October 31, 2024:

1. On September 12, 2024, the Company completed a registered direct offering for the purchase and sale of 12,325,000 common shares of the Company at an offering price of \$0.69 per share, for aggregate gross proceeds of approximately \$8.5 million before deducting placement agent fees and other offering expenses (the "September 2024 Offering").

In connection with the September 2024 Offering, the Company issued 616,250 placement agent warrants with an exercise price of \$0.8625 per share. These placement agent warrants are exercisable beginning on March 11, 2025, and expire five years from the date of issuance. The fair value of the broker warrants was determined to be \$247,800 using the Black-Scholes option pricing model, with the following assumptions: share price - \$0.63; exercise price - \$0.8625; expected life - 5 years; annualized volatility - 109%; dividend yield - 0%; risk-free rate - 3.469%, non-marketability discount - 16.38%.

The amount was credited to the warrant reserve at the date of the September 2024 Offering.

2. On October 2, 2024, the Company closed a registered direct offering for the purchase and sale of 5,128,500 common shares of the Company and warrants to purchase up to an aggregate of 5,128,500 common shares of the Company for aggregate gross proceeds of \$5 million before deducting placement agent fees and other offering expenses (the "October 2024 Offering"). Each common share was sold together with one warrant to purchase one common share at a combined purchase price of \$0.975. The warrants have an exercise price of \$0.85 per share, are immediately exercisable, and expire five years from the date of issuance ("October 2024 Warrants").

In connection with the October 2024 Offering, the Company issued 256,425 placement agent warrants. The placement agent warrants are immediately exercisable at an exercise price of \$1.21875 per share and expire five years from the date of issuance.

The fair value of the 5,128,500 October 2024 Warrants was determined to be \$2,211,266 using the Black-Scholes option pricing model, with the following assumptions: share price - \$0.54; exercise price - \$0.85; expected life - 5 years; annualized volatility - 121%; dividend yield - 0%; risk-free rate - 3.553%.

The fair value of the 256,425 placement agent warrants was determined to be \$204,128 using the Black-Scholes option pricing model, with the following assumptions: share price - \$1.01; exercise price - \$1.22; expected life - 5 years; annualized volatility - 112%; dividend yield - 0%; risk-free rate - 3.561%.

The amounts were credited to the warrant reserve at the date of the October 2024 Offering.

During October 2024, 345,000 October 2024 Warrants with an exercise price of \$0.85 were exercised for gross proceeds of \$293,250. The Company issued 345,000 common shares in respect of the exercise of these warrants.

c. Share Purchase Warrants

A summary of changes in share purchase warrants for the three-month period ending October 31, 2024 is presented below:

	Number of options outstanding	Weighted average exercise price (*)
Balance, July 31, 2024	10,524,585	\$ 4.92
Exercised	(345,000)	(0.85)
Granted in the October 2024 Offering	5,128,500	0.85
Balance, October 31, 2024	15,308,085	\$ 3.65

(ii) As of October 31, 2024, warrants outstanding were as follows:

Number of Warrants	Exercise Price(*)	Exercisable At October 31, 2024	Expiry Date
51,698	\$ 3.89	51,698	November 16, 2025
3,896,809	\$ 5.31	3,896,809	February 26, 2026 – April 26, 2026
4,173,143	\$ 6.19	4,173,143	December 7, 2026
2,402,935	\$ 2.11	(*)-	November 17, 2029
4,783,500	\$ 0.85	4,783,500	October 2, 2029
15,308,085		12,898,150	

(*) Exercisable from November 17, 2024.

d. Compensation Warrants

(i) A summary of changes in compensation warrants for the three-month period ended October 31, 2024 is presented below:

	Number of warrants outstanding	Weighted average exercise price (*)
Balance, July 31, 2024	96,652	3.92
Granted in the September 2024 Offering	616,250	0.86
Granted in the October 2024 Offering	256,425	1.22
Balance, October 31, 2024	969,327	\$ 1.26

(ii) As of October 31, 2024, compensation warrants outstanding were as follows:

Number of Warrants	Exercise Price	Exercisable At October 31, 2024	Expiry Date
4,890	\$ 3.89	4,890	November 16, 2025
17,074	\$ 5.31	17,074	February 26, 2026
24,688	\$ 6.19	24,688	June 7, 2026
50,000	\$ 2.32	(*)-	May 17, 2029
616,250	\$ 0.86	(**)-	March 13, 2030
256,425	\$ 1.22	256,425	October 2, 2029
969,327		303,077	

(*) Exercisable from November 17, 2024.

(**) Exercisable from March 11, 2025.

BriaCell Therapeutics Corp
Notes to the Condensed Consolidated Financial Statements
(Unaudited, expressed in US Dollars, except share and per share data and unless otherwise indicated)

NOTE 6: SHAREHOLDERS' EQUITY (Cont.)

e. Warrant liability continuity

The following table presents the summary of the changes in the fair value of the warrants:

	Warrants liability	
Balance as of August 1, 2024	\$	1,096,036
Change in fair value during the period	\$	616,643
Balance as of October 31, 2024	\$	1,712,679

The key inputs used in the valuation of the non-public warrants as of October 31, 2024 and at July 31, 2024 were as follows:

	October 31, 2024		July 31, 2024	
Share price	\$	0.81	\$	0.75
Exercise price	\$	5.31-6.19	\$	5.31-6.19
Expected life (years)		1.32-2.10		1.57-2.35
Volatility		93-106%		77-79%
Dividend yield		0%		0%
Risk free rate		4.19-4.29%		4.27%

The key inputs used in the valuation of the of the BriaPro Warrant Shares as of October 31, 2024 were as follows:

	August 31, 2023		October 31, 2024	
	(Effective Date)			
Share price	\$	0.0365	\$	0.0365
Exercise price	\$	0.0206-0.0308	\$	0.0206-0.0308
Expected life (years)		2.21-3.27		1.05-2.10
Volatility		100%		93-106%
Dividend yield		0%		0%
Risk free rate		4.40%		3.07%

NOTE 7: SHARE-BASED COMPENSATION

- a. On August 2, 2022, the Company approved an omnibus equity incentive plan (“Omnibus Plan”), which will permit the Company to grant incentive stock options, preferred share units, restricted share units (“RSU’s”), and deferred share units (collectively, the “Awards”) for the benefit of any employee, officer, director, or consultant of the Company or any subsidiary of the Company. The maximum number of shares available for issuance under the Omnibus Plan shall not exceed 15% of the issued and outstanding Shares, from time to time, less the number of Shares reserved for issuance under all other security-based compensation arrangements of the Company, including the existing Stock Option Plan. On February 9, 2023, the Omnibus Plan was approved by the shareholders.
- b. The following table summarizes the number of options granted to directors, officers, employees and consultants under the option plan for three-month period ended October 31, 2024 and related information:

	<u>Number of options</u>	<u>Weighted average exercise price</u>	<u>Weighted average remaining contractual term (in years)</u>	<u>Aggregate intrinsic value</u>
Balance as of July 31, 2024	2,131,400	\$ 6.16	2.52	\$ -
Balance as of October 31, 2024	<u>2,131,400</u>	6.15	2.27	-
Exercisable as of October 31, 2024	<u>2,018,775</u>	\$ 6.16	2.20	\$ -

As of October 31, 2024, there are \$519,598 of total unrecognized costs related to share-based compensation that is expected to be recognized over a period of up to 6 months.

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NOTE 7: SHARE-BASED COMPENSATION (Cont.)

c. The following table summarizes information about the Company's outstanding and exercisable options granted to employees as of October 31, 2024.

Exercise price	Options outstanding as of October 31, 2024	Weighted average remaining contractual term (years)	Options exercisable as of October 31, 2024	Weighted average remaining contractual term (years)	Expiry Date
\$ 6.03	440,000	3.64	330,000	3.64	June 20, 2028
\$ 7.16	21,000	3.33	18,375	3.33	February 27, 2028
\$ 6.04	180,100	2.76	180,100	2.76	August 02, 2027
\$ 4.71	31,000	2.56	31,000	2.56	May 20, 2027
\$ 7.51	150,000	2.29	150,000	2.29	February 16, 2027
\$ 8.47	524,700	2.20	524,700	2.20	January 13, 2027
\$ 7.15	12,600	2.00	12,600	2.00	November 01, 2026
\$ 5.74	100,000	1.84	100,000	1.84	September 01, 2026
\$ 4.24	60,000	1.47	60,000	1.47	April 19, 2026
\$ 4.24	612,000	1.41	612,000	1.41	March 29, 2026
	<u>2,131,400</u>		<u>2,018,775</u>		

d. As result of the Arrangement, 2,131,400 BriaPro Options were issued and are outstanding as of October 31, 2024:

<u>Exercise Price</u>	<u>Options outstanding as of October 31, 2024</u>	<u>Options exercisable as of October 31, 2024</u>	<u>Expiry Date</u>
\$ 0.0933	440,000	330,000	June 20, 2028
\$ 0.1108	21,000	18,375	February 27, 2028
\$ 0.0984	180,100	180,100	August 02, 2027
\$ 0.0729	31,000	31,000	May 20, 2027
\$ 0.1162	150,000	150,000	February 16, 2027
\$ 0.1310	524,700	524,700	January 13, 2027
\$ 0.1165	12,600	12,600	November 01, 2026
\$ 0.0888	100,000	100,000	September 01, 2026
\$ 0.0656	60,000	60,000	April 19, 2026
\$ 0.0656	612,000	612,000	March 29, 2026
	<u>2,131,400</u>	<u>2,018,775</u>	

e. Restricted Share Unit Plan

The following table summarizes the number of RSU's granted to directors under the Omnibus plan as of October 31, 2024:

	<u>Number of RSU's outstanding</u>	<u>Aggregate intrinsic value</u>
Balance, July 31, 2024	<u>19,200</u>	<u>\$ 14,400</u>
Balance, October 31, 2024	<u>19,200</u>	<u>\$ 15,552</u>

f. The total share-based compensation expense related to all of the Company's equity-based awards, recognized for the three-month period ended October 31, 2024 and 2023 is comprised as follows:

	<u>Three months ended October 31,</u>	
	<u>2024</u>	<u>2023</u>
Research and development expenses	\$ 32,718	257,809
General and administrative expenses	234,253	276,007
Total share-based compensation	<u>\$ 266,971</u>	<u>533,816</u>

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NOTE 8: BASIC AND DILUTED NET LOSS PER SHARE

Basic net income (loss) per ordinary share is computed by dividing net income (loss) for each reporting period by the weighted-average number of ordinary shares outstanding during each year. Diluted net income (loss) per ordinary share is computed by dividing net income (loss) for each reporting period by the weighted average number of ordinary shares outstanding during the period, plus dilutive potential ordinary shares considered outstanding during the period, in accordance with ASC No. 260-10 "Earnings Per Share". The company reported a loss for the three-month period ending October 31, 2023, leading to the exclusion of potentially dilutive ordinary shares. Conversely, a gain was recorded for the three-month period ending October 31, 2024, resulting in the inclusion of all potentially dilutive ordinary shares.

	Three months ended	
	October 31,	
	2024	2023
	(Unaudited)	(Unaudited)
Basic EPS		
Numerator:		
Net income (loss)	\$ (5,802,175)	\$ 6,001,543
Denominator:		
Shares used in computation of basic earnings per share	26,641,036	15,981,726
Basic EPS	\$ (0.22)	\$ 0.38
Diluted EPS		
Numerator:		
Net income (loss) attributable to common stock, basic	\$ (5,802,175)	\$ 6,001,543
Adjustment: Change in fair value of warrant liability	-	(14,282,078)
Net (loss) attributable to common stock, diluted	\$ (5,802,175)	\$ (8,280,535)
Denominator:		
Shares used in computing net EPS of common stock, basic	26,641,036	15,981,726
Stock Options	-	211,434
Warrants	-	481,731
Shares used in computation of diluted earnings per share	26,641,036	16,674,891
Diluted EPS	\$ (0.22)	\$ (0.50)

NOTE 9: FINANCIAL INCOME (EXPENSES), NET

	Three months ended	
	October 31,	
	2024	2023
Interest income	\$ 13,050	\$ 190,815
Foreign exchange loss	(1,336)	(10,993)
Financial income, net	\$ 11,714	\$ 179,822

NOTE 10: SUBSEQUENT EVENTS

- a. Between December 3, 2024 and December 10, 2024, a 620,900 October 2024 Warrants were exercised into 620,900 common shares of the Company, generating gross proceeds of \$527,765.
- b. On December 13, 2024, the Company closed a public offering for the purchase and sale of 7,400,000 common shares of the Company and warrants to purchase up to an aggregate of 7,400,000 common shares of the Company for aggregate gross proceeds of approximately \$5.55 million before deducting underwriting discounts, commissions, and other offering expenses (the "December 2024 Offering"). Each common share was sold together with one warrant to purchase one common share at a combined purchase price of \$0.75. The warrants have an exercise price of \$0.9375 per share, and are immediately exercisable for a period of five years from the closing date. In addition, the Company issued 370,000 agent warrants. The agent warrants are immediately exercisable for a period of five years from the closing date at an exercise price of \$0.9375.