BriaCell Therapeutics Corp.

Consolidated Financial Statements

For the Years Ended July 31, 2023 and 2022
Expressed in United States Dollars

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of BriaCell Therapeutics Corp.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of BriaCell Therapeutics Corp. (the Company) as of July 31, 2023 and 2022, and the related consolidated statements of operations and comprehensive loss, changes in shareholders' equity, and cash flows for each of the years in the two-year period ended July 31, 2023, and the related notes (collectively referred to as the consolidated financial statements).

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of July 31, 2023 and 2022, and the results of its consolidated operations and its consolidated cash flows for each of the years in the two-year period ended July 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

We have served as the Company's auditor since 2015.

Mississauga, Canada

October 25, 2023

BriaCell Therapeutics Corp
Consolidated Balance Sheets
As at July 31, 2023 and 2022
(Expressed in US Dollars, except share and per share data)

	July 31, 2023	July 31, 2022
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 21,251,092	$ 41,041,652
Amounts receivable	18,873	24,103
Prepaid expenses	5,678,542	1,280,945
Total current assets	26,948,507	42,346,700
NON-CURRENT ASSETS:		
Investments	2	2
Intangible assets, net	215,068	230,339
Total non-current assets	215,070	230,341
Total assets	$ 27,163,577	$ 42,577,041
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	$ 1,123,739	$ 463,280
Accrued expenses and other payables	677,718	477,807
Total current liabilities	1,801,457	941,087
NON-CURRENT LIABILITIES:		
Warrant liability	29,139,301	31,307,022
Total non-current liabilities	$ 29,139,301	$ 31,307,022
CONTINGENT LIABILITIES AND COMMITMENTS		
SHAREHOLDERS' EQUITY:		
Share Capital of no par value – Authorized: unlimited at July 31, 2023 and 2022; Issued and outstanding: 15,981,726 and 15,518,018 shares at July 31, 2023 and 2022, respectively	69,591,784	65,589,293
Share-based payment reserved	7,421,950	5,228,160
Warrant reserve	-	-
Accumulated other comprehensive loss	(138,684)	(138,684)
Accumulated deficit	(80,652,231)	(60,349,837)
Total shareholders' equity (deficit)	(3,777,181)	10,328,932
Total liabilities and shareholders' equity (deficit)	$ 27,163,577	$ 42,577,041

These consolidated financial statements were approved and authorized for issue on behalf of the Board of Directors on October 25, 2023 by:

On behalf of the Board:

"Jamieson Bondarenko"	*"William Williams"*
Director	Director

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

BriaCell Therapeutics Corp

Consolidated Statements of Operations and Comprehensive Loss

For the Years Ended July 31, 2023 and 2022

(Expressed in US Dollars, except share and per share data)

	Year ended July 31, 2023	Year ended July 31, 2022
Research and development expenses	$ 15,336,638	$ 8,021,489
General and administrative expenses	7,935,626	7,267,452
Total operating loss	(23,272,264)	(15,288,941)
Financial income (expenses), net	2,969,870	(11,549,962)
Loss and comprehensive loss	$ (20,302,394)	$ (26,838,903)
Net loss per share attributable to ordinary shareholders, basic and diluted	$ (1.30)	$ (1.73)
Weighted average number of shares used in computing net loss per share attributable to ordinary shareholders, basic and diluted	15,619,676	15,494,091

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

BriaCell Therapeutics Corp

Consolidated Statements of Changes in Shareholders' Equity

For the Years Ended July 31, 2023 and 2022

(Expressed in US Dollars , except share and per share data)

	Share capital		ADDITIONAL PAID IN	ACCUMULATED OTHER COMPREHENSIVE	ACCUMULATED	TOTAL SHAREHOLDERS' EQUITY
	Number	Amount	CAPITAL	INCOME (LOSS)	DEFICIT	(DEFICIT)
Balance, July 31, 2021	**15,269,583**	**$54,774,172**	**$ 2,178,130**	**$ (138,684)**	**$ (29,141,897)**	**$ 27,671,721**
Exercise of Broker Warrants	219,453	2,730,754	-	-	-	2,730,754
Exercise of Private Placement Warrants	997,200	12,162,001	-	-	-	12,162,001
Exercise of Public Offering Warrants	63,454	683,905	-	-	-	683,905
Shares Issuance Costs	-	(57,116)	-	-	-	(57,116)
Issuance of Options	-	-	3,074,584	-	-	3,074,584
Shares Repurchased and canceled	(1,031,672)	(4,704,423)	-	-	(4,393,591)	(9,098,014)
Expiration of options	-	-	(24,554)	-	24,554	-
Loss for the year	-	-	-	-	(26,838,903)	(26,838,903)
Balance, July 31, 2022	**15,518,018**	**65,589,293**	**5,228,160**	**(138,684)**	**(60,349,837)**	**10,328,932**
Issuance of Options	-	-	2,193,790	-	-	2,193,790
Exercise of warrants	300	2,491	-	-	-	2,491
Issuance of shares	463,408	4,000,000	-	-	-	4,000,000
Loss for the year	-	-	-	-	(20,302,394)	(20,302,394)
Balance, July 31, 2023	**15,981,726**	**$69,591,784**	**$ 7,421,950**	**$ (138,684)**	**$ (80,652,231)**	**$ (3,777,181)**

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

BriaCell Therapeutics Corp
Consolidated Statements of Cash Flows
For the Years Ended July 31, 2023 and 2021
(Expressed in US Dollars, except share and per share data)

	Year ended July 31, 2023	Year ended July 31, 2022
Cash flow from operating activities:		
Loss	$ (20,302,394)	$ (26,838,903)
Adjustments to reconcile loss to net cash used in operating activities:		
Amortization	15,271	15,272
Share-based compensation	2,193,790	3,074,584
Interest expense	-	979
Gain from government grant	-	(3,388)
Change in fair value of warrants	(2,119,530)	11,658,372
Changes in assets and liabilities:		
Decrease (increase) in amounts receivable	5,230	(11,530)
Increase in prepaid expenses	(4,397,597)	(764,054)
Increase in accounts payable	660,459	249,164
Increase in accrued expenses and other payables	199,911	135,128
Net cash used in operating activities	(23,744,860)	(12,484,376)
Cash flow from financing activities:		
Proceeds from exercise of warrants	1,594	6,509,768
Share and warrant buyback program	(47,294)	(10,171,732)
Repayment government grant	-	(23,577)
Proceeds from issuance of shares	4,000,000	-
Share issuance costs	-	(57,116)
Net cash provided by (used in) financing activities	3,954,300	(3,742,657)
Decrease in cash and cash equivalents	(19,790,560)	(16,227,033)
Cash and cash equivalents at beginning of year	41,041,652	57,268,685
Cash and cash equivalents at end of year	$ 21,251,092	$ 41,041,652

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

NOTE 1: GENERAL

a. BriaCell Therapeutics Corp. ("BriaCell" or the "Company") was incorporated under the Business Corporations Act (British Columbia) on July 26, 2006 and is listed on the Toronto Stock Exchange ("TSX") under the symbol "BCT" and the Company also trades on the Nasdaq Capital Market ("NASDAQ") under the symbols "BCTX" and "BCTXW".

b. BriaCell Therapeutics Corporation. (the "Company"), is an immuno-oncology biotechnology company. The Company is currently advancing its Bria-IMT targeted immunotherapy program against end-stage breast cancer to Phase 3 study which has been approved by the FDA and is expected to start before end of 2023. BriaCell is also developing a personalized off-the-shelf immunotherapy, Bria-OTS™, and a soluble CD80 protein therapeutic which acts both as a stimulator of the immune system as well as an immune checkpoint inhibitor.

c. The Company continues to devote substantially all of its efforts toward research and development activities. In the course of such activities, the Company has sustained operating losses and expects such losses to continue in the foreseeable future. The Company's accumulated deficit as of July 31, 2023 was $80,652,231(July 31, 2022 - $60,349,837) and negative cash flows from operating activities during the year ended July 31, 2023 was $23,744,860 (July 31, 2022 - $12,484,376). The Company is planning to finance its operations from its existing and future working capital resources and to continue to evaluate additional sources of capital and financing. The Company believes that its existing capital resources will be adequate to satisfy its expected liquidity requirements for at least twelve months from the issuance of the consolidated financial statements.

d. The Company has two wholly-owned U.S. subsidiaries: (i) BriaCell Therapeutics Corp. ("BTC"), which was incorporated in April 3, 2014, under the laws of the state of Delaware. (ii) BTC has a wholly-owned subsidiary, Sapientia Pharmaceuticals, Inc. ("Sapientia"), which was incorporated in September 20, 2012, under the laws of the state of Delaware. The Company also has one Canadian subsidiary: BriaPro Therapeutics Corp, ("BriaPro") which was incorporated on May 15, 2023, was incorporated under the Business Corporations Act (British Columbia). As of July 31, 2023, BriaPro was a wholly-owned. See also note 15a. (Sapientia and BTC and BriaPro together, the "Subsidiaries")

   The Company has one operating segment and reporting unit.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

a. Basis of presentation of the financial statements:

   The Company's consolidated financial statements have been prepared in accordance with the United States generally accepted accounting principles (U.S. GAAP) as set forth in the Financial Accounting Standards Board (the "FASB") Accounting Standards Codification (ASC).

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Cont.)

b. Use of estimates, assumptions and judgements:

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

Going Concern

Preparation of the consolidated financial statement on a going concern basis, which contemplates the realization of assets and payments of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets, including its intangible assets and to meet its liabilities as they become due.

Warrants and options

The Company uses the Black-Scholes option-pricing model to estimate the fair value of options at the grant date, and the warrant liability at the grant date and each reporting period date. The key assumptions used in the model are the expected future volatility in the price of the Company's shares and the expected life of the warrants.

Income Taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Intangible assets

Intangible assets are tested for impairment annually or more frequently if there is an indication of impairment. The carrying value of intangibles with definite lives is reviewed each reporting period to determine whether there is any indication of impairment. If there are indications of impairment the impairment analysis is completed and if the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and impairment loss is recognized.

c. Principal of consolidation:

The consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany balances and transactions have been eliminated upon consolidation.

d. Consolidated financial statements in U.S dollars:

The functional currency is the currency that best reflects the economic environment in which the Company and its subsidiary operates and conducts their transactions. The Company's management believes that the functional currency of the Company and its subsidiaries is the U.S. dollar.

Accordingly, monetary accounts maintained in currencies other than the U.S. dollar are remeasured into U.S. dollars at each reporting period end in accordance with ASC No. 830 "Foreign Currency Matters." All transaction gains and losses of the remeasured monetary balance sheet items are reflected in the statements of operations as financing income or expenses as appropriate.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Cont.)

e. Cash and cash equivalents:

Cash equivalents are short-term highly liquid deposits that are readily convertible to cash with original maturities of three months or less, at the date acquired, and investments with maturities of longer than three months where the investment can be liquidated before the maturity date without a significant penalty.

f. Property and equipment, net:

Property and equipment with individual values of over $2,500 are stated at cost, net of accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets at the following annual rates:

	%
Computers and peripheral equipment	20-33

g. Intangible assets, net:

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 whenever there is an indication that the asset may be impaired. The evaluation is performed at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Recoverability of these group of assets is measured by a comparison of the carrying amounts to the future undiscounted cash flows the group of assets is expected to generate. If such review indicates that the carrying amount of intangible assets is not recoverable, the carrying amount of such assets is reduced to fair value.

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 details of intangible assets are as follows:

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

For the years ended July 31, 2023 and 2022, no indicators of impairment have been identified.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Cont.)

h. Research and Development expenses:

Research and development expenses are recognized in the consolidated statements of operations and comprehensive loss when incurred. Research and development expenses consist of intellectual property, development and production expenditures.

i. Fair value of financial instruments:

The accounting guidance for fair value provides a framework for measuring fair value, clarifies the definition of fair value, and expands disclosures regarding fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date. The accounting guidance establishes a three-tiered hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value as follows:

Level 1 — Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2 — Observable inputs that are based on inputs not quoted on active markets but corroborated by market data.

Level 3 — Unobservable inputs are used when little or no market data are available.

The carrying amounts of cash and cash equivalents, trade payable and accrued expenses and other payables approximate their fair value due to the short-term maturity of such instruments.

The carrying amount of warrant liabilities is recorded at the fair value at each reporting period.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Cont.)

j. Leases:

The Company accounts for leases according to ASC 842, "Leases". The Company determines if an arrangement is a lease and the classification of that lease at inception based on: (1) whether the contract involves the use of a distinct identified asset, (2) whether the Company obtains the right to substantially all the economic benefits from the use of the asset throughout the period, and (3) whether the Company has a right to direct the use of the asset. An ROU asset represents the right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease agreement. An ROU asset is measured based on the discounted present value of the remaining lease payments, plus any initial direct costs incurred and prepaid lease payments, excluding lease incentives. The lease liability is measured at lease commencement date based on the discounted present value of the remaining lease payments. The implicit rate within the operating leases is generally not determinable, therefore the Company uses the Incremental Borrowing Rate ("IBR") based on the information available at commencement date in determining the present value of lease payments. The Company's IBR is estimated to approximate the interest rate for collateralized borrowing with similar terms and payments and in economic environments where the leased asset is located. An option to extend the lease is considered in connection with determining the ROU asset and lease liability when it is reasonably certain that the Company will exercise that option. An option to terminate is considered unless it is reasonably certain that the Company will not exercise the option.

The Company elected the practical expedient for lease agreements with a term of twelve months or less and does not recognize right-of-use ("ROU") assets and lease liabilities in respect of those agreements. The Company also elected the practical expedient to not separate lease and non-lease components for its leases.

k. Share-based compensation:

The Company accounts for share-based compensation in accordance with ASC No. 718, "Compensation – Stock Compensation", which requires companies to estimate the fair value of equity-based payment awards on the date of grant using an option-pricing model. The value of the award is recognized as an expense over the requisite service periods, which is the vesting period of the respective award, on a straight-line basis when the only condition to vesting is continued service.

The Company has selected the Black-Scholes option-pricing model as the most appropriate fair value method for its option awards. The Company recognizes forfeitures of equity-based awards as they occur. Restricted share units use the share price on the grant date to determine the fair value of the restricted share unit award.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Cont.)

l. Income Taxes:

The Company accounts for income taxes in accordance with ASC 740, "Income Taxes", which prescribes the use of the liability method whereby deferred tax asset and liability account balances are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company provides a valuation allowance, to reduce deferred tax assets to their estimated realizable value, if needed.

ASC 740 offers a two-step approach for recognizing and measuring a liability for uncertain tax positions. The first step is to evaluate the tax position taken or expected to be taken in a tax return by determining if the weight of available evidence indicates that it is more likely than not that, on an evaluation of the technical merits, the tax position will be sustained on audit, including resolution of any related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. As of July 31, 2023, and 2022 no liability for unrecognized tax benefits was recorded as a result of ASC 740.

m. Basic and diluted net loss per Share:

The Company's basic net loss per share is calculated by dividing net loss attributable to ordinary shareholders by the weighted-average number of shares of ordinary shares outstanding for the period, without consideration of potentially dilutive securities. The diluted net loss per share is calculated by giving effect to all potentially dilutive securities outstanding for the period using the treasury share method or the if-converted method based on the nature of such securities. Diluted net loss per share is the same as basic net loss per share in periods when the effects of potentially dilutive ordinary shares are anti-dilutive.

n. Recently issued and adopted accounting standards:

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

1. In June 2016, the FASB issued ASU No. 2016-13 (Topic 326), Financial Instruments—Credit Losses: Measurement of Credit Losses on Financial Instruments, which replaces the existing incurred loss impairment model with an expected credit loss model and requires a financial asset measured at amortized cost to be presented at the net amount expected to be collected. The guidance will be effective for the Company for fiscal years beginning after December 15, 2022. Early adoption is permitted. Effective August 1, 2021, the Company early adopted ASU 2016-13. Adoption of the new standard did not have a material impact on the financial statements.

2. In August 2020, the FASB issued ASU 2020-06, Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity ("ASU 2020-06"). The final guidance issued by the FASB for convertible instruments eliminates two of the three models in ASC 470-20 that require separate accounting for embedded conversion features. Separate accounting is still required in certain cases. Additionally, among other changes, the guidance eliminates some of the conditions for equity classification in ASC 815-40-25 for contracts in an entity's own equity. The guidance also requires entities to use the if-converted method for all convertible instruments in the diluted earnings per share calculation and include the effect of share settlement for instruments that may be settled in cash or shares, except for certain liability-classified share-based payment awards. ASU 2020-06 is effective for the company for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years. Early adoption is permitted for fiscal years beginning after December 15, 2020. Effective August 1, 2021, the Company early adopted ASU 2020-06. Adoption of the new standard did not have a material impact on the financial statements.

(Expressed in US Dollars, except share and per share data and unless otherwise indicated)

NOTE 3: PREPAID EXPENSES

Prepaid expenses as of July 31, 2023 includes an amount of $4,701,679 in respect of a Master Service and Technology Agreement (the “MST Agreement”) signed with Prevail InfoWorks, Inc. (“InfoWorks”) pursuant to which InfoWorks will provide clinical services and technologies for the Company’s upcoming pivotal study in advanced metastatic breast cancer. The Company paid InfoWorks an upfront fee of $5,379,945 upon signing of the MST Agreement. These fees will be amortized over the period of the clinical trial.

NOTE 4: INTANGIBLE ASSETS. NET

Acquired intangible assets with finite lives consisted of the following as of July 31, 2023 and 2022:

	July 31,	
	2023	2022
Patents	$ 305,130	$ 305,130
Gross intangible assets	305,130	305,130
Less – accumulated amortization	(90,062)	(74,791)
Intangible assets, net	$ 215,068	$ 230,339

The attributable intellectual property relates to Sapientia’s various patents, which the Company is amortizing over 20 years, consistent with its accounting policy.

Amortization expenses for the years ended July 31, 2023 and 2022, were $15,271 and $15,271, respectively.

The estimated future amortization expense of intangible assets as of July 31, 2023 is as follows:

2024	$ 15,271
2025	15,271
2026	15,271
2027	15,271
2028 and thereafter	153,984
	$ 215,068

See also note 14a regarding the transfer of the intangible asset.

NOTE 5: ACCRUED EXPENSES AND OTHER PAYABLES

	July 31,	
	2023	2022
Clinical activities	$ 20,000	69,720
Professional services	657,718	408,087
	$ 677,718	$ 477,807

(Expressed in US Dollars, except share and per share data and unless otherwise indicated)

NOTE 6: CONTINGENT LIABILITIES AND COMMITMENTS

Legal proceedings:

On May 24, 2023, the Company reached a settlement agreement with an investor who made certain claims against the Company and was seeking monetary and injunctive relief, and against which the Company had filed counterclaims. Pursuant to the settlement agreement, the Company paid $230,000 for the full and final settlement of all of the investor's claims, in full and final settlement of any and all existing claims that the Company and investor had or may have had against each other. This amount has been included in general and administrative expenses in the consolidated statements of operations and comprehensive loss.

b. Lease

The Company is currently on a month-to-month lease arrangement for office and lab space in Philadelphia, PA, in the amount of approximately $16,500 per month. Commencing September 1, 2023 a new lease will commence, replacing the current month-to-month agreement with a 12-month commitment (ending August 31, 2024) of approximately $36,000 per month.

NOTE 7: FAIR VALUE MEASUREMENTS

The following table presents information about our financial instruments that are measured at fair value on a recurring basis as of July 31, 2023 and 2022:

	Fair Value Measurements at					
	July 31, 2023			July 31, 2022		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial Assets:						
Cash and cash equivalents	$ 21,251,092	-	21,251,092	41,041,652	-	41,041,652
Total assets measured at fair value	$ 21,251,092	-	21,251,092	41,041,652	-	41,041,652
Financial liabilities:						
Warrants liability	9,742,023	19,397,278	29,139,301	11,151,608	20,155,414	31,307,022
Total liabilities measured at fair value	$ 9,742,023	19,397,278	29,139,301	$ 11,151,608	$ 20,155,414	$ 31,307,022

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

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

(Expressed in US Dollars, except share and per share data and unless otherwise indicated)

NOTE 8: SHAREHOLDERS' EQUITY

a. Authorized share capital

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

b. Issued share capital

(i) The Company issued the following shares during the year ended July 31, 2022:

1. During the year, 554,991 compensation warrants with a weighted average exercise price of $5.68 per warrant were exercised into 219,453 Shares by way of a cashless exercise.

2. During the year, 63,454 warrants with an exercise price of $5.31 were exercised for gross proceeds of $337,099 and 997,200 warrants with an exercise price of $6.19 were exercised for gross proceeds of $6,172,669. In total, the Company issued 1,060,654 shares in respect of the exercise of these warrants.

(ii) The Company issued the following shares during the year ended July 31, 2023:

1. On April 14, 2023, 300 warrants with an exercise price of $5.31 were exercised for gross proceeds of $1,594. The Company issued 300 shares in respect of the exercise of these warrants.

2. On May 12, 2023, the Company issued 463,408 Shares to Prevail Partners, LLC at a price per share of $8.63, resulting in aggregate gross proceeds of $4,000,000.

c. Share buyback program

On September 9, 2021 the Company approved a repurchase program whereby the Company may purchase through the facilities of the TSX or NASDAQ (i) up to 1,341,515 common shares (the "Common Shares") and (ii) up to 411,962 publicly traded BCTXW warrants (the "Listed Warrants") in total, representing 10% of the 13,415,154 Common Shares and 10% of the 4,119,622 Listed Warrants comprising the "public float" as of September 8, 2021, over the next 12 months (the "Buyback"). Independent Trading Group (ITG) Inc. will act as the Company's advisor and dealer manager in respect of the Buyback. The Company received final regulatory approval on September 22, 2021. On September 27, 2022, the Company completed the share buyback program, repurchasing a total of 1,031,672 shares with a value of $9,098,014 (net of commissions), none of which were repurchased during the year ended July 31, 2023, and 259,059 publicly traded warrants for $1,121,011 (net of commissions) with a fair value of $1,130,808, of which 15,736 were repurchased and cancelled during the year ended July 31, 2023. All of the warrants and shares repurchased have been cancelled.

d. Share Purchase Warrants

A summary of changes in share purchase warrants for the years ending July 31, 2023 and 2022 is presented below:

	Number of warrants outstanding	Weighted average exercise price
Balance, July 31, 2021	**9,464,152**	**$ 5.85**
Expired	(22,489)	(28.08)
Exercised	(1,060,654)	(6.14)
Repurchased and cancelled	(243,323)	(5.31)
Balance, July 31, 2022	**8,137,686**	**$ 5.76**
Exercised	(300)	(5.31)
Repurchased and cancelled	(15,736)	(5.31)
Balance, July 31, 2023	**8,121,650**	**$ 5.76**

(Expressed in US Dollars, except share and per share data and unless otherwise indicated)

NOTE 8: SHAREHOLDERS' EQUITY (Cont.)

As of July 31, 2023, warrants outstanding were as follows:

Number of Warrants outstanding as of July 31, 2023	**Exercise Price**	Number of Warrants Exercisable as of July 31, 2023	**Expiry Date**
51,698	$ 4.11	51,698	November 16, 2025
3,896,809	$ 5.31	3,896,809	February 26, 2026 – April 26, 2026
4,173,143	$ 6.19	4,173,143	December 7, 2026
8,121,650		**8,121,650**	

e) Compensation Warrants

A summary of changes in compensation warrants for the years ended July 31, 2023 and 2022 is presented below:

	Number of warrants outstanding	Weighted average exercise price
Balance, July 31, 2021	**601,643**	**5.68**
Exercised	(554,991)	(5.68)
Balance, July 31, 2022 and 2023 (*)	**46,652**	**$ 5.66**

(*) There was no movement in compensation warrants during the year ended July 31, 2023.

As of July 31, 2023, compensation warrants outstanding were as follows:

Number of Warrants as of July 31, 2023	**Exercise Price**	Exercisable As of July 31, 2023	**Expiry Date**
4,890	$ 4.11	4,890	November 16, 2025
17,074	$ 5.31	17,074	February 26, 2026
24,688	$ 6.19	24,688	June 7, 2026
46,652		**46,652**	

f) **Warrant liability continuity**

(i) The following table presents the summary of the changes in the fair value of the warrants recorded as a liability on the Balance Sheet (*):

	Warrants liability
Balance as of July 31, 2021	$ 29,789,260
Warrant buyback program	(1,073,718)
Exercise of warrants	(9,066,892)
Change in fair value	11,658,372
Balance as of July 31, 2022	$ 31,307,022
Exercise of warrants	(897)
Warrant buyback program	(47,294)
Change in fair value (*)	(2,119,530)
Balance as of July 31, 2023	$ 29,139,301

(*) Certain warrants were issued prior to August 1, 2022 in respect of public offerings and private placements that contain terms that require the warrants to be recorded as a liability at fair value under US GAAP. As a result, these warrants are valued at the end of each reporting period. For the year ended July 31, 2023, the Company recorded a gain on the revaluation of the total warrant liability of $2,119,530 in the consolidated statements of operations and comprehensive loss.

(ii) The key inputs used in the valuation of the of the Public Offering Broker Warrants as of July 31, 2023 and at July 31, 2022 were as follows:

	February 26, 2021 (Issuance date)	**April 12, 2021 (Issuance date)**	**July 31, 2023**	**July 31, 2022**
Share price	$ 3.40	$ 3.92	$ 6.69	$ 6.50

(Expressed in US Dollars, except share and per share data and unless otherwise indicated)

NOTE 9: SHARE-BASED COMPENSATION

On August 2, 2022, the Company approved an omnibus equity incentive plan ("Omnibus Plan), which will permit the Company to grant incentive stock options, preferred share units, restricted share units ("RSU's"), and deferred share units (collectively, the "Awards") for the benefit of any employee, officer, director, or consultant of the Company or any subsidiary of the Company. The maximum number of shares available for issuance under the Omnibus Plan shall not exceed 15% of the issued and outstanding Shares, from time to time, less the number of Shares reserved for issuance under all other security-based compensation arrangements of the Company, including the existing Stock Option Plan. On February 9, 2023, the Omnibus Plan was approved by the shareholders.

a. The following table summarizes the number of options granted under the Stock Option Plan for the year ended July 31, 2023 and related information:

	Number of options	Weighted average exercise price	**Weighted average remaining contractual term (in years)**	Aggregate intrinsic value
Balance as of July 31, 2021	674,666	$ 4.38	2.91	$ 573,466
Granted (i)	818,300	7.81	3.44	
Forfeited	(999)	30.04		
Expired	(1,667)	46.80		
Balance as of July 31, 2022	1,490,300	$ 6.20	4.09	$ 447,090
Granted (ii)	641,100	6.16	4.63	
Balance as of July 31, 2023	2,131,400	6.19	3.55	1,065,700
Exercisable as of July 31, 2023	1,585,655	$ 6.18	3.19	$ 808,684

(i) The vesting periods of the 818,300 options granted to directors and employees during the year ended July 31, 2022 are as follows:

1. 110,000 of the options granted vested immediately.
2. 482,300 of the options granted vest quarterly over the year from grant date.
3. 226,000 of the options granted vest quarterly over the two years from grant date.

(ii) The 641,100 options granted to directors and employees during the year ended July 31, 2023 vest quarterly over the two years from grant date.

(iii) The weighted-average grant date per-share fair value of stock options granted during 2023 and 2022 was $4.72 and $5.76, respectively. As of July 31, 2023, there are $2,590,646 of total unrecognized costs related to share-based compensation that is expected to be recognized over a period of up to 1.75 years.

b. The following table lists the inputs to the Black-Scholes option-pricing model used for the fair value measurement of equity-settled share options for the above Options Plans for the years 2023 and 2022:

	Year ended July 31,	
	2023	**2022**
Dividend yield	0%	0%
Expected volatility of the share prices	100%	100%
Risk-free interest rate	3.99-4.23%	0.8%-2.83%
Expected term (in years)	5	5

(Expressed in US Dollars, except share and per share data and unless otherwise indicated)

NOTE 9: SHARE-BASED COMPENSATION (Cont.)

c. The following table summarizes information about the Company's outstanding and exercisable options granted to employees as of July 31, 2023

Exercise price	Options outstanding as of July 31, 2023	Weighted average remaining contractual term (years)	Options exercisable as of July 31, 2023	Weighted average remaining contractual term (years)	Expiry Date
$ 6.03	440,000	4.89	55,000	4.89	June 20, 2028
$ 7.16	21,000	4.58	5,250	4.58	February 27, 2028
$ 6.36	180,100	4.01	90,050	4.01	August 02, 2027
$ 4.71	31,000	3.81	19,375	3.81	May 20, 2027
$ 7.51	150,000	3.54	112,500	3.54	February 16, 2027
$ 8.47	524,700	3.45	519,400	3.45	January 13, 2027
$ 7.53	12,600	3.25	12,080	3.25	November 01, 2026
$ 5.74	100,000	3.09	100,000	3.09	September 01, 2026
$ 4.24	60,000	2.72	60,000	2.72	April 19, 2026
$ 4.24	612,000	2.66	612,000	2.66	March 29, 2026
	2,131,400		1,585,655		

d. Restricted Share Units

The following table summarizes the number of RSU's granted to directors under the Omnibus Plan for year ended July 31, 2023:

	Number of RSU's outstanding	Aggregate intrinsic value
Balance, July 31, 2021 and 2022	**-**	**$ -**
Granted (i)	19,200	123,072
Balance, July 31, 2023	**19,200**	**$ 128,448**

(i) On August 2, 2022, the Company issued 19,200 RSU's to the CEO. The RSU's vested immediately and have an aggregate intrinsic value of $123,072.

d. The total share-based compensation expense related to all of the Company's equity-based awards, recognized for the years ended July 31, 2023 and 2022 is comprised as follows:

	Year ended July 31, 2023	Year ended July 31, 2022
Research and development expenses	$ 1,072,592	$ 435,563
General and administrative expenses	1,121,198	2,639,021
Total share-based compensation	$ 2,193,790	$ 3,074,584

(Expressed in US Dollars, except share and per share data and unless otherwise indicated)

NOTE 10: TAXES ON INCOME

a. Components of income taxes excluding cumulative effects of changes in accounting principles, other comprehensive income, and equity in net results of affiliated companies accounted for after-tax for the years ended July 31 were as follows:

b. The Company recorded loss before taxes on income as follows:

	Year ended July 31, 2023	Year ended July 31, 2022
Domestic	$ (2,469,999)	$ (16,555,241)
Foreign	(17,832,395)	(10,283,662)
	$ (20,302,394)	$ (26,838,903)

c. The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 27% (2022 - 27%) to the effective tax rate is as follows:

	Year ended July 31, 2023	Year ended July 31, 2022
Net loss before recovery of income taxes	$ (20,302,394)	$ (26,838,903)
Expected income tax (recovery) expense	(5,481,650)	(7,246,504)
Tax rate changes and effect of taxes of subsidiaries at foreign rates	1,068,270	1,591,220
Share-based compensation and other non-deductible expenses	622,220	828,930
Foreign exchange loss	-	7,810
Share issuance cost booked directly to equity	-	(15,420)
Valuation allowance	3,791,160	4,833,964
Income tax (recovery)	$ -	$ -

d. The Company had no income tax expense for the years ended July 31, 2023, and 2022, due to its history of operating losses and valuation allowances.

e. Significant components of the Company's deferred tax assets are as follows:

	July 31, 2023	July 31, 2022
Deferred Tax Assets:		
Property, plant and equipment	$ 730	730
Marketable Securities	11,760	11,760
Warrant liability	3,776,710	4,330,580
Share issuance costs	734,300	1,105,220
Operating tax losses carried forward	3,842,320	2,714,150
Operating tax losses carried forward- USA	4,913,950	4,015,960
Research and Development	2,685,825	-
Total deferred tax assets	15,965,594	12,178,400
Valuation allowance	(15,920,430)	(12,130,030)
Net deferred tax assets	$ 45,160	$ 48,370
Deferred Tax Liability:		
Intellectual Property	$ (45,160)	$ (48,370)
Convertible Debentures		-)
Total net deferred tax liabilities	(45,160)	(48,370)
Valuation allowance	-	-
Net deferred tax assets (liabilities)	$ -	$ -

f. The Company has net deferred tax assets relating primarily to net operating loss ("NOL") carryforwards and resource properties. Subject to certain limitations, the Company may use these deferred tax assets to offset taxable income in future periods. Due to the Company's history of losses and uncertainty regarding future earnings, a full valuation allowance has been recorded against the Company's deferred tax assets, as it is more likely than not that such assets will not be realized. The net change in the total valuation allowance for the year ended July 31, 2023, was $2,790,400.

(Expressed in US Dollars, except share and per share data and unless otherwise indicated)

NOTE 10: TAXES ON INCOME (Cont.)

At July 31, 2023, the Company had US federal NOL carryforwards of approximately $23,340,000. The federal net operating losses have expiry periods ranging between 2033 and indefinitely. The Company also has Canadian net operating loss carryovers of approximately $14,231,000 as of July 31, 2023. The Canadian net operating losses have expiry periods ranging between 2035 and 2043.

Utilization of the NOL carryforwards and credits may be subject to a substantial annual limitation due to the ownership change limitations provided by the Internal Revenue Code ("IRC") Sections 382 and 383, and similar state provisions. The Company has not completed an IRC 382/383 analysis regarding the limitation of NOL and credit carryforwards. If a change in ownership were to have occurred, the annual limitation may result in the expiration of NOL carryforwards and credits before utilization. If eliminated, the related asset would be removed from the deferred tax asset schedule with a corresponding reduction in the valuation allowance.

The Company has adopted the provisions of ASC 740-10, which clarifies the accounting for uncertain tax positions. ASC 740-10 requires that the Company recognize the impact of a tax position in its financial statements if the position is more likely than not to be sustained upon examination based on the technical merits of the position. For the year ended July 31, 2023, the Company had no material unrecognized tax benefits, and based on the information currently available, no significant changes in unrecognized tax benefits are expected in the next 12 months.

The Company's policy is to recognize interest and penalties related to uncertain tax positions as income tax expense. The Company has no accruals for interest or penalties on its accompanying consolidated balance sheets as of July 31, 2023, and 2022, and has not recognized interest or penalties in the consolidated statements of operations for the years ended July 31, 2023, and 2022.

NOTE 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.

a. The following related party salaries and directors' fees are included in the consolidated statements of operations and comprehensive loss:

	Year ended July 31,	
	2023	**2022**
Directors (*)	$ 517,398	$ 476,117
Officers (**)	1,881,171	1,404,363
	$ 2,398,569	$ 1,880,480

(*) Excluding the CEO who is a director

(**) Includes the CEO who is also a director

b. The following related party balances are included in the consolidated balance sheets:

	July 31,	
	2023	**2022**
Directors (*)	$ 7,500	$ 20,519
Officers (**)	33,253	55,039
	$ 40,753	$ 75,558

(Expressed in US Dollars, except share and per share data and unless otherwise indicated)

NOTE 12: FINANCIAL EXPENSE, NET

	Year ended July 31,	
	2023	2022
Interest income	$ 891,213	$ 136,731
Interest expense	-	(979)
Change in fair value of warrant liability	2,119,530	(11,658,372)
Gain on government grant	-	3,388
Foreign exchange loss	(40,873)	(30,730)
Financial income (expenses), net	$ 2,969,870	$ (11,549,962)

NOTE 13: BASIC AND DILUTED NET LOSS PER SHARE

Basic net loss per ordinary share is computed by dividing net loss for each reporting period by the weighted-average number of ordinary shares outstanding during each period. Diluted net loss per ordinary share is computed by dividing net loss for each reporting period by the weighted average number of ordinary shares outstanding during the period, plus dilutive potential ordinary shares considered outstanding during the period, in accordance with ASC No. 260-10 "Earnings Per Share". The Company experienced a loss in the year ended July 31, 2023 and 2022; hence all potentially dilutive ordinary shares were excluded due to their anti-dilutive effect.

	Year ended July 31,	
	2023	2022
Numerator:		
Net loss available to shareholders of ordinary shares	(20,302,394)	(26,838,903)
Denominator:		
Shares used in computing net loss per ordinary shares, basic and diluted	15,619,676	15,494,091

NOTE 14: LONG-LIVED ASSETS BY GEOGRAPHIC LOCATION

	July 31,	
	2023	2022
United States	$ 215,068	$ 230,339
Total long-lived assets*	$ 215,068	$ 230,339

(*) Long-lived assets are comprised of property and equipment, net, investments and intangible assets, net.

NOTE 15: SUBSEQUENT EVENTS

a. On August 31, 2023, the Company closed a plan of arrangement spinout transaction (the "Arrangement") pursuant to which certain pipeline assets of the Company, including Bria-TILsRx™ and protein kinase C delta (PKCδ) inhibitors for multiple indications including cancer (the "BriaPro Assets"), were spun-out to BriaPro Therapeutics Corp. ("BriaPro"), resulting in a 2/3rd owned subsidiary of the Company with the remaining 1/3rd held by BriaCell shareholders ("BriaCell Shareholders").

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

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

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

Pursuant to the Arrangement, each BriaCell warrant shall, in accordance with its terms, entitle the holder thereof to receive, upon the exercise thereof, one BriaCell Share and one BriaPro Share for the original exercise price.

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

Transition Services Agreement

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