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

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BriaCell Therapeutics Corp.

Consolidated Financial Statements

For the Years Ended July 31, 2018 and 2017

Expressed in Canadian Dollars

Independent Auditors' Report

To the Shareholders of BriaCell Therapeutics Corp.:

We have audited the accompanying consolidated financial statements of BriaCell Therapeutics Corp., which comprise the consolidated statements of financial position as at July 31, 2018 and 2017, and the consolidated statements of operations and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of BriaCell Therapeutics Corp. as at July 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements which highlights the existence of a material uncertainty relating to conditions that cast significant doubt on BriaCell Therapeutics Corp.'s ability to continue as a going concern.

MNP LLP

Mississauga, Ontario
September 27, 2018

Chartered Professional Accountants
Licensed Public Accountants

MNP

BriaCell Therapeutics Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

		July 31, 2018		July 31, 2017
ASSETS				
Current assets				
Cash	**$**	**938,448**	$	1,264,429
Short-term investments		**1,341,043**		750,000
Amounts receivables		**18,975**		6,981
Prepaid expenses		**147,734**		15,414
Total current assets		**2,446,200**		2,036,824
Security deposits		**172,980**		2,372
Investments (Note 5)		**2**		2
Intellectual property (Note 6)		**357,958**		1
Total Assets	**$**	**2,977,140**	$	2,039,199
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities (Notes 11, 16)	**$**	**285,712**	$	472,362
Advance subscription (Note 8(b)(vii))		**-**		631,785
Unsecured convertible loan (Note 7)		**1,460,138**		-
Total liabilities		**1,745,850**		**1,104,147**
Shareholders' equity				
Share capital (Note 8(b))		**10,213,174**		6,609,615
Share-based payment reserve (Note 9)		**905,257**		884,763
Warrant reserve (Note 8(c)(d))		**2,907,337**		1,841,448
Accumulated other comprehensive loss		**(105,514)**		(72,174)
Deficit		**(12,688,964)**		(8,328,600)
Total shareholders' equity		**1,231,290**		935,052
Total liabilities and shareholders' equity	**$**	**2,977,140**	$	2,039,199

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

Nature of Operations and Going Concern (Note 1)
Commitments and Contingencies (Note 16)
Events After the Reporting Period (Note 17)

Approved on behalf of the Board:

"Rahoul Sharan"	*"Saeid Babaei"*
Director	Director

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

	Years ended July 31 2018		2017	
Expenses:				
Research costs (Note 14)	**$**	**3,112,579**	$	2,125,941
General and administration costs (Note 15)		**1,387,713**		820,281
Share-based compensation (Notes 9(b), 11)		**476,211**		272,014
Total Expenses		**4,976,503**		3,218,236
Operating Loss		**(4,976,503)**		(3,218,236)
Interest income		**15,991**		6,428
Interest expense (Note 7)		**(20,364)**		-
Change in fair value of convertible debt (Note 7)		**(407,709)**		-
Foreign exchange loss		**(24,078)**		(8,913)
		(436,160)		(2,485)
Loss For The Year		**(5,412,663)**		(3,220,721)
Items That Will Subsequently Be Reclassified To Profit Or Loss				
Foreign currency translation adjustment		**(33,340)**		41,828
		(33,340)		41,828
Comprehensive Loss for the Year	**$**	**(5,446,003)**	$	(3,178,893)
Basic and Fully Diluted Loss Per Share	**$**	**(0.04)**	$	(0.03)
Weighted Average Number Of Shares Outstanding		**128,344,435**		101,912,205

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

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

	Years ended July 31 2018	Years ended July 31 2017
Cash flow from operating activities		
Net loss for the year	**$ (5,412,663)**	$ (3,220,721)
Items not affecting cash:		
Depreciation and amortization	**16,894**	290
Share-based compensation	**476,211**	272,014
Change in fair value of convertible loan	**407,709**	-
Accrued interest expense	**20,364**	-
Changes in non-cash working capital:		
Amounts receivable	**(11,994)**	(3,494)
Prepaid expenses	**(117,051)**	(2,250)
Security deposits	**(151,413)**	-
Accounts payable and accrued liabilities	**(186,650)**	1,040,677
	(4,958,593)	(1,913,484)
Cash flow from investing activities		
Net change in short-term investments	**(591,043)**	150,000
	(591,043)	150,000
Cash flow from financing activities		
Proceeds from private placements	**4,332,232**	3,046,900
Share issuance cost	**(465,849)**	(238,389)
Proceeds from issuance of unsecured convertible loan	**1,138,919**	-
Proceeds from exercise of warrants	**286,020**	88,959
	5,291,322	2,897,470
Increase (decrease) in cash	**(258,314)**	1,133,986
Effect of changes in foreign exchange rates	**(67,667)**	(41,422)
Cash, beginning of year	**1,264,429**	171,865
Cash, end of year	**$ 938,448**	$ 1,264,429

The accompanying notes are an integral part of these 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	ACCUMULATED DEFECIT	TOTAL SHAREHOLDERS' EQUITY
	SHARES	AMOUNT					
Balance, July 31, 2017	105,904,561	$ 6,609,615	$ 884,763	$ 1,841,448	$ (72,174)	$ (8,328,600)	$ 935,052
Private Placement (Note 8(b)(vii))	4,058,441	631,785	-	-	-	-	631,785
Acquisition of Sapientia (Note 6 and 8(b)(viii))	2,500,002	375,000	-	-	-	-	375,000
Exercise of warrants under Warrant Incentive Program (Note 8(b)(ix))	2,043,000	351,557	-	(65,537)	-	-	286,020
Private Placement (Note 8(b)(x))	43,322,322	2,644,659	-	1,687,573	-	-	4,332,232
Share issuance costs (Note 8(b)(x))	-	(465,850)	-	-	-	-	(465,850)
Issuance of compensation warrants (Note 7)	-	-	-	97,875	-	-	97,875
Issuance of shares on conversion of debt (Note 8(b)(xi))	1,068,426	66,408	-	40,435	-	-	106,843
Expiration of warrants and compensation warrants (Note 8(c)(d))	-	-	-	(694,457)	-	694,457	-
Share-based compensation (Notes 9(b))	-	-	378,336	-	-	-	378,336
Expiration of stock options (Note 9)	-	-	(357,842)		-	357,842	-
Foreign exchange translation	-	-	-	-	(33,340)	-	(33,340)
Loss for the year	-	-	-	-	-	(5,412,663)	(5,412,663)
Balance, July 31, 2018	**158,896,752**	**$ 10,213,174**	**$ 905,257**	**$ 2,907,337**	**$ (105,514)**	**$ (12,688,964)**	**$ 1,231,290**

	SHARE CAPITAL		SHARE-BASED PAYMENT RESERVE	WARRANT RESERVE	ACCUMULATED OTHER COMPREHENSIVE	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 (Note 8(b)(i))	8,500,000	948,258	-	537,503	-	-	1,485,761
Private Placement (Note 8(b)(iv))	5,612,083	1,060,961	-	261,788	-	-	1,322,749
Exercise of warrants (Finders' Options) (Note 8(b)(ii)(iii)(v)(vi))	490,109	110,599	-	(21,639)	-	-	88,960
Share-based compensation (Note 9)	-	-	272,014	-	-	-	272,014
Expiration of compensation warrants (Note 8(d))	-		-	(44,067)	-	44,067	-
Cancellation of stock options (Note 9)	-	-	(429,458)	-	-	429,458	-
Foreign exchange translation	-	-	-	-	(41,828)	-	(41,828)
Loss for the year	-	-	-	-	-	(3,220,721)	(3,220,721)
Balance, July 31, 2017	**105,904,561**	**$ 6,609,615**	**$ 884,763**	**$ 1,841,448**	**$ (72,174)**	**(8,328,600)**	**$ 935,052**

The accompanying notes are an integral part of these 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.

BriaCell is an immuno-oncology biotechnology company. BriaCell owns the US patent to BriaVax^{TM}, a whole-cell cancer vaccine (US Patent No.7674456) (the "Patent"). The Company is currently advancing its vaccine program, BriaVax™, to complete a 24-subject Phase I/IIa clinical trial and by research activities in the context of BriaDx™, a companion diagnostic test to identify patients likely benefitting from BriaVax™.

During the previous year, the Company completed two private placements of units totaling gross proceeds of $3,046,900 (Notes 8(b)(i)(iv)). In August 2017, the Company completed a third non-brokered private placement of units with gross proceeds of $631,785 (Note 8(b)(vii)) and in March 2018, the Company completed a fourth brokered private placement of units with gross proceeds of $4,332,232 (Note 8(b)(x)).

In March 2018, the Company also completed a brokered private placement of unsecured convertible notes in the principal amount of US$885,000 (Note 7).

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 $12,688,964 (2017 - $8,328,600), 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 July 31, 2018, the Company had not yet completed the clinical development of or achieved regulatory approval to market BriaVax^{TM}, its lead product candidate and expects to incur further losses; the nature of a development stage immune-oncology company requires the raising of financial capital to support its clinical development programs and administrative costs. The uncertainty of the Company's ability to raise such financial capital casts significant doubt on the Company's ability to continue as a going concern. These 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 September 27, 2018.

2. Basis of Presentation

Statement of Compliance

These consolidated financial statements have been prepared in accor1dance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

2. Basis of Presentation (continued)

Basis of Presentation

The 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 3. Standards and guidelines not effective for the current accounting period are described in Note 4.

Basis of Measurement

Theses consolidated financial statements have been prepared under the historical cost basis, except for financial instruments which have been measured at fair value.

Basis of Consolidation

These consolidated financial statements include the accounts of BriaCell and its wholly-owned subsidiaries, BriaCell Therapeutics Corp. ("BTC") and Sapientia Pharmaceuticals Inc ("Sapientia").

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

3. Summary of Significant Accounting Policies

The significant accounting policies used in the preparation of these consolidated financial statements set out below have been applied consistently in all material respects for all periods presented.

Cash

Cash and cash equivalents include cash on hand, deposits held with banks and other short-term highly liquid investments with original maturities of three months or less. As at July 31, 2018 and 2017, the Company had no cash equivalents.

Short-term Investments

Short-term investments consist of variable rate guaranteed investment certificates ("GICs") with original terms of one year or less but greater than three months.

Translation of Foreign Currencies

These consolidated financial statements are presented in Canadian dollars. The functional currency of BriaCell is the Canadian dollar. The functional currency of BTC and Sapientia is the United States dollar.

Translation gains or losses resulting from the translation of the financial statements of BTC and Sapientia into Canadian dollars for presentation purposes are recorded in other comprehensive (loss) income.

Within each entity, transactions in currencies other than the functional currency ("foreign currencies") are translated to the functional currency at the rate of exchange prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency at the end of each reporting period at the period-end exchange rate. Exchange gains and losses on the settlement of transactions and the translation of monetary assets and liabilities to the functional currency are recorded in profit or loss.

3. Summary of Significant Accounting Policies (continued)

Intangible assets

Separately acquired intangible assets are measured on initial recognition at cost including directly attributable costs. Intangible assets acquired in a business combination are measured at fair value at the acquisition date. Expenditures relating to internally generated intangible assets, excluding capitalized development costs, are recognized in profit or loss when incurred.

Intangible assets with finite useful lives are amortized over their useful lives and reviewed for impairment whenever there is an indication that the asset may be impaired. The amortization period and the amortization method for an intangible asset are reviewed at least at each year end.

Intangible assets with indefinite useful lives are not systematically amortized and are tested for impairment annually, or whenever there is an indication that the intangible asset may be impaired. The useful life of these assets is reviewed annually to determine whether their indefinite life assessment continues to be supportable. If the events and circumstances do not continue to support the assessment, the change in the useful life assessment from indefinite to finite life is accounted for prospectively as a change in accounting estimate and on that date the asset is tested for impairment. Commencing from that date, the asset is amortized systematically over its useful life.

The useful lives of intangible assets are as follows:

	Patents
Useful life	20 years
Amortization method	Straight-line
In-house development or purchase	Purchase

Impairment of non-financial assets:

The Company evaluates the need to record an impairment of non-financial assets whenever events or changes in circumstances indicate that the carrying amount is not recoverable.

If the carrying amount of non-financial assets exceeds their recoverable amount, the assets are reduced to their recoverable amount. The recoverable amount is the higher of fair value less costs of sale and value in use. In measuring value in use, the expected future cash flows are discounted using a pre-tax discount rate that reflects the risks specific to the asset. The recoverable amount of an asset that does not generate independent cash flows is determined for the cash generating unit (“CGU”) to which the asset belongs. Impairment losses are recognized in profit or loss.

An impairment loss of an asset, other than goodwill, is reversed only if there have been changes in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. Reversal of an impairment loss, as above, shall not be increased above the lower of the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the asset in prior years and its recoverable amount. The reversal of impairment loss of an asset presented at cost is recognized in profit or loss.

3. Summary of Significant Accounting Policies (continued)

Research and Development

Research and development costs are expensed as incurred.

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 consolidated statement of financial position at fair value with changes in fair value recognized in the consolidated statements of operations and comprehensive loss.

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 consolidated statements of operations and comprehensive loss.

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 consolidated statements of operations and comprehensive loss.

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 consolidated statements of financial position at fair value with changes in fair value recognized in the consolidated statements of operations and comprehensive loss.

(Expressed in Canadian Dollars)

3. Summary of Significant Accounting Policies (continued)

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

The Company's financial instruments consist of the following:

Financial assets:	Classification:
Cash	Loans and receivables
Short-term investments	Fair value through profit or loss
Amounts receivable (excluding for HST)	Loans and receivables
Investments	Available for sale
Security deposits	Loans and receivables

Financial liabilities:	Classification:
Accounts payable and accrued liabilities	Other financial liabilities
Advance subscription	Other financial liabilities
Unsecured convertible loan	Fair value through profit and loss

Financial instruments recorded at fair value in the consolidated statements 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 instruments measured at fair value on a recurring basis include the following:

	FAIR VALUE INPUT LEVEL	**As at July 31, 2018**		As at July 31, 2017	
		CARRYING AMOUNT	**ESTIMATED FAIR VALUE**	CARRYING AMOUNT	ESTIMATED FAIR VALUE
Financial Assets:					
Cash	1	**$ 938,448**	**$ 938,448**	$ 1,264,429	$ 1,264,429
Short-term investments	2	**$ 1,341,043**	**$ 1,341,043**	$ 750,000	$ 750,000
Financial liabilities:					
Unsecured convertible loans	3	**$ 1,460,138**	**$ 1,460,138**	$ -	$ -

3. Summary of Significant Accounting Policies (continued)

Share-based Payments

Equity-settled share-based payments for directors, officers and employees are measured at fair value at the date of grant and recorded as compensation expense with a corresponding increase to share-based payment reserve in the consolidated financial statements.

The fair value determined at the grant date of equity-settled share-based payments is expensed using the graded vesting method over the vesting period based on the Company's estimate of payments that will eventually vest. Upon exercise of the stock options, consideration paid by the option holder together with the amount previously recognized in share-based payment reserve is recorded as an increase to share capital. Upon expiry, the amounts recorded for share-based compensation are transferred to the deficit from the share-based payment reserve. Shares are issued from treasury upon the exercise of equity-settled share-based instruments.

Compensation expense on stock options granted to non-employees is measured at the earlier of the completion of performance and the date the options are vested using the fair value method and is recorded as an expense in the same period as if the Company had paid cash for the goods or services received.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a Black-Scholes valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

Share Capital

Common shares are classified as equity. Proceeds from unit placements are allocated between shares and warrants issued using the relative fair value method. Costs directly identifiable with share capital financing are charged against share capital. Share issuance costs incurred in advance of share subscriptions are recorded as non-current deferred assets. Share issuance costs related to uncompleted share subscriptions are charged to operations in the period they are incurred.

Warrant Reserve

The fair value of warrants is determined upon their issuance either as part of unit private placements or in settlement of share issuance costs and finders' fees, using the Black-Scholes model. All such warrants are classified in a warrant reserve within equity. If the warrants are converted, the value attributable to the warrants is transferred to common share capital. Upon expiry, the amounts recorded for expired warrants is transferred to the deficit from the warrant reserve. Shares are issued from treasury upon the exercise of share purchase warrants.

Income Taxes

Income tax expense consists of current and deferred tax expense. Current and deferred taxes are recognized in profit or loss except to the extent they relate to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

3. Summary of Significant Accounting Policies (continued)

Income Taxes (continued)

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in profit or loss and comprehensive income (loss) or equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At the end of each reporting period, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all of part of the asset to be recovered.

Basic and Diluted Loss per Share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year. Diluted earnings per share reflect the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock.

The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method. Diluted amounts are not presented when the effect of the computations is anti-dilutive. Accordingly, at present, there is no difference in the amounts presented for basic and diluted loss per share.

Significant Accounting Judgments and Estimates

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

The critical judgments and significant estimates in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are:

- The series of loans made to the subsidiary company are considered part of the parent company’s net investment in a foreign operation as the Company does not plan to settle these balances in the foreseeable future. As a result of this assessment, the unrealized foreign exchange gains and losses on the intercompany loans are recorded through compressive loss. If the Company determined that settlement of these amounts was planned or likely in the foreseeable future, the resultant foreign exchange gains and losses would be recorded through profit or loss.

- The determination that the unrealized decrease in the fair value of available for sale investments is other than temporary.

- The change in the fair value of the unsecured convertible loan is based on an estimate determined by the Black-Scholes Model.

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 are not expected to 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. Management assesses that the adoption of IFRS 9 will not have a significant impact to the consolidated financial statements.

(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 determined there will not be a significant impact to the consolidated financial statements as a result of the adoption of this 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.

(iv) IFRS 17 – Insurance Contract ("IFRS 17") was issued by the IASB in May 2017, which replaces IFRS 4 Insurance Contracts. IFRS 17 requires entities to measure insurance contract liabilities at their current fulfillment values using one of three measurement models, depending on the nature of the contract. IFRS 17 is effective for annual periods beginning on or after January 1, 2021. IFRS 17 will affect how the Company's accounts for it's insurance contracts and how it reports its financial performance in our consolidated statements of operations. The Company has yet to evaluate the impact of this new standard.

5. Investments

The Company holds 300 common shares in Prosalutis Holdings Inc. and 300,000 common shares in Entourage Mining Ltd. The fair value of these investments as of July 31, 2018 was $2 (2017 - $2).

(Expressed in Canadian Dollars)

6. Acquisition of Sapientia Pharmaceuticals Inc.

On July 24, 2017, the Company entered into a definitive share exchange agreement (the "Share Exchange Agreement") between BTC, Sapientia and all the shareholders of Sapientia. Sapientia is a biotechnology company based in Havertown, PA, that is developing novel targeted therapeutics for multiple indications including several cancers and fibrotic diseases.

Pursuant to the terms of the Share Exchange Agreement, BTC acquired from the Sapientia Shareholders all of the issued and outstanding shares in the capital of Sapientia. As consideration, the Sapientia Shareholders, received an aggregate of 2,500,002 common shares in the capital of BriaCell on a pro-rata basis (the "Transaction"), which were issued on September 5, 2017. As part of the Transaction, BriaCell acquired all rights, including composition of matter patents, and preclinical study data to a novel therapeutic technology platform, known as protein kinase C delta (PKCδ) inhibitors, which represents a unique, highly-targeted approach to treat cancer and to boost the immune system.

As of the acquisition date, the Company owns 100% of the outstanding shares of Sapientia. In accordance with IFRS, the Transaction does not meet the definition of a business combination as Sapientia has not yet commenced commercial operations and is in the development stage. Consequently, the transaction has been recorded as an asset acquisition. The purchase price allocation for this acquisition is shown below:

Purchase Price Consideration		
Fair value of 2,500,002 common shares issued	$	375,000
Fair value of Purchase Price Consideration	**$**	**375,000**
Net Assets Acquired		
Cash		149
Intellectual property		374,851
Fair value of Total Net Assets	**$**	**375,000**

The attributable intellectual property relates to Sapientia's various patents, which the Company is amortizing over 20 years, consistent with its accounting policy (Note 3). During the year ended July 31, 2018, the Company recorded $16,894 in amortization on intellectual property (2017 - $nil).

7. Unsecured Convertible Loan

On March 16, 2018, concurrent with the Brokered Unit Offering (Note 8(b)(iv)), the Company completed a brokered private placement for the purchase of 5.0% unsecured convertible notes (each, a "Convertible Note") in the principal amount of US$885,000. Under the terms of securities purchase agreements between the Company and the purchasers of Convertible Notes (the "Noteholders"), each Convertible Note is convertible, at the option of the holder, into (i) common shares of BriaCell for so long as the Convertible Note is outstanding, at a fixed conversion price of $0.10 per common share, for a period of nine months from the date of issuance, which may be extended by the applicable holder for up to nine additional nine month terms at the holder's sole option, and (ii) for each common share issued as a result of conversion, one warrant. The warrants are valid for 36 months from their issuance date and each warrant is exercisable for one common share at an exercise price of $0.14. The repayment date of the Convertible Notes was September 16, 2018.

7. Unsecured Convertible Loan (continued)

During July 2018, Noteholders converted $106,843 of Convertible Notes held into 1,068,426 shares and 1,068,426 warrants (Note 8(b)(xi)). For conversions subsequent to the year end and details of the extension of the Convertible Notes, see Note 18.

The Convertible Notes are denominated in US dollars and convertible into common shares and warrants based on the principal and interest balance translated to Canadian dollars. Management determined that the Convertible Notes represent a combined instrument that contains an embedded derivative, being the conversion option. As a result of the foreign exchange impact on the conversion factor, the conversion option does not meet the fixed for fixed criteria and therefore represents a derivative liability. In accordance with IAS 39, the Company has designated the entire Unsecured Convertible Loan at fair value through profit or loss. The Unsecured Convertible Loan was initially recorded at fair value and re-valued at each reporting date with changes in fair value being charged to interest expenses in the consolidated statements of comprehensive loss.

Fair value determination

The fair value of the Convertible Notes, including the increase thereto, has been determined using a combination of the Black-Scholes option pricing model for the equity conversion portion and the discounted cash flow method for the loan portion.

Fair value determination (continued)

The following assumptions were used to determine the fair value of the Convertible Notes:

	March 16, 2018	**July 31, 2018**
	(at issuance date)	(at year end)
Risk-free interest rate	1.81%	1.88%
Expected volatility	73%	88%
share price	$0.10	$0.14
Expected dividend yield	0%	0%
Annual loan interest rate	5%	5%
CAD/USD rate	1.2869	1.3017

As at July 31, 2018, the fair value of the amount owed to the Noteholders, including accrued interest was $1,460,138. Total interest expenses and losses due to changes in fair value, charged to the consolidated statements of operations and comprehensive loss were $20,364 and $407,709 respectively. In relation to the offering of these Convertible notes, the Company paid commissions and advisory fees of US$64,000 and US$100,000, respectively, to certain participating dealers. In addition, 1,250,000 Compensation Warrants and were issued.

A fair value of $97,875, for the Compensation Warrants, was determined using the Black-Scholes option pricing model and the following assumptions: - share price - $0.13; exercise price - $0.14; expected life - 3 years; annualized volatility - 100.61%; dividend yield - 0%; risk free rate - 1.99%. The fair value of these Compensation warrants was recorded as a share-based compensation expense on the consolidated statements of comprehensive loss.

8. 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

(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 compensation warrants (the "August 2016 Compensation Warrants") 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 Compensation Warrants 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 Compensation Warrants - 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 Compensation Warrants were exercised into 192,140 common shares and 192,140 warrants for a total consideration of $34,585. The fair value of the warrants was determined using the Black-Scholes option pricing model and the following assumptions: - share price - $0.21; exercise price - $0.35; expected life – 1.15 years; annualized volatility – 90.07%; dividend yield – 0%; risk free rate – 0.64%. Gross proceeds, less issuance costs paid in cash and less the total fair value of the warrants was charged against Share Capital in the statement of changes in shareholders' equity.

(iii) On November 30, 2016, 116,963 Compensation Warrants were exercised into 116,963 common shares and 116,963 warrants for a total consideration of $21,055. The fair value of the warrants was determined using the Black-Scholes option pricing model and the following assumptions: - share price - $0.20; exercise price - $0.35; expected life - 1.01 years; annualized volatility - 94.09%; dividend yield - 0%; risk free rate - 0.64%. Gross proceeds, less issuance costs paid in cash and less the total fair value of the warrants was charged against Share Capital in the statement of changes in shareholders' equity.

8. Share Capital and Warrant Reserve (continued)

b) Issued Share Capital (continued)

(iv) On March 9, 2017 the Company and the Company's President and CEO, 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 consisted of one common share in the capital of the Company (a "Common Share") and one-half of one Common Share purchase warrant (a "Warrant"). The fair value of the warrants was determined using the Black-Scholes option pricing model and the following assumptions: - share price - $0.20; annualized volatility - 120.63%; dividend yield - 0%; risk free rate - 0.78%. Each Warrant will be exercisable for one Common Share at an exercise price of $0.30 if exercised 12 months following the date of closing of the Offering and $0.35 if exercised 24 months following the date of closing of the Offering.

The Offering was considered a "related party transaction" within the meaning of TSX Venture 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 exceeded 25% of the Company's market capitalization.

(v) On March 7, 2017, 144,006 Compensation Warrants were exercised into 144,006 common shares and 144,006 warrants for a total consideration of $25,921. The fair value of the warrants was determined using the Black-Scholes option pricing model and the following assumptions: - share price - $0.18; exercise price - $0.35; expected life - 11 months; annualized volatility - 152.57%; dividend yield - 0%; risk free rate - 0.64%. 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.

(vi) On April 24, 2017, 37,000 Finders' Options were exercised into 37,000 common shares and 18,500 warrants for a total consideration of $7,400. The fair value of the warrants was determined using the Black-Scholes option pricing model and the following assumptions: - share price - $0.19; exercise price - $0.35; expected life - 24 months; annualized volatility - 117.96%; dividend yield - 0%; risk free rate - 0.64%. Gross proceeds, less issuance costs paid in cash and less the total fair value of the warrants, were charged against Shares Capital in the statement of changes in shareholders' equity. The shares were issued on May 1, 2017.

(vii) On August 2, 2017, the Company and the Company's President and CEO completed a non-brokered private placement resulting in gross proceeds of $631,785. The non-brokered private placement involved the sale of 4,058,441 units at a price of $0.16 per unit. Each Unit consisted of one common share in the capital of the Company.

(viii) On September 5, 2017 the Company issued 2,500,002 common shares to the Sapientia shareholders. (Note 6).

8. Share Capital and Warrant Reserve (continued)

b) Issued Share Capital (continued)

(ix) On October 13, 2017, the Company introduced a warrant exercise incentive program (the "Warrant Incentive Program") designed to encourage the early exercise of up to approximately 26 million outstanding common share purchase warrants (the "Warrants").

Under the terms of the Incentive Program, the Company offered the following inducements: (i) a temporary reduction in the respective exercise prices of the Warrants to $0.14, consistent with the current trading value of BriaCell's shares, for each Warrant that is exercised on or before November 30, 2017 (the "Early Exercise Period"); and (ii) for each Warrant exercised during the Early Exercise Period, the holder will receive, at no additional cost, one-half of one newly issued common share purchase warrant (each an "Incentive Warrant"), with each whole Incentive Warrant exercisable into one common share for a period of 24 months from the issue date at an exercise price of $0.20.

Any Warrants that are not exercised prior to the expiry of the Early Exercise Period will remain outstanding in accordance with their original terms, and in particular, will no longer be eligible for the reduced exercise price or issuance of Incentive Warrants.

In total, 2,043,000 warrants were exercised in connection with the Warrant Incentive Program at an exercise price of $0.14 for aggregate gross proceeds of $286,020. In addition, a total of 1,021,500 Incentive Warrants were granted in connection with the Warrant Incentive Program, with each Incentive Warrant entitling the holder to purchase one additional common share of the Company at an exercise price of $0.20, expiring December 21, 2019. The fair value of the warrants was $61,629. The fair value was estimated using the Black-Scholes option pricing model and the following weighted average assumptions: share price - $0.16; exercise price - $0.20; expected life - 24 months; annualized volatility - 114.68%; dividend yield - 0%; risk free rate - 1.66%

(x) On March 27, 2018, the Company completed a brokered private placement (the "Brokered Unit Offering") of 43,322,322 units of the Company (the "Units") at a price of $0.10 per Unit for aggregate gross proceeds of $4,332,232. Under the Brokered Unit Offering, each Unit consists of one common share (each, a "Common Share") and one common share purchase warrant (each, a "Warrant"). The Warrants are valid for 36 months following the closing of the Brokered Unit Offering and each Warrant is exercisable for one Common Share at an exercise price of $0.14.

In connection with the Brokered Unit Offering and the Note Offering (together, the "Offerings"), the Company paid commissions to certain participating dealers on a portion of funds raised. In respect of the Brokered Unit Offering, aggregate cash commissions of $235,215 and an aggregate 2,613,350 broker warrants (the "Broker Warrants") were paid. The Broker Warrants issued in connection with the Offerings are exercisable into one Common Share at an exercise price of $0.14 for a period of 36 months from the issue date.

The fair value of Warrants and Broker Warrants was $1,479,028 and $208,545, respectively, and was determined using the Black-Scholes option pricing model and the following assumptions: share price - $0.13; exercise price - $0.14; expected life - 36 months; annualized volatility - 100.61%; dividend yield - 0%; risk free rate - 1.99%.

(Expressed in Canadian Dollars)

8. Share Capital and Warrant Reserve (continued)

b) Issued Share Capital (continued)

Officers and members of the Company's Board of Directors, including BriaCell's Chief Executive Officer, Chief Financial Officer and the Board's Chairman (the "Related Parties"), participated in the Brokered Unit Offering, which participation constitutes a "related party transaction" as defined under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101") and TSX Venture Exchange policy 5.9. Such related party transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of securities being issued to the related parties nor the consideration being paid by the related parties exceeded 25% of the Company's market capitalization.

(xi) During July 2018, the Company issued 1,068,426 shares at $0.10 per share in respect of the partial conversion of certain Convertible Notes (Note 7). Upon exercise of these Convertible Notes, Noteholders received 1,068,426 warrants with an exercise price of $0.14, expiring in July 31, 2021. The fair value of the warrants was $40,435. The fair value was estimated using the Black-Scholes option pricing model and the following weighted average assumptions: share price - $0.14; exercise price - $0.14; expected life - 36 months; annualized volatility - 100.41%; dividend yield - 0%; risk free rate - 2.12%.

c) Share Purchase Warrants

(i) A summary of changes in share purchase warrants for the years ended July 31, 2018 and 2017 is presented below:

	Number	Weighted Average Exercise Price
Balance, July 31, 2016	18,396,434	$ 0.27
Granted on brokered private placement (Note 8(b)(i))	8,500,000	0.35
Granted on non-brokered private placement (Note 8(b)(iv))	2,806,041	0.35
Granted from the exercise of Compensation Warrants and Finders' Options (Note 8(b)(ii)(iii)(v)(vi)	471,609	0.35
Balance, July 31, 2017	30,174,084	$ 0.30
Exercised (Note 8(b)(ix))	(2,043,000)	0.14
Granted on Warrant Incentive Program (Note 8(b)(ix))	1,021,500	0.20
Granted on Brokered Unit Offering (Note 8(b)(x))	43,322,322	0.14
Granted from conversion of Notes (Note 8(b)(xi))	1,068,426	0.14
Expired during the year (Note 8(c)(ii))	(13,094,887)	(0.26)
Balance, July 31, 2018	**60,448,445**	**$ 0.19**

(Expressed in Canadian Dollars)

8. Share Capital and Warrant Reserve (continued)

c) Share Purchase Warrants (continued)

(ii) During the year ended July 31, 2018, 13,094,887 warrants with a fair value of $679,039 expired and the Company recorded a charge to the warrant reserve with a corresponding credit to accumulated deficit.

(iii) As at July 31, 2018, share purchase warrants outstanding were as follows:

Number of Warrants		Exercise Price	Exercisable at July 31, 2018	Expiry Date
3,421,053	$	0.30	3,421,053	April 26, 2021
8,500,000	$	0.35	8,500,000	August 19, 2019
2,806,041	$	0.35	2,806,041	March 9, 2019
192,140	$	0.35	192,140	October 4, 2018
116,963	$	0.35	116,963	October 4, 2018
1,021,500	$	0.20	1,021,500	December 21, 2019
43,322,322	$	0.14	43,322,322	March 27, 2021
1,068,426	$	0.14	1,068,426	July 31, 2021
60,448,445			60,448,445	

d) Compensation Warrants

(i) A summary of changes in compensation warrants for the years ended July 31, 2018 and 2017 is presented below:

	Number		Weighted Average Exercise Price
Balance, July 31, 2016	1,483,813	$	0.19
Granted on brokered private placement (Note 8(b)(i))	595,000		0.20
Expiration of compensation warrants	(581,019)		(0.18)
Exercised (Note 8(b)(ii)(iii)(v)(vi))	(490,109)		(0.20)
Balance, July 31, 2017	1,007,685	$	0.20
Grant on brokered private placement (Note 8(b)(x))	2,613,350		0.14
Grant from placement of Convertible Notes (Note 7)	1,250,000		0.14
Expired during the year (Note 8(d)(ii))	(139,000)		(0.20)
Balance, July 31, 2018	4,732,035	$	0.15

(Expressed in Canadian Dollars)

8. Share Capital and Warrant Reserve (continued)

d) Compensation Warrants (continued)

(ii) During the year ended July 31, 2018, 139,000 compensation warrants with a fair value of $15,418 expired and the Company recorded a charge to the warrant reserve with a corresponding credit to accumulated deficit.

(iii) As at July 31, 2018, compensation warrants outstanding were as follows:

Number Of Compensation Warrants		Exercise Price	Exercisable at July 31, 2018	Expiry Date
273,685	$	0.30	273,685	April 26, 2021 (i)
595,000	$	0.20	595,000	August 19, 2019 (ii)
1,250,000	$	0.14	1,250,000	March 27, 2021 (iii)
2,613,350	$	0.14	2,613,350	March 27, 2021 (iii)
4,732,035			4,732,035	

i) 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 at $0.35 if exercised by April 26, 2021.

ii) Each compensation warrant can be exercised at $0.20 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.

iii) Each compensation warrant can be exercised at $0.14 into one common share of BriaCell for a period of 36 months.

e) Shares Held in Escrow

The escrow agreement relating to the reverse takeover transaction provided for 54,282,952 shares to be held under an escrow agreement. Shares will be released from escrow equal to 10% of the initial shares subject to the agreement upon completion of the initial public offering or purchase agreement and listing on the Canadian Securities Exchange, the remaining shares will be released in 6 equal tranches (15%) every nine-months.

As of July 31, 2018, all the 54,282,952 (July 31, 2017 - 39,329,389) shares have been released and the number of shares that remain in escrow is nil (July 31, 2017 - 14,953,563).

(Expressed in Canadian Dollars)

9. 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 years ended July 31, 2018 and 2017 is presented below:

	Number of options outstanding		Weighted average exercise price
Balance, July 31, 2016	6,968,000	$	0.24
Granted (Note 9(a)(i)(ii)(iii)(iv)(v))	1,882,000		0.25
Cancelled	(2,768,000)	$	(0.24)
Balance, July 31, 2017	6,082,000		0.24
Granted (Note 9(a)(vi)(vii)(viii))	6,165,600		0.15
Cancelled	(175,000)		(0.30)
Expired	(2,650,000)		(0.23)
Balance, July 31, 2018	**9,422,600**	**$**	**0.18**

a) During the year ended July 31, 2018, the Company issued a total of 6,165,000 options, as follows:

(i) On October 3, 2016, the Company issued 800,000 stock options to consultants, of which 25% vested immediately, and 25% vest every 90 days thereafter. 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%

(ii) On November 1, 2016, a total of 632,000 stock options were issued to the Company’s CEO, which vested immediately. 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%

(iii) On February 14, 2017, a total of 250,000 stock options were issued to a consultant, of which 25% vested immediately, and 25% vest every 90 days thereafter. The fair value of the stock options was $34,290. The fair value was estimated using the Black-Scholes option pricing model and the following weighted average assumptions: share price - $0.2; exercise price - $0.2; expected life - 3 years; annualized volatility – 115%; dividend yield – 0%; risk free rate – 0.76%

(iv) On March 20, 2017, a total of 50,000 stock options were issued to a consultant of which 25% vested immediately, and 25% vest every 90 days thereafter. The fair value of the stock options was $7,041. The fair value was estimated using the Black-Scholes option pricing model and the following weighted average assumptions: share price - $0.22; exercise price - $0.21; expected life – 3 years; annualized volatility – 103%; dividend yield – 0%; risk free rate – 0.67%

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

(v) On March 22, 2017, a total of 150,000 stock options were issued to an employee of the Company of which 25% vested immediately, and 25% vest every 90 days thereafter. The fair value of the stock options was $21,122. The fair value was estimated using the Black-Scholes option pricing model and the following weighted average assumptions: share price - $0.22; exercise price - $0.21; expected life - 3 years; annualized volatility - 103%; dividend yield - 0%; risk free rate - 0.67%

(vi) On May 1, 2018, the Company issued 2,515,600 stock options to two consultants of which 25% vested immediately, and 25% vest every 90 days thereafter.

The fair value of the 2,000,000 stock options was $126,579. The fair value was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: share price - $0.10; exercise price - $0.14; expected life - 36 months; annualized volatility - 99.64%; dividend yield - 0%; risk free rate - 1.88%.

The fair value of the 500,000 stock options was $30,165. The fair value was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: share price - $0.10; exercise price - $0.20; expected life - 45 months; annualized volatility - 99.22%; dividend yield - 0%; risk free rate - 1.88%.

The fair value of the 15,600 stock options was $988. The fair value was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: share price - $0.10; exercise price - $0.14; expected life - 36 months; annualized volatility - 99.64%; dividend yield - 0%; risk free rate - 1.88%.

(vii) On March 1, 2018, the Company issued 3,400,000 stock options to directors, officers, employees and consultants of the Company. The fair value of the stock options was $239,119. The fair value was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: share price - $0.10; exercise price - $0.15; expected life - 36 months; annualized volatility - 101.08%; dividend yield - 0%; risk free rate - 1.99%.

(viii) On July 1, 2018, the Company issued 250,000 stock options to consultant of the Company. The fair value of the stock options was $18,916. The fair value was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: share price - $0.15; exercise price - $0.17; expected life - 5 years; annualized volatility - 99.74%; dividend yield - 0%; risk free rate - 2.04%.

b) In relation to the options issued, the Company recognized share-based compensation expense of $378,336 for the year ended July 31, 2018 (July 31, 2017 - $272,014).

c) During the year ended July 31, 2018, 2,650,000 options expired, with a fair value of $357,843 (2017 - $nil) and 175,000 options were cancelled, with a fair value of $40,172 (2017 - $429,458). The Company removed the fair value from share-based payment reserve, with a corresponding charge to accumulated deficit.

(Expressed in Canadian Dollars)

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

d) As at July 31, 2018, stock options were outstanding for the purchase of common shares as follows:

Number of Options		Exercise Price	Exercisable at July 31, 2018	Expiry Date
950,000	$	0.26	950,000	November 4, 2025
575,000	$	0.26	387,500	November 4, 2020
150,000	$	0.21	150,000	November 4, 2020
500,000	$	0.26	500,000	November 4, 2018
150,000	$	0.25	150,000	July 31, 2018
632,000	$	0.25	632,000	November 1, 2019
250,000	$	0.20	250,000	February 14, 2020
50,000	$	0.21	50,000	March 20, 2020
3,400,000	$	0.15	3,400,000	March 1, 2021
500,000	$	0.20	125,000	March 10, 2022
2,015,600	$	0.14	1,007,800	May 1, 2021
250,000	$	0.14	62,500	July 1, 2023
9,422,600			7,664,800	

As at July 31, 2018, stock options outstanding have a weighted average remaining contractual life of 2.9 years (July 31, 2017 - 2.43 years).

10. Income Taxes

The provision for taxes differs from the amount obtained by applying the combined Canadian Federal and Provincial income tax rate of 26% (2017 - 26%) to loss before income taxes. The differences relate to the following items:

		Year Ended July 31, 2018		Year Ended July 31, 2017
Net loss before recovery of income taxes	**$**	**5,412,663**	$	3,220,721
Expected tax recovery based on statutory Canadian combined federal and provincial tax rates	**$**	**(1,407,290)**	$	(837,390)
Differences in foreign tax rates		**(212,540)**		(375,590)
Tax rate changes and other adjustments		**36,770**		(3,990)
Share based compensation and non-deductible expenses		**474,840**		(26,070)
Expiry of warrants		**90,280**		-
Change in deferred tax assets not recognized		**1,017,940**		1,190,900
Income tax (recovery) expense	**$**	**-**	$	-

(Expressed in Canadian Dollars)

10. Income Taxes (continued)

Unrecognized Deferred Tax Assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences because it is not probable that the future taxable profit will be available against which the Company can utilize the benefits:

The following table summarizes the components of the unrecognized deductible temporary differences:

	July 31, 2018	July 31, 2017
Deferred Tax Assets		
Non-capital losses carried forward - USA	**$ 7,221,900**	$ 4,313,110
Non-capital losses carried forward - Canada	**2,602,990**	1,809,360
Share issuance costs	**737,090**	430,810
Unrealized FX gain or losses	**-**	245,990
Marketable securities	**107,000**	107,000
Property, plant and equipment - Canada	**3,330**	3,330
Property, plant and equipment - USA	**2,120**	1,980
	$ 10,674,430	$ 6,911,580

The Company has Canadian non-capital income tax loss carry forwards which expire between 2034 and 2038 as noted in the below table.

2035	**$ 767,440**
2036	**467,980**
2037	**573,930**
2038	**793,640**
	$ 2,602,990

The Company also has US tax loss carry forwards which begin to expire in fiscal 2034 as noted in the below table.

2034	**$ 1,240**
2035	**631,660**
2036	**1,134,120**
2037	**2,546,090**
2038	**2,908,790**
	$ 7,221,900

The Canadian financing costs will be fully amortized by 2021. The remaining deductible temporary differences may be carried forward indefinitely.

(Expressed in Canadian Dollars)

11. Related Party Transactions and Balances

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions. This would include the Company's senior management, who are considered to be key management personnel by the Company. Parties are also related if they are subject to common control or significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

As at July 31, 2018, included in accounts payable and accrued liabilities are amounts owing to a company controlled by an officer is $nil (2017 - $3,500) for accounting fees; amounts owing to two companies each controlled by an individual director are $nil (2017 – $14,125) for consulting fees and amounts owing to directors of $8,548 (2017 - $12,872).

During the years ended July 31, 2018 and 2017, the Company also incurred the following expenses by key management personnel or companies controlled by these individuals:

	Year ended July 31	
	2018	**2017**
a) Paid or accrued professional fees to a company controlled by an officer of the Company	**42,000**	48,950
b) Paid or accrued consulting and directors' fees to companies controlled by individual directors.	**126,000**	134,500
c) Paid or accrued wages, consulting and directors' fees to directors	**263,365**	277,621
d) Share based compensation to directors and officers	**207,471**	84,981

12. Capital Management

The Company's capital comprises share capital, share-based payment reserve, warrant reserve, and accumulated other comprehensive loss. The Company manages its capital structure, and makes adjustments to it, based on the funds available to the Company in order to support the Company's business activities. The Board of Directors does not establish quantitative return on capital criteria for management; it relies on the expertise of the Company's management to sustain future development of the business.

The intellectual property in which the Company currently has an interest is in the development stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned research and development and pay for administrative costs, the Company intends to raise additional amounts as needed (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.

13. 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 July 31, 2018, the Company had a working capital balance of $700,350 (2017 - $932,677). 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.

(Expressed in Canadian Dollars)

14. Research and Development Costs

	Years ended July 31 2018	2017
Wages and Salaries	$ **30,908**	$ 518,192
Clinical Trials	**1,346,208**	591,777
Office Rent	**69,871**	31,051
Licensing	**34,967**	96,309
Supplies	**81,915**	19,820
Insurance	**5,596**	-
Patent	**167,789**	-
Vaccine	**1,375,325**	868,792
	$ **3,112,579**	$ 2,125,941

15. General and Administration Costs

	Years ended July 31 2018	2017
Conferences	$ **10,781**	$ 14,256
Consulting (Note 11)	**515,960**	289,005
Insurance	**20,867**	15,358
Depreciation and amortization (Note 6)	**16,894**	290
General and Administrative	**32,588**	30,448
Professional fees (Note 11)	**244,131**	198,171
Regulatory, filing and transfer agent fees	**85,496**	30,166
Rent, net of recoveries (Note 16)	**15,081**	12,171
Shareholder communications	**289,208**	119,120
Travel	**46,251**	35,057
Wages and salaries, net of recoveries (Note 11)	**110,456**	76,239
	$ **1,387,713**	$ 820,281

16. Commitments and Contingencies

a) *Office Leases*

The Company's lease arrangement for office space in Berkeley, California end in August 2019 and the annual lease commitment is approximately US$50,000 plus common area maintenance charges.

b) *Litigation*

On July 15, 2016, two lawsuits were served against BriaCell. Both plaintiffs are claiming unpaid wages. In April 2018, one lawsuit was settled for US$20,000 and subsequent to the year end, the second lawsuit was settled for US$22,500. The Company has accrued $22,500 in the current period related to these settlements (2017 - $30,000).

17. Events After the Reporting Period

a) During August and September 2018, an additional $117,437 of Convertible Notes were converted and as such, the Company issued 1,174,371 shares and 1,174,371 warrants.

b) On September 17, 2018, the Company and the Noteholders agreement to extend the repayment date of the Convertible notes for an additional six month, to March 20, 2019.