*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, 2017

Expressed in Canadian Dollars

(Unaudited)

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 and six months ended January 31, 2017 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

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

BriaCell Therapeutics Corp.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	January 31, 2017 Unaudited	July 31, 2016 Audited
ASSETS		
Current assets		
Cash and cash equivalents	**$ 459,916**	$ 171,865
Short-term investments	**1,300,000**	900,000
Amounts receivables (Note 9)	**16,246**	3,487
Prepaid expenses	**15,414**	13,164
Total current assets	**1,791,576**	1,088,516
Security deposits	**2,472**	2,481
Other Assets	**4**	590
Total Assets	**$ 1,794,052**	$ 1,091,587
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note9)	**$ 9,855**	$ 63,470
Total liabilities	**9,855**	63,470
Shareholders' equity (deficiency)		
Share capital *(Note 7(b))*	**5,510,046**	4,489,797
Share-based payment reserve (Note 8)	**1,053,634**	1,042,207
Warrant reserve *(Note 7(c))*	**1,629,015**	1,107,863
Accumulated other comprehensive loss	**(75,785)**	(30,346)
Deficit	**(6,332,713)**	(5,581,404)
Total shareholders' equity	**1,784,197**	1,028,117
Total liabilities and shareholders' equity (deficiency)	**$ 1,794,052**	$ 1,091,587

Nature of Operations (Note 1)
Commitements (Note 12)
Subesequent Events (Note 13)

These financial statements were approved and authorized for issue on behalf of the Board of Directors on March 30, 2017 by:

On behalf of the Board:

"Rahoul Sharan" — Director

"Saeid Babaei" — Director

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

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

	Three months ended January 31		Six months ended January 31	
	2017	**2016**	**2017**	**2016**
	Unaudited		**Unaudited**	
Expenses:				
Research costs (Note 14)	**214,974**	$ 210,715	**480,105**	$ 435,627
General and Administartion costs (Note 15)	**143,079**	216,787	**285,096**	383,830
Share-based compensation (Note 15)	**84,981**	656,200	**113,870**	672,784
Total Expenses	**443,034**	1,083,702	**879,071**	1,492,241
Operating Loss	**(443,034)**	(1,083,702)	**(879,071)**	(1,492,241)
Interest income	**3,580**	361	**3,676**	3,311
Foreign exchange gain (loss)	**24,920**	85,886	**21,643**	88,510
	28,500	86,247	**25,319**	91,821
Loss For The Period	**(414,534)**	(997,455)	**(853,752)**	(1,400,420)
Items That Will Subsequently Be Reclassified To Profit Or Loss				
Foreign currency translation adjustment	**(71,938)**	(70,276)	**(45,439)**	(78,335)
Unrealized loss on available for sale investments	**-**	(503)	**-**	27,900
	(71,938)	(70,779)	**(45,439)**	(50,435)
Comprehensive Loss for the Period	**(486,472)**	$ (1,068,234)	**(899,191)**	$ (1,450,855)
Basic and Fully Diluted Loss Per Share	**(0.01)**	$ (0.01)	**(0.00)**	$ (0.02)
Weighted Average Number Of Shares Outstanding	**100,026,998**	84,736,316	**100,026,998**	84,736,316

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)

	Six months ended January 31	
	2017	**2016**
	Unaudited	
Cash flow from operating activities		
Net loss for the period	**(853,752)**	$ (1,400,420)
Items not affecting cash:		
Depreciation	**586**	613
Share-based compensation	**113,870**	672,784
Unrealized foreign exchange gain	**(18,366)**	(70,086)
Changes in non-cash working capital:		
Amounts receivable	**(10,882)**	23,960
Prepaid expenses	**(2,250)**	5,421
Security deposits	**-**	30,046
Accounts payable and accrued liabilities	**(53,699)**	(43,472)
	(824,493)	(781,154)
Cash flow from investing activities		
Change in short-term investments	**(400,000)**	1,107,400
	(400,000)	1,107,400
Cash flow from financing activities		
Proceeds for private placements, net	**1,485,761**	-
Proceeds from exercise of warrants	**55,640**	-
	1,541,401	-
Increase in cash and cash equivalents	**316,908**	326,246
Effect of changes in foreign exchange rates	**(28,857)**	(3,098)
Cash and cash equivalents, beginning of period	**171,865**	464,732
Cash and cash equivalents, end of period	**$ 459,916**	$ 787,880
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
(Expressed in Canadian Dollars)

	SHARE CAPITAL			SHARE-BASED PAYMENT RESERVE		WARRANT RESERVE		ACCUMULATED OTHER COMPREHENSIVE LOSS	ACCUMULATED DEFECIT		TOTAL SHAREHOLDERS' EQUITY
	SHARES		AMOUNT								
Balance, July 31, 2015	84,736,316	$	3,847,782	$ 502,636	$	702,437	$	(69,792)	(3,475,200)	$	1,507,863
Brokered Private Placement (see note 8(b)(vii))	3,421,053		273,488	-		213,641		-	-		487,129
Non-Brokered Private Placement ((see note 8(b)(viii))	3,125,000		363,869	-		192,843		-	-		556,712
Exercise of warrants (see note 8(b)(vi))	20,000		4,658	-		(1,058)		-	-		3,600
Share-based compensation (see note 9(iv))	-		-	648,149		-		-	-		648,149
Cancellation of stock options (see note 9(v)	-		-	(108,578)		-		-	108,578		-
Change in market value of investments	-		-	-		-		(6,892)	-		(6,892)
Foreign exchange translation	-		-	-		-		27,763	-		27,763
Unrealized loss on available for saleinvestments other than termporary								18,575			18,575
Loss for the year	-		-	-		-		-	(2,214,782)		(2,214,782)
Balance, July 31, 2016	**91,302,369**	**$**	**4,489,797**	**$ 1,042,207**	**$**	**1,107,863**	**$**	**(30,346)**	**(5,581,404)**	**$**	**1,028,117**

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

BriaCell Therapeutics Corp.

Statement of Changes in Shareholders' Equity (continued)

(Expressed in Canadian Dollars)

	SHARE CAPITAL		SHARE-BASED PAYMENT RESERVE	WARRANT RESERVE	ACCUMULATED OTHER COMPREHENSIVE LOSS	ACCUMULATED DEFECIT	TOTAL SHAREHOLDERS' EQUITY
	SHARES	AMOUNT					
Balance, July 31, 2016	91,302,369	4,489,797	1,042,207	1,107,863	(30,346)	(5,581,404)	1,028,117
Private Placement (see note 7(b)(i))	8,500,000	948,258	-	537,503	-	-	1,485,761
Exercise of warrants (see note 8(b)(ii)&(iii)	309,103	71,991	-	(16,351)	-	-	55,640
Share-based compensation	-	-	113,870	-	-	-	113,870
Cancellation of stock options (see note 8(ii)	-	-	(102,443)	-	-	102,443	-
Foreign exchange translation	-	-	-	-	(45,439)	-	(45,439)
Loss for the period	-	-	-	-	-	(853,752)	(853,752)
Balance, January 31, 2017	**100,111,472**	**$ 5,510,046**	**$ 1,053,634**	**$ 1,629,015**	**$ (75,785)**	**(6,332,713)**	**$ 1,784,197**

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

1. Nature of Operations and Going Concern

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

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

These consolidated financial statements were authorized for issue by the Board of Directors on March 30, 2017.

2. 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, 2016.

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.

3. Significant Accounting Policies

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements as at July 31, 2016. 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, 2016.

4. Standards Issued but Not Yet Effective

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

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

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

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

5. 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.

6. 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.

(Expressed in Canadian Dollars)

6. 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, 2017 CARRYING AMOUNT	As at January 31, 2017 ESTIMATED FAIR VALUE	As at July 31, 2016 CARRYING AMOUNT	As at July 31, 2016 ESTIMATED FAIR VALUE
Financial Assets:					
Cash	1	$ 459,916	$ 459,916	$ 171,865	$ 171,865
Investments	2	$ 2	$ 2	$ 2	$ 2

7. Share Capital and Warrant Reserve

a) Authorized share capital

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

b) Issued share capital

During the six month period ended January 31, 2016, the Company incurred the following share issuance transactions:

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

Certain finders received a cash commission of $115,500 plus 595,000 finder's options (the "August 2016 Finders' Options") exercisable into one Non-Brokered Unit at any time until August 19,2019 at an exercise price of $0.35.

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

(ii) On October 7, 2016, 192,140 warrants were exercised into 192,140 common shares for a total consideration of $34,585.

Gross proceeds, less issuance costs paid in cash and less the total fair value of the warrants were charged against share capital in the statement of changes in shareholders' equity.

(iii) On January 5, 2017, 116,963 warrants were exercised into 116,963 common shares for a total consideration of $21,055.

Gross proceeds, less issuance costs paid in cash and less the total fair value of the warrants were charged against share capital in the statement of changes in shareholders' equity.

(Expressed in Canadian Dollars)

7. Share Capital and Warrant Reserve (continued)

c) Share Purchase Warrants

A summary of changes in share purchase warrants for the six month period ending January 31, 2017 and the year ended July 31, 2016 is presented below:

	Number	Weighted Average Exercise Price
Balance, July 31, 2015	13,432,881	$ 0.25
Granted on brokered private placement	3,421,053	0.30
Compensation warrants	176,000	0.36
Granted on non-brokered private placement	1,562,500	0.35
Balance, July 31, 2016	18,592,434	$ 0.27
Granted on non-brokered private placement (see note 7(b)(i))	8,500,000	0.35
Balance, January 31, 2017	27,092,434	0.29

As at January 31, 2017, warrants outstanding were as follows:

Number Of Warrants	Exercise Price	Exercisable At October 31, 2016	Expiry Date
13,432,881	$ 0.25	13,412,881	November 27, 2017
3,421,053	0.30	3,421,053	April 26, 2021
176,000	0.20	176,000	April 29, 2018
1,562,500	0.35	1,562,500	April 29, 2018
8,500,000	0.35	8,500,000	August 19, 2019
27,092,434		27,092,434	

(Expressed in Canadian Dollars)

7. Share Capital and Warrant Reserve (continued)

d) Compensation Warrants

A summary of changes in compensation warrants for the six month period ended January 31, 2107 and the year ended July 31, 2016 is presented below:

	Number	Weighted Average Exercise Price
Balance, July 31, 2015	1,034,128	$ 0.18
Granted on brokered private placement	273,685	0.30
Exercised	(20,000)	0.18
Balance, July 31, 2016	1,287,813	$ 0.11
Granted on brokered private placement (see note 7(b)(i))	595,000	0.35
Exercised (see note 7(b)(ii)&(iii))	(329,103)	0.18
Balance, October 31, 2016	1,573,710	$ 0.27

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

Number Of Compensation Warrants	Exercise Price	Exercisable at July 31, 2016	Expiery Date
417,014	$ 0.18	417,014	November 27, 2017 (i)
288,011	0.18	288,011	February 4, 2018 (ii)
273,685	0.30	273,685	April 26, 2021 (iii)
595,000	. 0.35	595,000	August 19, 2019 (iv)
1,573,710		1,573,710	

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 $0.35 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 $0.35 if exercised between February 5, 2016 and February 4, 2018, subject to accelerated exercise.

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

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

(Expressed in Canadian Dollars)

7. Share Capital and Warrant Reserve (continued)

e) Shares Held in Escrow

The escrow agreement relating to the RTO 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.

As of January 31, 2017, a total of 31,362,654 shares have been released and a total of 22,920,298 shares remain in escrow.

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

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

A summary of changes in stock options for the three month period ended Januaryt 31, 2017 and the year ended July 31, 2016 is presented below:

	Number of options outstanding		Weighted average exercise price
Balance, July 31, 2015	3,750,000		0.23
Granted	4,368,000		0.26
Cancelled	(1,150,000)		0.25
Balance, July 31, 2016	6,968,000	$	0.24
Granted (i)	1,432,000		0.25
Cancelled (ii)	(2,118,000)		0. 24
Balance, Janaury 31, 2017	6,282,000		0.24

(i) During the six month period ended October 31, 2016, the Company issued the following options under the Plan:

a. On October 3, 2016, a total of 800,000 stock options The fair value of the stock options was $88,061. The fair value was estimated using the Black Scholes option pricing model and the following weighted average assumptions: share price - $0.20; exercise price - $0.25; expected life – 3 years; annualized volatility – 95%; dividend yield – 0%; risk free rate – 0.59%

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

(ii) During the six months period ended January 31, 2017, 2,118,000 stock options were cancelled. The fair value of the cancelled options was transferred from share based payment reserve to deficit within the statement of changes in shareholders' equity.

(Expressed in Canadian Dollars)

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

(iii) The Company recognized stock based compensation expense of $84,981 and $113,870 for the three and six months ended January 31, 2017 (three and six months ended January 31, 2016 - $656,200 and $672,784, respectively) in relation to the vesting of these options.

As at January 31, 2017, stock options were outstanding for the purchase of common shares as follows:

Number Of Options Outstanding	Exercise Price		Number Of Options Exercisable	Expiry Date
1,700,000	$	0.22	1,700,000	January 15, 2018
250,000		0.22	250,000	April 8, 2018
175,000		0.30	175,000	May 4, 2018
1,450,000		0.255	950,000	November 4, 2025
675,500		0.255	168.750	November 4, 2020
1,017,500		0.255	375,000	November 4, 2018
500,000		0.255	700,000	January 15, 2018
800,000		0.25	266,667	October 3, 2019
632,000		0.21	632,000	November 1, 2019
6,282,000			5,373,667	

As at January 31, 2017, stock options outstanding have a weighted average remaining contractual life of 2.88 years.

9. 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.

As at Janaury 31, 2017, included in accounts payable and accrued liabilities are amounts owing to a company controlled by an officer of Nil (Janaury 31, 2016 – $3,500) for accounting fees; amounts owing to two companies each controlled by an individual director of nil (Janaury 31, 2016– $8,000) for consulting fees.

(Expressed in Canadian Dollars)

9. Related Party Transactions (continued)

During the three and six month periods ended January 31, 2017 and 2016 the Company also incurred the following expenses charged (or recoveries) by key management personnel or companies controlled by these individuals:

	Three months ended January 31		Six months ended January 31	
	2017	**2016**	**2017**	**2016**
	Unaudited		**Unaudited**	
a) Received or accrued rent recoveries from a company with a director or officer in common	**$ -**	$ (1,000)	**$ -**	$ -
b) Received or accrued wage recoveries from a director	**-**	(8,222)	**-**	-
c) Paid or accrued professional fees to a company controlled by an officer of the Company	**-**	(6,382)	**-**	-
d) Paid or accrued consulting fees to Companies controlled by individual directors.	**33,500**	3,500	**68,000**	15,000
e) Paid or accrued wages and consulting fees to directors	**84,274**	40,000	**109,843**	80,500
f) Paid or accrued management fees to an officer for services provided	**7,000**	83,668	**21,000**	188,908
g) Share based compensation to directors and officers	**84,981**	454,752	**84,981**	454,752

10. 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).

11. Financial Risk Factors

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

a) Credit risk

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

b) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they come due. As at January 31, 2016, the Company has a working capital balance of $1,781,721 (July 31, 2016 - $1,025,046). As a result, the Company currently has little exposure to liquidity risk. However, as described in Note 1, the Company has not yet achieved profitable operations and expects to incur further losses in the development of its products; these factors cast significant doubt about the Company’s ability to continue as a going concern.

c) Market Risk

i) Interest rate risk

As the Company has cash and 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.

12. Commitments

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 at the option of the landlord by giving 90 days written notice.

13. Subesequent Events

On February 27, 2017 the Company's President and CEO William V. Williams, M.D., completed a non-brokered private placement financing (the "Offering") of 5,612,083 units (the "Units") for aggregate gross proceeds to the Company in the amount of $1,346,900.

Under the Offering, each Unit consists of one common share in the capital of the Company (a "Common Share") and one-half of one Common Share purchase warrant (a "Warrant"). Each Warrant will be exercisable for one Common Share at an exercise price of $0.35 if exercised 24 months following the date of closing of the Offering. The Offering is subject to the final approval of the TSX Venture Exchange.

The Offering is considered a "related party transaction" within the meaning of TSX Venture Exchange Policy 5.9 and Multilateral Instrument 61-101—Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company relied on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(a) of MI 61-101 as neither the fair market value of the Units nor the aggregate proceeds of the Offering exceeds 25% of the Company's market capitalization.

The Company intends to use proceeds from the Offering to advance the Company's ongoing Phase I/IIa clinical trial of BriaVax™, for advancing the BriaCell R&D clinical program, companion diagnostic platform known as BriaDx™, and pipeline expansion.

The Units, including all underlying securities thereof, are subject to a hold period of four months and one day from their date of issuance under applicable Canadian securities laws.