

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

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BriaCell Therapeutics Corp.

Condensed Interim Consolidated Financial Statements

For the Three and Six Months Ended January 31, 2016

Expressed in Canadian Dollars

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

In accordance with National Instrument 51-102, of the Canadian Securities Administrators, the Company (as defined herein) discloses that its auditors have not reviewed the unaudited condensed interim consolidated financial statements.

The accompanying unaudited condensed interim consolidated financial statements of BriaCell Therapeutics Corp. ("BriaCell", the "Company") for the three and six months ended January 31, 2016 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

BriaCell Therapeutics Corp.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	January 31, 2016	July 31, 2015
	Unaudited	**Audited**
ASSETS		
Current assets		
Cash and cash equivalents	**$ 787,880**	$ 464,732
Short-term investments	**-**	1,107,400
Amounts receivables (Note 12)	**11,421**	35,338
Prepaid expenses	**8,549**	13,363
Total current assets	**807,850**	1,620,833
Investments (Note 8)	**30,906**	6,894
Security deposits	**2,661**	30,861
Office equipment	**1,255**	1,699
Intellectual property (Note 9)	**1**	1
Total Assets	**$ 842,673**	$ 1,660,288
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**112,881**	152,425
Total liabilities	**112,881**	152,425
Shareholders'' equity		
Share capital	**3,847,782**	3,847,782
Share-based payment reserve (Note 11)	**1,175,420**	502,636
Warrant reserve *(Note 10(c))*	**702,437**	702,437
Accumulated other comprehensive loss	**(120,227)**	(69,792)
Deficit	**(4,875,620)**	(3,475,200)
Total shareholders' equity	**729,792**	1,507,863
Total liabilities and shareholders' equity (deficiency)	**$ 842,673**	$ 1,660,288

Nature of Operations and Going Concern (Note 1)
Reverse Takeover (Note 2)
Subesequent Events (Note 17)

These financial statements were approved and authorized for issue on behalf of the Board of Directors on March 30, 2016 by:

On behalf of the Board:

"Rahoul Sharan"
Director

"Saeid Babaei"
Director

BriaCell Therapeutics Corp.

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

(Expressed in Canadian Dollars)

	Three months ended January 31,		Six months ended January 31,	
	2016	**2015**	**2016**	**2015**
	Unaudited			
Expenses:				
Research costs	**39,580**	69,240	**82,553**	69,240
General and Administartion costs (Note 12)	**387,921**	446,121	**736,903**	507,707
Share-based compensation	**656,200**	331,100	**672,784**	331,100
Listing costs (Note 2)	**-**	1,599,488	**-**	1,599,488
Surrender of royalty rights (Note 9)	**-**	150,000	**-**	150,000
Total Expenses	**1,083,702**	2,595,949	**1,492,241**	2,657,535
Operating Loss	**(1,083,702)**	(2,595,949)	**(1,492,241)**	(2,657,535)
Interest income	**361**	1,307	**3,311**	1,307
Foreign exchange gain	**85,886**	2,743	**88,510**	3,144
	86,247	4,050	**91,821**	4,451
Loss For The Period	**(997,455)**	(2,591,899)	**(1,400,420)**	(2,653,084)
Items That Will Subsequently Be Reclassified To Profit Or Loss				
Foreign currency translation adjustment	**(70,276)**	-	**(78,335)**	-
Unrealized gain on available for sale investments	**(503)**	831	**27,900**	831
	(70,779)	831	**(50,435)**	831
Comprehensive Loss for the Period	**$ (1,068,234)**	$ (2,591,068)	**$ (1,450,855)**	$ (2,652,253)
Basic and Fully Diluted Loss Per Share	**$ (0.01)**	$ (0.04)	**$ (0.02)**	$ (0.09)
Weighted Average Number Of Shares Outstanding	**84,736,316**	59,496,201	**84,736,316**	29,753,101

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

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

	Three months ended January 31,		Six months ended January 31,	
	2016	**2015**	**2016**	**2015**
	Unaudited			
Cash flow from operating activities				
Net loss for the period	**(997,455)**	(2,591,899)	**(1,400,420)**	$ (2,653,084)
Items not affecting cash:				
Depreciation	**320**	-	**613**	-
Listing costs	**-**	1,599,488	**-**	1,599,488
Share-based compensation	**656,200**	331,100	**672,784**	331,100
Accrued Interest	**2,950**	-	**-**	-
Surrender of royalty rights	**2,637**	150,000	**-**	150,000
Unrealized foreign exchange gain	**(70,086)**	-	**(70,086)**	-
Changes in non-cash working capital:				
Advances	**-**	81,512	**-**	81,512
Amounts receivable	**8,940**	(7,260)	**23,960**	(7,260)
Prepaid expenses	**6,922**	170	**5,421**	170
Security deposits	**31,575**	-	**30,046**	-
Accounts payable and accrued liabilities	**(28,254)**	(89,825)	**(43,472)**	(34,850)
	(386,251)	(526,714)	**(781,154)**	(532,924)
Cash flow from investing activities				
Cash acquired on reverse take over	**-**	690,898	**-**	690,898
Change in short-term investments	**1,107,400**	(1,805,600)	**1,107,400**	(1,805,600)
	1,107,400	(1,114,702)	**1,107,400**	(1,114,702)
Cash flow from financing activities				
Proceeds from share issuance	-	-	-	11
Units issued for cash	-	2,224,277	-	2,224,277
Share issuance costs	-	(202,942)	-	(202,942)
	-	2,021,335	-	2,021,346
Increase in cash and cash equivalents	**721,149**	379,919	**326,246**	373,720
Effect of changes in foreign exchange rates	**(2,610)**	-	**(3,098)**	-
Cash and cash equivalents, beginning of period	**69,341**	19,871	**464,732**	26,070
Cash and cash equivalents, end of period	**787,880**	399,790	**787,880**	$ 399,790
Supplementary information				
Interest paid	**-**	-	**-**	-
Income taxes paid	**-**	-	**-**	-

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

BriaCell Therapeutics Corp.
Statement of Changes in Shareholders' Equity
For the Period from July 31, 2014 to January 31, 2016
(Unaudited)
(Expressed in Canadian Dollars)

	SHARE CAPITAL		SHARE-BASED PAYMENT RESERVE	WARRANT RESERVE	ACCUMULATED OTHER COMPREHENSIVE	ACCUMULATED DEFECIT	TOTAL SHAREHOLDERS' EQUITY
	SHARES	AMOUNT					
Balance, July 31, 2014	53,111,568	$ 11	$ 1	-	-	$ (1,242)	$ (1,230)
Acquisition of Ansell Capital Corp.	17,703,856	2,250,330	1,200	-	-	-	2,251,530
Private placement	12,557,097	1,360,808	-	635,105	-	-	1,995,913
Units issued for intellectual property	833,333	105,921	-	44,079	-	-	150,000
Shares and warrants issued for shareholder advisory services	200,000	25,422	-	27,300	-	-	52,722
Cancellation of stock options	-	-	(1,200)	-	-	1,200	-
Share-based compensation	-	-	331,100	-	-	-	331,100
Other comprehensive invome	-	-	-	-	831	-	831
Loss for the period	-	-	-	-	-	(2,653,084)	(2,653,084)
Balance, January 31, 2015	**84,405,854**	**$ 3,742,492**	**$ 331,101**	**$ 706,484**	**$ 831**	**$ (2,653,126)**	**$ 2,127,782**
Exercise of compensation warrants	242,451	47,688	-	(4,047)	-	-	43,641
Shares and warrants issued for shareholder advisory services	88,011	57,602	-	-	-	-	57,602
Other comprehensive invome	-	-	-	-	(70,623)	-	(70,623)
Share-based compensation	-	-	185,188	-	-	-	185,188
Expiery of stock options	-	-	(13,653)	-	-	-	(13,653)
Loss for the period	-	-	-	-	-	(822,074)	(822,074)
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	-	-	672,784	-	-	-	672,784
Change in market value of investments	-	-	-	-	27,900	-	27,900
Foreign exchange translation	-	-	-	-	(78,335)	-	(78,335)
Loss for the period	-	-	-	-	-	(1,400,420)	(1,400,420)
Balance, January 31, 2016	**84,736,316**	**$ 3,847,782**	**$ 1,175,420**	**$ 702,437**	**$ (120,227)**	**$ (4,875,620)**	**$ 729,792**

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 (British Columbia) 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 $4,875,620, 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 January 31, 2016, 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 March 30, 2016.

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.

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. Certain figures for January 31, 2014 have been reclassified in order to conform to the current year's condensed interem financial statement presentation.

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 January 31, 2016**		AS AT July 31, 2015	
		CARRYING AMOUNT	**ESTIMATED FAIR VALUE**	CARRYING AMOUNT	ESTIMATED FAIR VALUE
Financial Assets:					
Cash	1	$ 787,880	$ 787,880	$ 464,732	$ 464,732
Investment	1	$ 30,906	$ 30,906	$ 6,894	$ 6,894

8. Investments

	January 31, 2016	July 31 2015
GreenFlag Ventures Inc. ("GreenFlag") – 300,000 common shares measured at fair value	**$ 29,337**	$ 3,000
Entourage Mining Ltd. ("Entourage") – 300,000 common shares measured at fair value	**1,568**	3,894
	$ 30,906	$ 6,894

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

9. Intellectual Property

	January 31, 2016	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

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 six month period ended January 31, 2016 there were no share issuances.

c) Share Purchase Warrants

A summary of changes in share purchase warrants for the six month period ending January 31, 2016 and the year ended July 31, 2015 is presented below:

	Number	Weighted Average Exercise Price
Balance, July 31, 2014	-	$ -
Granted on private placement	12,357,097	0.25
Granted on termination of royalty obligation	833,333	0.25
Granted on exercise of compensation warrants	242,451	0.25
Balance, July 31, 2015 and January 31, 2016	13,432,881	$ 0.25

As at January 31, 2016, share purchase warrants outstanding were as follows:

Number Of Warrants	Exercise Price	Exercisable At January 31, 2016	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 six month period ended Janaury 31, 2016 and the year ended July 31, 2015 is presented below:

	Number	Weighted Average Exercise Price
Balance, July 31, 2014	-	$ -
Granted on private placement	988,568	0.18
Granted in exchange for shareholder advisory services	288,011	0.18
Exercise of compensation warrants	(242,451)	0.18
Balance, July 31, 2015 and January 31, 2016	1,034,128	$ 0.18

As at January 31, 2016, compensation warrants outstanding were as follows:

Number Of Compensation Warrants	Exercise Price	Exercisable At January 31, 2016	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.

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.

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 March 30, 2016, a total of 16,503,384 shares have been released and a total of 37,779,568 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 six month period ended January 31, 2016 and the year ended July 31, 2015 is presented below:

	Number of options outstanding	Weighted average exercise price
Balance, July 31, 2014	-	$ -
Issued on RTO (Note 2)	92,308	(1.24)
Granted	3,850,000	0.23
Cancelled	(92,308)	(1.24)
Expired	(100,000)	(0.22)
Balance, July 31, 2015	3,750,000	0.23
Granted (i)	3,668,000	0.26
Balance, January 31, 2016	7,418,000	$ 0.24

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

The fair value of the stock options grant was $855,000.

The fair value was estimated using the Black Scholes option pricing model and the following weighted average assumptions:

Exercise price	$0.26
Current share price	$0.26
Risk free interest rate	1.78%
Expected life	10 years
Expected volatility	100%
Expected dividend yield	-
Fair value of options issued	$0.14

The Company recognized stock based compensation expense of $672,784 for the six months ended January 31, 2016 (six months ended January 31, 2015 - $331,100).

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

As at January 31, 2016, stock options were outstanding for the purchase of common shares as follows:

Number Of Options	Exercise Price	Number Exercisable At January 31, 2016	Expiry Date
2,325,000	$ 0.22	2,325,000	January 15, 2018
750,000	0.22	750,000	April 8, 2018
175,000	0.30	131,250	May 4, 2018
500,000	0.255	500,000	July 7, 2018
1,450,000	0.255	1,450,000	November 4, 2025
1,200,500	0.255	100,000	November 4, 2020
1,017,500	0.255	517,500	November 4, 2018

As at January 31, 2016, stock options outstanding have a weighted average remaining contractual life of 4.11 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.

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. Upon conclusion of the above agreement, the Company reduced its monthly payment to Dr. Charles Wiseman from US$10,000 to CAD$4,000, effective February 1, 2016. This step was taken primarily in order to cut costs and preserve capital.

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 was for a term of one year expiring May 31, 2016, subject to certain renewal options. Pursuant to the agreement, Dr. Joseph Wagner was entitled to receive a base fee of US$200,000 and a grant of 500,000 stock options during the initial term. The agreement also provided for the possibility of certain milestone-based incentive bonuses. As discussed further below, Dr. Wagner resigned his positions as director and officer of the Company on March 25, 2016. See also note 17 - Subesequent events.

12. Related Party Transactions (continued)

Other Items

As at January 31, 2016, included in accounts payable and accrued liabilities are amounts owing to a company controlled by an officer of $3,500 (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.

As at January 31, 2016, included in amounts receivable is $2,184 (July 31, 2015 - $nil) owing from a director for rents recharged.

During the three and six month periods ended January 31, 2016 and 2015, the Company also incurred the following expenses (or recoveries) by key management personnel or companies controlled by these individuals:

	Three months ended January 31,		Six months ended January 31,	
	2016	2015	2016	2015
	Unaudited			
a) Received or accrued rent recoveries from a company with a director in common	**(1,000)**	-	-	-
b) Received or accrued rent recoveries from a director	**(8,222)**	-	-	-
c) Received wage recoveries from companies with a director or officer in common.	**(6,382)**	-	-	-
d) Paid or accrued professional fees to a company controlled by an officer of the Company	**3,500**	-	**15,000**	-
e) Paid or accrued consulting fees to three Companies controlled by individual directors.	**40,000**	-	**80,500**	-
f) Paid or accrued wages of in aggregate to two directors	**83,668**	-	**188,908**	-
g) Share based compensation to four directors	**454,752**	-	**454,752**	-

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 January 31, 2016, the Company has a working capital balance of $694,969 (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.

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. Commitments

a) Office Leases

On August 17, 2015, the Company entered into a lease arrangement expiring August 16, 2017 for office premises. The remaining commitment as of January 31, 2016 is expected to be US$15,275. The lease may be terminated at any time subsequent to August 16, 2017 at the option of the Company or the landlord by giving 90 days written notice.

16. General and Administration costs

	Three months ended January 31,		Six months ended January 31,	
	2016	**2015**	**2016**	**2015**
	Unaudited			
Conferences	**357**	40,025	**7,525**	40,025
Consulting (Note 12)	**79,302**	71,979	**125,742**	78,930
Depreciation	**307**	-	**600**	-
General and Administrative	**13,035**	27,890	**31,584**	29,593
Professional fees (Note 12)	**18,575**	251,361	**35,162**	304,293
Regulatory, filing and transfer agent fees	**5,944**	18,150	**10,677**	18,150
Rent, net of recoveries (Note 12)	**66,519**	17,459	**93,580**	17,459
Shareholder communications	**11,656**	-	**31,892**	-
Travel	**8,704**	10,572	**21,509**	10,572
Wages and salaries, net of recoveries (Note 12)	**183,522**	8,685	**378,632**	8,685
	387,921	446,121	**736,903**	507,707

17. Subsequent Events

a) On March 25, 2016, Dr. Joseph Wagner resigned his positions as President and Chief Executive Officer of the Company, effective immediately, in order to pursue other opportunities. Dr. Wagner has also stepped down from the Board. Mr. Rahoul Sharan, Director of the Company, has been appointed Chief Executive Officer on an interim basis as the Board searches for a suitable long-term replacement. Mr. Sharan brings 25 years of corporate finance experience where he has led financings in excess of several hundred million dollars. Dr. Wagner has committed to supporting BriaCell on a consulting basis in order to facilitate a smooth transition over the next few months.