

BriaCell Therapeutics Corp

US Corporate Office
1880 Century Park East #315
Los Angeles, California, 90067

US Clinical Office
Beverly Hills Cancer Center
8900 Wilshire Boulevard, 90211

BriaCell Therapeutics Corp.

(formerly Ansell Capital Corp)

Condensed Interim Consolidated Financial Statements

For the Three Months Ended October 31, 2015

Expressed in Canadian Dollars

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 months ended October 31, 2015 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

MNP LLP

BriaCell Therapeutics Corp.

(formerly Ansell Capital Corp.)

Condensed Interim Consolidated Statements of Financial Position

(Unaudited)

(Expressed in Canadian Dollars)

	October 31, 2015	July 31, 2015
ASSETS		
Current assets		
Cash and cash equivalents	**$ 69,341**	$ 464,732
Short-term investments	**1,110,350**	1,107,400
Amounts receivables (Note 12)	**15,385**	35,338
Prepaid expenses	**14,897**	13,363
Total current assets	**1,209,973**	1,620,833
Investments (Note 8)	**35,297**	6,894
Security deposits	**32,604**	30,861
Office equipment	**1,463**	1,699
Intellectual property (Note 9)	**1**	1
Total assets	**$ 1,279,338**	$ 1,660,288
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current liabilities		
Accounts payable and accrued liabilities (Note 12)	**$ 137,512**	$ 152,425
Total liabilities	**137,512**	152,425
Shareholders' equity (deficiency)		
Share capital (Note 10(b))	**3,847,782**	3,847,782
Share-based payment reserve (Note 11)	**519,220**	502,636
Warrant reserve (Note 10(c))	**702,437**	702,437
Accumulated other comprehensive loss	**(49,448)**	(69,792)
Deficit	**(3,878,165)**	(3,475,200)
Total shareholders' equity (deficiency)	**1,141,826**	1,507,863
Total liabilities and shareholders' equity (deficiency)	**$ 1,279,338**	$ 1,660,288

Nature of Operations and Going Concern (Note 1)
Reverse Takeover (Note 2)
Event After the Reporting Period (Note 15)

These financial statements were approved and authorized for issue on behalf of the Board of Directors on December 22, 2015 by:

On behalf of the Board:

"Rahoul Sharan"
Director

"Saeid Babaei"
Director

BriaCell Therapeutics Corp.

(formerly Ansell Capital Corp.)

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

(Unaudited)

(Expressed in Canadian Dollars)

	Three Months Ended October 31	
	2015	2014
Expenses		
Conferences	**$ 7,168**	$ -
Consulting (Note 12)	**46,440**	6,951
Depreciation	**293**	-
Foreign exchange (gain)	**(2,624)**	(401)
General and Administrative	**18,549**	1,703
Professional fees (Note 12)	**16,587**	52,932
Regulatory, filing and transfer agent fees	**4,733**	-
Rent, net of recoveries (Note 12)	**27,061**	-
Research costs	**42,973**	-
Share-based compensation	**16,584**	-
Shareholder communications	**20,236**	-
Travel	**12,805**	-
Wages and salaries, net of recoveries (Note 12)	**195,110**	-
Interest income	**(2,950)**	-
Loss For The Period	**(402,965)**	(61,185)
Items That Will Subsequently Be Reclassified To Profit Or Loss		
Foreign currency translation adjustment	**(8,059)**	-
Unrealized gain on available for sale investments	**28,403**	-
	20,344	-
Comprehensive Loss For The Period	**$ (382,621)**	$ (61,185)
Basic and Fully Diluted Loss Per Share	**$ (0.01)**	$ (0.00)
Weighted Average Number Of Shares Outstanding	**84,736,316**	53,111,568

BriaCell Therapeutics Corp.
(formerly Ansell Capital Corp.)
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited)
(Expressed in Canadian Dollars)

		Three Months Ended October 31		
		2015		2014
Cash Provided By (Used In):				
Operating Activities				
Loss for the period	$	**(402,965)**	$	(61,185)
Adjustments for non-cash items:				
Depreciation		**293**		-
Share-based payments		**16,584**		-
Accrued interest		**(2,950)**		-
Unrealized foreign exchange gain		**(2,637)**		-
Net changes in non-cash operating working capital items:				
Amounts receivable		**15,020**		-
Prepaid expenses		**(1,501)**		-
Security deposits		**(1,529)**		
Accounts payable and accrued liabilities		**(15,218)**		54,975
Net cash outflow from operating activities		**(394,903)**		(6,210)
Financing Activities				
Proceeds from issuance of founders' shares		**-**		11
Total cash inflow from financing activities		**-**		11
Change in cash		**(394,903)**		(6,199)
Effect of changes in foreign exchange rates		**(488)**		-
Cash, beginning of period		**464,732**		26,070
Cash, end of period	$	**69,341**	$	19,871
Supplemental cash flow information:				
Interest paid	$	**-**	$	-
Income taxes paid	$	**-**	$	-

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

BriaCell Therapeutics Corp.

(formerly Ansell Capital Corp.)

Statement of Changes in Shareholders' Equity (Deficiency)
For the Period from July 31, 2014 to October 31, 2015

(Unaudited)

(Expressed in Canadian Dollars)

	SHARE CAPITAL		SHARE-BASED PAYMENT	WARRANT	ACCUMULATED OTHER COMPREHENSIVE	ACCUMULATED	TOTAL SHAREHOLDERS'
	SHARES	AMOUNT	RESERVE	RESERVE	LOSS	DEFICIT	EQUITY
Balance, July 31, 2014	53,111,568	$ 11	$ 1	$ -	$ -	$ (1,242)	$ (1,230)
Loss for the period	-	-	-	-	-	(61,185)	(61,185)
Balance, October 31, 2014	53,111,568	11	1	-	-	(62,427)	62,415
Acquisition of Ansell Capital Corp. (notes 2 and 10(b)(ii))	17,703,856	2,250,330	1,200	-	-	-	2,251,530
Private placement (note 10(b)(iii))	12,557,097	1,386,230	-	635,105	-	-	2,021,335
Units issued for intellectual property (note 10(b)(iv))	833,333	105,921	-	44,079	-	-	150,000
Shares and warrants issued for shareholder advisory services (note 10(b)(v))	288,011	57,602	-	27,300	-	-	84,902
Exercise of compensation warrants (note 10(b)(vi))	242,451	47,688	-	(4,047)	-	-	43,641
Cancellation of stock options	-	-	(1,200)	-	-	1,200	-
Share-based compensation	-	-	516,288	-	-	-	516,288
Expiry of stock options	-	-	(13,653)	-	-	13,653	-
Change in market value of investments	-	-	-	-	(20,871)	-	(20,871)
Foreign exchange translation	-	-	-	-	(48,921)	-	(48,921)
Loss for the period	-	-	-	-	-	(3,427,626)	(3,427,626)
Balance, July 31, 2015	84,736,316	$ 3,847,782	$ 502,636	$ 702,437	$ (69,792)	$ (3,475,200)	$ 1,507,863

Continued

BriaCell Therapeutics Corp.
(formerly Ansell Capital Corp.)

Statement of Changes in Shareholders' Equity (Deficiency)
For the Period from July 31, 2014 to October 31, 2015
(Unaudited)
(Expressed in Canadian Dollars)

	SHARE CAPITAL SHARES	SHARE CAPITAL AMOUNT	SHARE-BASED PAYMENT RESERVE	WARRANT RESERVE	ACCUMULATED OTHER COMPREHENSIVE LOSS	ACCUMULATED DEFICIT	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
Share-based compensation	-	-	16,584	-	-	-	16,584
Change in market value of investments	-	-	-	-	28,403	-	28,403
Foreign exchange translation	-	-	-	-	(8,059)	-	(8,059)
Loss for the period	-	-	-	-	-	(402,965)	(402,965)
Balance, October 31, 2015	**84,736,316**	**$ 3,847,782**	**$ 519,220**	**$ 702,437**	**$ (49,448)**	**$ (3,878,165)**	**$ 1,141,826**

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

1. Nature of Operations and Going Concern

BriaCell Therapeutics Corp. (formerly Ansell Capital Corp) ("BriaCell", "Ansell" or the "Company") was incorporated under the Business Corporations Act (BC) on July 26, 2006 and is listed on the TSX Venture Exchange ("TSX Venture"). The Company's head office is located at Suite 300 – 235 West 15th Street, West Vancouver, British Columbia, V7T 2X1.

On November 27, 2014, Ansell completed the acquisition of BriaCell Therapeutics Corp. ("BTC"), a private Delaware company, which was incorporated on April 3, 2014. The transaction was accounted for as a reverse takeover ("RTO") with the shareholders of BTC acquiring the controlling interest in Ansell. Upon the completion of the transaction, Ansell changed its name to BriaCell Therapeutics Corp, to distinguish its change of business. The Company's principal activity is research and development of cancer immunotherapy technology. The Company trades on the TSX Venture under the symbol "BCT.V"

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 $3,878,165, 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 October 31, 2015, the Company had 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. 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 December 22, 2015

2. Reverse Takeover

On November 27, 2014, BriaCell entered into a Share Exchange Agreement with BTC whereby the parties completed a share exchange and BriaCell acquired all the outstanding equity interests of BTC in a transaction whereby the shareholders of BTC received common shares of BriaCell. As a result of the transaction, BriaCell became the sole beneficial owner of all outstanding shares of BTC. Completion of the transaction resulted in a Reverse Takeover and Change of Business for BriaCell.

The terms of the RTO provided for BriaCell to consolidate its common shares, on the basis of 3.25 old shares for 1 new share, resulting in an aggregate of 17,703,856 shares being outstanding subsequent to consolidation. BriaCell then issued 53,111,568 post consolidation shares to the shareholders of BTC in exchange for 100% of the issued and outstanding share capital of BTC. The shares issued to BTC are subject to an Escrow Arrangement (Note 10(e)).

As a condition of closing of the RTO, a concurrent private placement financing was conducted (Note 10(b)(iii)).

The Transaction has been accounted for as a reverse acquisition that does not constitute a business combination; consequently, the consolidated financial statements are issued under the legal parent BriaCell Therapeutic Corp., but are deemed to be a continuation of the legal subsidiary BTC.

2. Reverse Takeover (continued)

The total purchase price for the acquisition of BriaCell by BTC is as follows:

Fair value of 17,703,856 common shares issued	$	2,250,330
Fair value of 92,308 stock options issued		1,200
Total Purchase Price	**$**	**2,251,530**
Cash and cash equivalents	$	690,898
Advance receivable		81,512
Amounts receivable		9,852
Prepaid expenses		255
Investments		27,765
Accounts payable and accrued liabilities		(158,240)
		652,042
Excess attributed to cost of listing recorded as transaction costs		1,599,488
Total	**$**	**2,251,530**

Unrecognized deductible temporary differences of $67,471 were also acquired.

3. Basis of Presentation

Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting ("IAS34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") and interpretations of the IFRS Interpretations Committee ("IFRIC"). They do not include all information required for full annual financial statements and should be read in conjunction with the Audited Financial Statements of the Company for the year ended July 31, 2015.

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. A summary of the significant accounting policies is provided in Note 4. Standards and guidelines not effective for the current accounting period are described in Note 5.

Basis of Measurement

Theses condensed interim consolidated financial statements have been prepared on a going concern basis, under the historical cost basis, except for financial instruments which have been measured at fair value.

3. Basis of Preparation (continued)

Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of BriaCell and its wholly-owned subsidiary BCT. The financial statements of BriaCell are included in the consolidated financial statements from the date that control commences 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.

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

4. 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 at July 31, 2015. 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, 2015.

5. Standards Issued but Not Yet Effective

IFRS 9 Financial Instruments ("IFRS 9") was issued by the IASB in its final form in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39").

IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. 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. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company currently intends to adopt the standard on its effective date and has not yet determined its impact on the condensed interim consolidated financial statements.

6. Significant Accounting Judgments and Estimates

The preparation of these condensed interim consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The condensed interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the 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.

7. 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 statement of financial position at fair value with changes in fair value recognized in the statement of operations.

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 statement 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 statement 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 statement of financial position at fair value with changes in fair value recognized in the statement of operations.

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

7. Financial Instruments (continued)

Financial assets (continued)

The Company's financial instruments consist of the following:

Financial assets:	Classification:
Cash and cash equivalents	Loans and receivables
Short-term investments	Loans and receivables
Amounts receivable	Loans and receivables
Investments	Available for sale
Security deposits	Loans and Receivables

Financial liabilities:	Classification:
Accounts payable and accrued liabilities	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 OCTOBER 31, 2015**		AS AT JULY 31, 2015	
		CARRYING AMOUNT	**ESTIMATED FAIR VALUE**	CARRYING AMOUNT	ESTIMATED FAIR VALUE
Financial Assets:					
Cash	1	$ 69,341	$ 69,341	$ 464,732	$ 464,732
Investment	1	$ 35,297	$ 35,297	$ 6,894	$ 6,894

8. Investments

	October 31, 2015	July 31 2015
GreenFlag Ventures Inc. ("GreenFlag") – 300,000 common shares measured at fair value	**$ 31,375**	$ 3,000
Entourage Mining Ltd. ("Entourage") – 300,000 common shares measured at fair value	**3,922**	3,894
	$ 35,297	$ 6,894

The investments are held in BriaCell and were acquired in the RTO transaction at a fair value of $27,765 (Note 2).

BriaCell Therapeutics Corp.
(Formerly Ansell Capital Corp)
Notes to the Condensed Interim Consolidated Financial Statements
For The Three Months Ended October 31, 2015
(Unaudited)
(Expressed in Canadian Dollars)

9. Intellectual Property

	October 31, 2015	July 31 2015
Patented whole-cell-vaccine therapy assigned to the Company by Dr. C Wiseman in April 2014 (US Patent No 7674456)	**$ 1**	$ 1

On April 8, 2014, Dr. Charles Wiseman, the primary 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 Company (prior to the RTO), 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 10(b)(iii). The fair value of the unit issuance was $150,000 (Note 10(b)(iv)) and this amount has been expensed as termination of royalty obligations.

10. 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

During the three month period ended October 31, 2015 there were no share issueances.

During the year ended Juy 31, 2015, the Company incurred the following share issuance transactions:

(i) On April 3, 2014, the date of inception, 10,000 common shares of BTC were issued to the founders for cash consideration of $11. On November 27, 2014, immediately prior to the RTO described in Note 2, BTC split 10,000 common shares into 53,111,568 common shares; the split has been presented retrospectively in these consolidated financial statements.

(ii) On November 27, 2014, BriaCell and BTC completed an RTO transaction. Under the RTO accounting, BTC is considered to have issued 17,703,856 common shares and 92,308 stock options to acquire the net assets and public listing status of BriaCell.

The fair value of the 17,703,856 common shares issued of $2,250,330 was determined by reference to the fair value assigned to one common share in a concurrent private placement transaction (Note 10(b)(iii)).

The fair value of the 92,308 stock options issued of $1,200 was determined using the Black Scholes option pricing model and the following weighted average assumptions: share price - $0.1271; exercise price - $0.38; expected life – 1.56 years; annualized volatility – 100%; dividend yield – 0%; risk free rate – 1.25%.

10. Share Capital and Warrant Reserve (continued)

b) Issued share capital (continued)

(iii) On November 27, 2014, and concurrent to the RTO, the Company completed a private placement financing under which 12,357,097 Units were issued at $0.18 per Unit for total gross proceeds of $2,224,277. Each Unit comprises one common share of BriaCell and one share purchase warrant. Each share purchase warrant is exercisable into one common share of BriaCell at an exercise price of $0.25 for a period of 12 months following closing of the transaction and at $0.35 for the subsequent 24 months. In the event that the closing price of the shares on the TSX Venture Exchange is $0.50 or greater per share during any twenty (20) consecutive trading day period at any time after the initial 12 months following the closing transaction, the warrants will expire, at the sole discretion of BriaCell, on the 30th day after the date on which BriaCell provides notice of such fact to the subscribers of the financing.

The fair value of each common share purchase warrant was determined using the Black Scholes option pricing model and the following assumptions: share price - $0.1271; exercise price - $0.35; expected life – 3 years; annualized volatility – 100%; dividend yield – 0%; risk free rate – 1.25%.

The share price was determined such that the sum of the share price and the resulting warrant value was equal to the $0.18 Unit price. Accordingly the resulting fair values of the common shares and the share purchase warrants are $0.1271 and $0.0529 respectively.

The Company retained Sunel Securities Inc. and M Partners Inc. as Agents for the Financing. The Agents received a finance fee of $25,000, an 8% cash commission of $177,942, and 988,568 compensation warrants and the issuance of 200,000 common shares valued at $25,422.

Each Compensation warrant entitles the holder to acquire a Unit of BriaCell (with the same terms described above) at an exercise price of $0.18 for a period of 3 years following the closing of the transaction. The fair value of the compensation warrants was determined to be $68,800 using the Black-Scholes option pricing model and the following assumptions: unit price - $0.18; exercise price - $0.18; expected life – 3 years; annualized volatility – 100%; dividend yield – 0%; risk free rate – 1.25%.

The net cash proceeds of the private placement of $2,021,335 were allocated proportionally to share capital (71% - $1,360,808) and warrant reserve (29% - $566,305) based on their relative fair values after consideration of the non-cash costs of $68,800 allocated to warrants reserve for the 988,568 compensation warrants and $25,422 to share capital for the 200,000 compensation shares.

(iv) During July 2014, BriaCell and BTC came to an agreement with St. Vincents Medical Centre ("SVMC") whereby SVMC agreed to release BTC from a royalty agreement relating to revenues generated on BTC's intellectual property. In consideration for the release, SVMC received personally from Dr. Wiseman 875 shares of BTC (which were subsequently exchanged for 4,647,262 shares of BriaCell pursuant to the RTO), and 833,333 Units of BriaCell. These units of BriaCell were issued on November 27, 2014 and have the same terms and conditions as those issued pursuant to the private placement financing described in Note 10(b)(iii) and have a fair value of $0.18 per unit ($150,000) with $105,921 assigned to the common shares and $44,079 assigned to the warrants based on the relative fair value of the common shares and share purchase warrants as noted above.

10. Share Capital and Warrant Reserve (continued)

b) Issued share capital (continued)

(v) On February 4, 2015, in exchange for shareholder advisory services received, the Company issued 288,011 common shares with a fair value of $57,602 and 288,011 compensation warrants with a fair value of $27,300. Each compensation warrant is exercisable at $0.18 into one common share and one share purchase warrant until February 4, 2017. Each resultant share purchase warrant acquired can be exercised into an additional common share of BriaCell at $0.25 if exercised by February 4, 2016 and at $0.35 if exercised between February 5, 2016 and February 4, 2017. The fair value of the compensation warrants was determined using the Black-Scholes option pricing model and the following assumptions: unit price - $0.18; exercise price - $0.18; expected life – 3 years; annualized volatility – 100%; dividend yield – 0%; risk free rate – 1.25%.

(vi) On April 29, 2015, 242,451 compensation warrants were exercised at $0.18 for aggregate cash proceeds of $43,641. Upon the exercise of the compensation warrant 242,451 units were issued. Each Unit comprises one common share and one common share purchase warrant exercisable into one common share of BriaCell at an exercise price of $0.25 for a period of 12 months following closing of the transaction and at $0.35 for the subsequent 24 months.

The value of the resulting units was determined to be $60,514 based on the proportionate value originally assigned to the compensation warrants in Note 10(b)(iii) of $16,873 plus $43,641 of cash proceeds. This $60,514 was allocated proportionally to share capital (79% - $47,688) and warrant reserve (21% - $12,826) based on their relative fair values.

The fair value of the common share purchase warrant was determined using the Black Scholes option pricing model and the following assumptions: share price - $0.33; exercise price - $0.35; expected life – 1.7 years; annualized volatility – 100%; dividend yield – 0%; risk free rate – 1.25%.

The exercise results in a net decrease to warrants reserve of $4,047 ($12,826 less $16,873) and an increase to share capital of $47,688.

10. Share Capital and Warrant Reserve (continued)

c) Share Purchase Warrants

A summary of changes in share purchase warrants for the three month period ending October 31, 2015 and the year ended July 31, 2015 is presented below:

	Three Months Ended October 31, 2015		Year Ended July 31, 2015	
	Number	**Weighted Average Exercise Price**	Number	Weighted Average Exercise Price
Balance, beginning of period	**-**	**$ -**	-	$ -
Granted on private placement (Note 10(b)(iii))	**13,432,881**	**0.25**	12,357,097	0.25
Granted on termination of royalty obligation (Note 10(b)(iv)	**-**	**-**	833,333	0.25
Granted on exercise of compensation warrants (Note 10(b)(vi)	**-**	**-**	242,451	0.25
Balance, end of period	**13,432,881**	**$ 0.25**	13,432,881	$ 0.25

As at October 31, 2015, warrants outstanding were as follows:

Number Of Warrants	**Exercise Price**	**Exercisable At October 31, 2015**	**Expiry Date**
13,432,881	$ 0.25*	13,432,881	November 27, 2017

10. Share Capital and Warrant Reserve (continued)

d) Compensation Warrants

A summary of changes in compensation warrants for the three month period ended October 31, 2015 and the year ended July 31, 2015 is presented below:

	Three Months Ended October 31, 2015		Year Ended July 31, 2015	
	Number	**Weighted Average Exercise Price**	Number	Weighted Average Exercise Price
Balance, beginning of period	**1,034,128**	**$ 0.18**	-	$ -
Granted on private placement (Note 10(b)(iii))	**-**	**-**	988,568	0.18
Granted in exchange for shareholder advisory services (Note 10(b)(v)	**-**	**-**	288,011	0.18
Exercise of compensation warrants (Note 10(b)(vi)	**-**	**-**	(242,451)	0.18
Balance, end of period	**1,034,128**	**$ 0.18**	1,034,128	$ 0.18

As at October 31, 2015, compensation warrants outstanding were as follows:

Number Of Compensation Warrants	**Exercise Price**	**Exercisable At October 31, 2015**	**Expiry Date**
746,117	$ 0.18	746,117	November 27, 2017 (i)
288,011	0.18	288,011	February 4, 2018 (ii)
1,034,128		1,034,128	

i) Each compensation warrant can be exercised at $0.18 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 $0.25 if exercised before November 27, 2015, and at $0.35 if exercised between November 28, 2015 and November 27, 2017, subject to accelerated exercise. (Note 10(b)(iii)).

ii) Each compensation warrant can be exercised at $0.18 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 $0.25 if exercised before February 5, 2016, and at $0.35 if exercised between February 5, 2016 and February 4, 2018, subject to accelerated exercise. (Note 10(b)(v)).

10. Share Capital and Warrant Reserve (continued)

e) Shares Held in Escrow

The escrow agreement relating to the RTO (Note 2) provides share release equal to 10% upon completion of the initial public offering or purchase agreement and listing on the TSX Venture with the remaining shares to be released in 6 equal tranches (15%) every six 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 October 31, 2015, a total of 9,610,849 shares have been released and a total of 44,672,103 shares remain in escrow.

11. 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 three month period ended October 31, 2015 and the year ended July 31, 2015 is presented below:

	Three Months Ended October 31, 2015		Year Ended July 31, 2015	
	Number	**Weighted Average Exercise Price**	Number	Weighted Average Exercise Price
Balance, beginning of period	**3,750,000**	**$ 0.23**	**-**	**$ -**
Issued on RTO (Note 2)	**-**	**-**	**92,308**	**(1.24)**
Granted (i)	**-**	**-**	**3,850,000**	**0.23**
Cancelled (ii)	**-**	**-**	**(92,308)**	**(1.24)**
Expired (ii)	**-**	**-**	**(100,000)**	**(0.22)**
Balance, end of period	**3,750,000**	**$ 0.23**	**3,750,000**	**$ 0.23**

(i) During the three month period ended October 31, 2015 and the year ended July 31, 2015, the Company issued a total of Nil (year ended July 31, 2015 – 3,850,000) stock options under the Plan. The fair value of the stock options was $nil year ended July 31, 2015 - $549,603). The fair value was estimated using the Black Scholes option pricing model and the following weighted average assumptions:

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

	Three Months Ended July 31, 2015	Year Ended July 31, 2015
Exercise price	-	$0.23
Current share price	-	$0.23
Risk free interest rate	-	1.25%
Expected life	-	3 years
Expected volatility	-	100%
Expected dividend yield	-	-
Fair value of options issued	-	$0.14

The Company recognized stock based compensation expense of $16,584 (three months ended October 31, 2014 - $nil) in relation to the vesting of these options

(ii) During the year ended July 31, 2015, 92,308 stock options were cancelled and 100,000 options expired. The fair value of the cancelled options ($1,200) and expired options ($13,653) was transferred from share based payment reserve to deficit within the statement of changes in shareholders' equity.

As at October 31, 2015, stock options were outstanding for the purchase of common shares as follows:

Number Of Options	Exercise Price	Number Exercisable At October 31 2015	Expiry Date
2,325,000	$ 0.22	2,325,000	January 15, 2018
750,000	0.22	562,500	April 8, 2018
175,000	0.30	87,500	May 4, 2018
500,000	0.26	500,000	July 7, 2018

As at October 31, 2015, stock options outstanding have a weighted average remaining contractual life of 2.33 years.

12. Related Party Transactions

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.

12. Related Party Transactions (continued)

Transfer of Intellectual Property

On April 8, 2014, Dr. Charles Wiseman, the primary 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) (see Note 9).

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.

On May 20, 2015, the Company entered into an employment agreement with Dr. Joseph Wagner, which became effective on June 1, 2015. Dr. Joseph Wagner was appointed President and CEO of the Company. The agreement is for a term of one year expiring May 31, 2016, and will automatically renewed unless cancelled by either party. Pursuant to the agreement, Dr. Joseph Wagner will receive a base fee of US$200,000 over the initial term and be entitled to 500,000 stock options. The base fee may be adjusted to US$260,000 pending successful completion of a series of milestones. The agreement also provides for other milestone incentive bonuses which may increase the remuneration by an additional US$50,000. If the agreement is terminated by the Company, all amounts accrued under the agreement shall become due and a lump sum termination fee equal to the *pro rata* monthly salary times the number of months employed divided by 2 (subject to a maximum of 12) shall become payable. The agreement may be terminated by Joseph Wagner upon delivery of 30 days written notice.

Other Items

As at October 31, 2015, included in accounts payable and accrued liabilities are amounts owing to a company controlled by an officer of $10,000 (July 31, 2015 – $16,945) for accounting fees; amounts owing to two companies each controlled by an individual director of $8,000 (July 31, 2015 – $4,520) for consulting fees; amounts owing to a company controlled by individual directors of $1,870 (July 31, 2014 – two companies controlled by individual directors - $4,082) for expenses and $4,131 (July 31, 2015 - $4,159) in aggregate owing to directors for expenses.

As at October 31, 2015, included in amounts recoverable is $10,112 (July 31, 2015 - $28,649) owing from companies with either a common director or officer for recharges of wages and salaries incurred, and $4,902 (July 31, 2015 - $nil) owing from a director for rents recharged.

During the three month periods ended October 31, 2015 and 2014 the Company also incurred the following expenses charged (or recoveries) by key management personnel or companies controlled by these individuals:

12. Related Party Transactions (continued)

a) Received or accrued rent recoveries of $1,000 (period to October 31, 2014 - $nil) from a company with a director in common.

b) Received or accrued rent recoveries of $8,222 (period to October 31, 2014 - $nil) from a director.

c) Received wage recoveries of $6,382 (period to October 31, 2014 - $nil) from companies with a director or officer in common.

d) Paid or accrued professional fees of $11,500 (period to October 31, 2014 - $nil) to a company controlled by an officer of the Company.

e) Paid or accrued consulting fees of $40,500 (period to October 31, 2014 - $nil) to three Companies controlled by individual directors.

f) Paid or accrued wages of $105,240 (period to October 31, 2014 - $nil) in aggregate to two directors.

13. Capital Management

The Company's capital comprises share capital, share-based payment reserve, warrant reserve, and accumulated other comprehensive income (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 (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.

14. 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 October 31, 2015 the Company has a working capital balance of $1,072,461 (July 31, 2015 - $1,468,408). 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.

14. Financial Risk Factors (continued)

c) Market Risk

i) Interest rate risk

As the Company has cash 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.

15. Event After the Reporting Period

On November 4, 2015, the Company issued 3,668,000 stock options under the Plan (Note 11). The options are exercisable at $0.255 and have the following expiry dates:

- 1,017,500 of the options expire on November 4, 2018;
- 1,200,500 of the options expire on November 4, 2020; 525,000 of these options were issued to the Company's officers;
- 1,450,000 of the options expire on November 4, 2025; all of these options were issued three of the Company's directors.

16. Commitments

a) Employment Contract

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.

b) Office Leases

On March 1, 2015, the Company entered into a lease arrangement expiring February 28, 2018 for its office premises. The annual lease is US$59,160 plus common area maintenance charges. The lease may be terminated at any time subsequent to August 31, 2015 at the option of the landlord by giving 90 days written notice.