BEARING
RESOURCES LTD.

(An Exploration Stage Company)

Condensed Consolidated Financial Statements

For the Quarter ended April 30, 2012

(Expressed in Canadian dollars, except where indicated)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Bearing Resources Ltd.

Condensed Consolidated Statement of Financial Position

As at April 30, 2012 and October 31, 2011

(Expressed in Canadian dollars, except where indicated)

	April 30, 2012 $	October 31, 2011 $
Assets		
Current assets		
Cash and cash equivalents (note 5)	3,768,358	4,582,528
Accounts receivable and prepaid expenses	89,587	221,204
Investments	7,000	-
	3,864,945	4,803,732
Non-current assets		
Reclamation bonds and deposits	21,552	21,505
Mineral property interests (note 7)	1,024,727	1,048,819
Property, plant and equipment	61,059	67,448
	4,972,283	5,941,504
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	197,800	355,667
Flow through share premium liability (note 8)	64,496	69,465
	262,296	425,132
Shareholders' Equity		
Common shares	8,256,758	8,094,885
Contributed surplus	4,661,978	4,407,606
Accumulated other comprehensive income ("AOCI")	(9,620)	(5,999)
Deficit	(8,199,129)	(6,980,120)
	4,709,987	5,516,372
	4,972,283	5,941,504

Contingencies (note 6)

Approved by the Board of Directors

"Damian Towns"
Director

"Brian Bayley"
Director

Bearing Resources Ltd.

Condensed Consolidated Statement of Loss and Comprehensive Loss

For the three and six months ended April 30, 2012 and 2011

(Expressed in Canadian dollars, except where indicated)

Expenditures	Three Months Ended April 30 2012	Three Months Ended April 30 2011	Six Months Ended April 30 2012	Six Months Ended April 30 2011
	$	$	$	$
Exploration				
Camp & accommodation	22,992	3,541	42,718	3,541
Drilling	72,062	-	72,062	-
General & administration	77,303	33,468	147,117	45,299
Geology & geochemistry	92,078	88,476	223,380	146,968
Geophysics	15,472	-	42,747	-
Writedowns (Recoveries)	(19,673)	-	(19,673)	-
	260,234	125,485	508,351	195,808
Corporate and Other Costs				
Audit, filing and legal fees	43,089	2,278	75,895	2,278
Consulting and labour	137,929	32,065	280,560	46,651
Depreciation and amortization	5,824	1,403	12,097	4,065
Finance income	(11,503)	-	(27,072)	-
Flow through premium recognition (note 8)	139	-	(4,971)	-
Other costs	5,476	18,490	12,247	25,696
Rent and office costs	25,699	10,868	57,507	16,101
Share-based payments	111,380	-	237,561	-
Unrealized loss on held-for-trading investment	1,500	-	1,500	-
Travel and promotion	42,246	4,922	65,334	29,434
	361,779	70,026	710,658	124,225
Loss for the period	622,013	195,511	1,219,009	320,033
Other Comprehensive Income				
Foreign currency translation adjustment	6,438	-	3,621	-
Loss and comprehensive loss for the period	628,451	195,511	1,222,630	320,033
Basic and diluted loss per share ($ per share)	$0.03	n/a	$0.05	n/a
Weighted average shares outstanding	23,789,648	n/a	23,604,960	n/a

The accompanying notes form an integral part of these financial statements.

Bearing Resources Ltd.

Condensed Consolidated Statements of Shareholders' Equity

For the six months ended April 30, 2012 and 2011

(Expressed in Canadian dollars, except where indicated)

	Common shares					
	No. of shares #	**Amount $**	**Deficit $**	**Contributed Surplus $**	**AOCI $**	**Shareholders' equity $**
Balance – November 1, 2010	-	-	(3,430,900)	4,169,805	-	738,905
Share Issuances	8,975,632	3,673,967	-	-	-	3,673,967
Funding by Valley High (note 2)	-	-	-	344,637	-	344,637
Comprehensive income (loss)	-	-	(320,033)	(840,475)	-	(1,160,508)
Balance – April 30, 2011	8,975,632	3,673,967	(3,750,933)	3,673,967	-	3,597,001
Balance – November 1, 2011	23,361,076	8,094,885	(6,980,120)	4,407,606	(5,999)	5,516,372
Share Issuances (note 8)	428,572	161,873	-	16,811	-	178,684
Share-based payments	-	-		237,561		237,561
Comprehensive income (loss)	-	-	(1,219,009)		(3,621)	(1,222,630)
Balance – April 30, 2012	23,789,648	8,256,758	(8,199,129)	4,661,978	(9,620)	4,709,987

The accompanying notes form an integral part of these financial statements.

Bearing Resources Ltd.

Condensed Consolidated Statement of Cash Flow

For the three and six months ended April 30, 2012 and 2011

(Expressed in Canadian dollars, except where indicated)

	Three Months Ended April 30 2012	Three Months Ended April 30 2011	Six Months Ended April 30 2012	Six Months Ended April 30 2011
Cash flows from operating activities				
Loss for the period	(622,013)	(195,511)	(1,219,009)	(320,033)
Items not affecting cash				
Depreciation and amortization	5,825	1,404	12,098	4,065
Flow through premium recognition	139	-	(4,970)	-
Mineral Properties recovery	(19,673)	-	(19,673)	-
Other	1,602	-	1,602	-
Share-based payment expense	111,380	-	237,561	-
Unrealized loss on held-for-trading investments	1,500	-	1,500	-
	(521,240)	(194,107)	(990,891)	(315,968)
Change in non-cash operating working capital				
Increase in accounts receivable & prepaid expenses	149,963	(52,990)	125,644	(52,990)
Increase in accounts payable & accrued liabilities	79,799	34,557	(159,468)	34,557
	(291,478)	(212,540)	(1,024,715)	(334,401)
Cash flows from financing activities				
Funding provided by Valley High	-	175,550	-	297,411
Share issuances (net)	(247)	-	178,684	-
Cash from Plan of Arrangement	-	1,800,000	-	1,800,000
	(247)	1,975,550	178,684	2,097,411
Cash flows from investing activities				
Mineral property acquisition costs	(4,074)	-	(21,330)	-
Mineral property reimbursements	33,453	-	57,511	-
Payments to acquire capital assets	(2,199)	-	(5,336)	-
	27,180	-	30,845	-
Effect of exchange rate changes on cash & equivalents	747	-	1,016	-
Increase in cash and cash equivalents	(263,798)	1,763,010	(814,170)	1,763,010
Cash and cash equivalents - Beginning of period	4,032,156	-	4,582,528	-
Cash and cash equivalents - End of period	3,768,358	1,763,010	3,768,358	1,763,010

The accompanying notes form an integral part of these financial statements.

(Expressed in Canadian dollars, except where indicated)

1 Nature of Operations

Bearing Resources Ltd. (the “Company” or “Bearing”) is an exploration stage company that is engaged directly in the exploration and development of mineral properties in Mexico and Canada. The Company’s registered office is at Suite 2600, 595 Burrard St, Vancouver, British Columbia, Canada.

Bearing was incorporated on January 13, 2011 as 0900353 B.C. LTD (subsequently renamed on January 31, 2011 to Bearing). On March 25, 2011, Levon Resources Ltd. (“Levon”) acquired Valley High Ventures Ltd. (“Valley High”), the predecessor corporation to the Company (note 2), by way of a court-approved plan of arrangement (the “Arrangement”). On June 10, 2011, Bearing began trading on the TSX Venture Exchange.

2 Plan of Arrangement

Under the Arrangement, each Valley High share was exchanged for one Levon share and 0.125 of a Bearing share. Valley High’s interest in the October Dome, Mt. Polley and Flume properties, and other staked Yukon properties and its early exploration prospect, Carreton, in Mexico (collectively, the “Bearing Properties”) were transferred to Bearing, together with $1.8 million in cash. Bearing also provided Levon with an indemnification in respect of any tax payable on the disposition of Bearing, in the event that the fair market value of the assets transfers exceeds the tax pools available to Valley High upon acquisition.

The formation of Bearing was the result of the transfer of assets between entities under common control: accordingly, the transaction is excluded from the scope of IFRS 3 (R), Business Combinations. These financial statements have been presented using predecessor accounting with balance sheet amounts based on the amounts recorded by Valley High up to March 25, 2011.

The carrying value of assets transferred and acquired pursued to the Plan of Arrangement on March 25, 2011 consisted of the following:

Cash	1,800,000
Property, Plant & Equipment	12,846
Other Deposits and Prepaid	69,392
Mineral Properties	758,237
	2,640,475

3 Financial Presentation

Bearing was incorporated on January 13, 2011 and began operations on March 25, 2011. Financial statement information prior to this date reflects the financial position, statements of loss, comprehensive loss and deficit and cash flows of the related Bearing Business of Valley High. This information has previously been reported as the Bearing Business. The statements of loss, comprehensive loss and deficit for the period ended April 30, 2011 include an allocation of Valley High's general and administrative expenses incurred up to March 25, 2011 and expenses incurred directly by Bearing for the subsequent period. The allocation of general and administrative expense was calculated on the basis of the ratio of costs deferred on the Bearing Properties in each period presented as compared to the costs incurred on all mineral properties in each period. Management cautions readers of these financial statements, that the allocation of expenses does not necessarily reflect future general and administrative expenses.

Mineral property costs for the year ended April 30, 2012 include the direct exploration expenses deferred to the Bearing properties.

4 Significant accounting policies

Basis of Presentation

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34- Interim Financial Reporting. The accounting policies followed in these condensed consolidated financial statements are the same as those applied in the Company's audited annual financial statements for the year ended October 31, 2011, except for the new accounting policy referenced below for Financial Instruments.

These financial statements include all adjustments, of a normal recurring nature, considered necessary by management to fairly present the financial position, results of operations and cash flows of the Bearing Business up to March 25, 2011 and the Company thereafter.

The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of June 6, 2012, the date the Audit Committee approved the statements. Any subsequent changes to IFRS after this date could result in changes to the consolidated financial statements for the period ended April 30, 2012.

The interim condensed consolidated financial statements do not contain all disclosures required under IFRS and should be read in conjunction with Company's audited annual consolidated financial statements and the notes thereto for the year ended October 31, 2011.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Actual results could differ from those estimates. Significant accounts that require estimates as the basis for determining the stated amounts include exploration and evaluation assets, share-based payments, allocation of financing proceeds, and income and mining taxes. Differences may be material.

(Expressed in Canadian dollars, except where indicated)

4 Significant accounting policies (continued)

New Accounting Policy - Financial Instruments

(a) Investments

Investments in public company shares are held for trading and measured at fair value on the balance sheet. Gains or losses are recognized in net income for the year in which it arises.

5 Cash and cash equivalents

$	April 30,2012	October 31,2011
Flow-through funds	690,065	743,248
Other	3,078,293	3,839,280
	3,768,358	4,582,528

In July 2011, the Company completed a flow-through financing for gross proceeds of $2,500,000 (note 8). These funds are to be spent on qualifying exploration activities within Canada and therefore are not available to fund corporate expenses or exploration activities outside Canada.

6 Exploration costs

Exploration costs are comprised of exploration and evaluation expenses on the following properties:

Zymo copper-gold property ("Zymo"), Canada

In June 2011, the Company entered into an option agreement with Eastfield Resources Ltd. ("Eastfield") to earn up to a 65% interest in the 12,113 hectare Zymo property, located 45 kilometres west of the town of Smithers, British Columbia.

To earn an initial 51% interest Bearing must make cash payments totalling $500,000 ($100,000 paid), issue 500,000 shares (100,000 issued) and complete exploration expenditures totalling $8 million ($1.7 million incurred) over a five year period. Bearing may earn an additional 9% interest by completing a feasibility study and maintaining minimum annual expenditures of $500,000. Should Bearing make the decision to put the property into production, Bearing will have an option to earn an additional 5% interest by paying $10 million, issuing 2 million Bearing shares and arranging project financing for the mine development.

Mapimi Area, Durango, Mexico:

In Mexico, the Company’s focus is on the Mapimi area in Durango, Mexico. The Mapimi area is made up of two optioned claims (Parrandera and Kilometer 66 (“KM 66”)) and the wholly owned Pedro ground.

<u>KM 66</u>

In May 2012, the Company sign a definitive option agreement to acquire a 100% interest in the 13,400 hectare KM 66 silver-gold-lead-zinc property in Durango, Mexico. Under the terms of the agreement BRZ can earn a 100% interest, subject to a 3% NSR the Company shall pay: US$150,000 on signing (subsequently paid); US$150,000 on the first anniversary of signing; US$150,000 on the second anniversary; US$400,000 on the third anniversary; US$500,000 on the fourth anniversary; US$7,875,000 at the end of year five.

At the Company's election it may purchase the property outright after two years for US$5,575,000 or after three

6 Exploration costs (continued)

years for US$5,875,000 or after four years for US$6,875,000. The Company may purchase up to 1% of the NSR for US$650,000 per half percent and holds a first right of refusal to purchase the remaining 2%.

Parrandera
In June 2011, the Company optioned the Parrandera gold-copper-zinc prospects through agreements with local Mexican vendors. The Parrandera project is located in the Mapimi region of eastern Durango, Mexico. The Parrandera options included a contiguous 49 hectare claim group and a 302 hectare claim group. Bearing had the right to acquire a 100% interest in both the optioned properties. The 49 hectares claim group could have been purchased for a total of $250,000 ($40,000 paid) over two years, subject to a 1.5% NSR (0.5% purchasable for $100,000). The 302 hectare claim group could have been purchased for a total of $560,000 ($40,000 paid) over three years subject to a 1.5% NSR (0.5% purchasable for $500,000). Subsequent to period end, the Company announced that the Parrandera properties would be returned to the underlying vendors.

Pedro Ground
The Company has applied for additional claims (~26,000 hectares) that are contiguous with optioned properties.

October Dome Gold Property, Canada
The October Dome properties comprise approximately 2,542 hectares located 7 km northwest of Likely, British Columbia, Canada. 1,090 hectares are subject to a 2% NSR, with each 0.5% purchasable for $500,000. In addition, the Company has a 100% interest, subject to a 1.5% NSR royalty, in the Dome claims. The October Dome property was transferred under the Plan of Arrangement (note 2).

Flume Gold Property, Yukon, Canada
On June 24 2009, Valley High entered into an option agreement with Phelps Dodge Corporation of Canada, Limited ("PDC"), a wholly owned subsidiary of Freeport-McMoRan Copper & Gold Inc., to acquire a 100% interest in the Flume property located in Yukon Territory, Canada. Flume comprises 191 mineral claims totalling approximately 3,900 hectares. This agreement was transferred to Bearing under the terms of the Plan of Arrangement (note 2).

Bearing may earn a 100% interest in the Flume property by making cash payments totalling $225,000 ($45,000 paid; 2012: $30,000; 2013: $150,000) and by spending $500,000 (incurred) on exploration over four years. PDC also retains the right to share in the proceeds derived from the sale or option of the property to a third party in the amount of 50% of proceeds in excess of the payment required to be made by the Company during the first year and 25% of the excess proceeds in any subsequent year. PDC also retains a 2% NSR royalty, of which one half can be purchased by Bearing for $1,000,000.

On January 26 2010, Valley High signed an option agreement with Ryan Gold Corp. (“RGC”) (formerly Valdez Gold Inc.), whereby RGC has been granted the right to earn a potential 75% interest in the Flume property. Under the terms of the agreement, RGC has the right to earn a 51% interest in the Flume property by incurring $1,500,000 in qualified expenditures over a four year period (with a minimum commitment of $200,000 which has already been incurred) and making cash payments to Valley High of $25,000 on signing (paid), $25,000 after the first nine months (paid), $50,000 on June 24, 2011 (paid), $75,000 on June 24, 2012 and $325,000 on June 24, 2013. If the earn-in is achieved, RGC has a further option to increase its share to 65% by spending an additional $5,000,000 and making further staged cash payments totalling $500,000. RGC may further increase its share to 75% by completing a feasibility study and making a $1,000,000 payment. This agreement was transferred to Bearing under the terms of the Plan of Arrangement (note 2).

6 Exploration costs (continued)

Other Yukon Gold Properties, Canada

In the Yukon, the Company has staked the VF (2,900 hectares), Jay (5,350 hectares), VM (2,160 hectares), Big (2,740 hectares) and VBA (1,660 hectares) claim blocks.

In August 2011, the Company partitioned 2,240 hectares (referred to as the "Jay East" property) of the Jay claim block and entered into an option agreement with Precipitate Gold Corporation ("Precipitate") whereby Precipitate can earn up to a 70% interest in the Jay East Property ("Jay East"). To earn an initial 51% interest Precipitate must make cash payments totalling $480,000 ($5,000 paid) and complete exploration expenditures totalling $2,000,000 over a five year period.

Precipitate may earn an additional 19% interest by completing a feasibility study and making additional cash payments totalling $300,000. Jay East is located immediately to the east and south of Precipitate's REEF property.

In 2011, the Company also acquired a 100% interest in the HY claims located in the Watson Lake Mining District of the Yukon from Freeport-McMoran of Canada Limited ("Freeport"). The HY claims are situated within the Upper Hyland Gold Belt which is the south-eastern extension of the regional Tintina Gold Belt, and comprises 48 claims totalling 1,000 hectares and is surrounded by the Company's Jay claims. Under the terms of the purchase agreement with Freeport, the Company acquired a 100% interest in the claims through a one-time payment of $50,000. The claims are subject to a 2% NSR. In addition, Freeport is entitled to receive up to 30% of any proceeds over above the initial purchase consideration of $50,000 from disposition if the property is sold within the first year.

Mt. Polley Copper-Gold Properties, Canada

The Mt. Polley properties comprise approximately 7,458 hectares located adjacent to Imperial Metals Corporation's ("Imperial") producing Mt. Polley open-pit copper gold mine, which is northeast of Williams Lake, British Columbia, Canada. The Company has a 90% interest in a portion of the Lloyd claims (including the Boundary Zone) and a 100% interest in the remaining Lloyd claims, subject to a 1.5% NSR royalty. The Company also has a 100% interest in the Nordik, Buc, and Calm claims subject to a 2% NSR royalty. The NSR royalty with the exception of the Buc claims can be purchased for $500,000 for each one-half percent.

Imperial acquired a 100% interest in one complete mineral cell and four partial cells that are adjacent to Imperial's Boundary Zone. Imperial exercised its option by paying $300,000. The claims sold to Imperial are subject to a royalty for material that is milled. The royalty is $2.50 per tonne for the first 400,000 tonnes of material milled and $1.25 per tonne for all tonnes milled in excess of 400,000 tonnes. To date Imperial has made $27,511 in royalty payments. The royalty in excess of 400,000 tonnes can be reduced to $0.62 per tonne by Imperial making a payment of $1,000,000. The Company is entitled to 90% of the aforementioned royalties. The Mt. Polley properties were transferred under the Plan of Arrangement (note 2). The costs on Mt. Polley are included under the "Other" heading on the following table.

(Expressed in Canadian dollars, except where indicated)

6 Exploration costs (continued)

						For the three months ended April 30, 2012
$	**Zymo**	**OctDome**	**Yukon**	**Mex**	**Other**	**Total**
Camp & accommodation	575	-	-	22,417	-	22,992
Drilling	-	-	-	72,062	-	72,062
General & administration	-	3,491	-	32,827	40,985	77,303
Geology & geochemistry	1,403	230	(3,697)	94,142	-	92,078
Geophysics	-	-	-	15,472	-	15,472
Write-downs (recoveries)	-	-	(19,673)	-	-	(19,673)
	1,978	3,721	(23,370)	236,920	40,985	260,234

						For the three months ended April 30, 2011
$	**Zymo**	**OctDome**	**Yukon**	**Mex**	**Other**	**Total**
Camp & accommodation	-	-	-	3,541	-	3,541
Drilling	-	-	-	-	-	-
General & administration	-	2,393	-	33,472	(2,397)	33,468
Geology & geochemistry	-	14,599	-	73,877	-	88,476
Geophysics	-	-	-	-	-	-
Write-downs (recoveries)	-	-	-	-	-	-
	-	16,992	-	110,890	(2,397)	125,485

(Expressed in Canadian dollars, except where indicated)

6 Exploration costs (continued)

	For the six months ended April 30, 2012					
$	**Zymo**	**OctDome**	**Yukon**	**Mex**	**Other**	**Total**
Camp & accommodation	1,751	-	-	40,967	-	42,718
Drilling	-	-	-	72,062	-	72,062
General & administration	-	8,021	-	56,430	82,666	147,117
Geology & geochemistry	32,067	1,146	14,232	175,701	234	223,380
Geophysics	2,550	-	-	40,197	-	42,747
Write-downs (recoveries)	-	-	(19,673)	-	-	(19,673)
	36,368	9,167	(5,441)	385,357	82,900	508,351

	For the six months ended April 30, 2011					
$	**Zymo**	**OctDome**	**Yukon**	**Mex**	**Other**	**Total**
Camp & accommodation	-	-	-	3,541	-	3,541
Drilling	-	-	-	-	-	-
General & administration	-	2,393	-	34,512	8,394	45,299
Geology & geochemistry	-	42,243	-	104,725	-	146,968
Geophysics	-	-	-	-	-	-
Write-downs (recoveries)	-	-	-	-	-	-
	-	44,636	-	142,778	8,394	195,808

(Expressed in Canadian dollars, except where indicated)

7 Mineral property interests

$	Zymo	OctDome	Mt Polley	Mex	Other	Total
October 31, 2010	-	555,057	40,836	-	115,120	711,013
Acquisition costs	180,000	-	-	79,983	132,255	392,238
Write-downs	-	-	-	-	(23,182)	(23,182)
Property payments received	-	-	-	-	(31,250)	(31,250)
October 31, 2011	180,000	555,057	40,836	79,983	192,943	1,048,819
Acquisition costs	-	-	-	21,330	-	21,330
Write-downs	-	-	-	-	-	-
Property payments received	-	-	(27,511)	-	(18,827)	(46,338)
Foreign currency movement	-	-	-	916	-	916
April 30, 2012	180,000	555,057	13,325	102,229	174,116	1,024,727

Under the Company's accounting policy all acquisition costs are capitalized until the property is placed into production or disposed of. Refer to note 6 for a description of the mineral property interests.

8 Common shares

The Company has an unlimited number of authorized common shares without par value.

As part of the Plan of Arrangement (note 2) the Company issued 8,975,362 common shares to existing shareholders of Valley High.

In July 2011, the Company closed a $6 million non-brokered private placement consisting of 8,333,334 units and 5,952,380 flow-through common shares. Each unit was comprised of one common share and one half of a common share purchase warrant. The units and flow-through shares were both priced at $0.42. Each whole warrant is exercisable for one common share of the Company until July 8, 2012 at an exercise price of $0.60.

Under the terms of the flow-through financing the Company is under the obligation to renounce tax losses on this financing and has recognized a premium liability that will be released when the qualifying exploration expenditure is incurred. The flow-through financing was done in conjunction with a unit offering, that comprised a common share and half-warrant.

Under the terms of the Zymo option agreement (note 6) the Company issued 100,000 common shares (fair value $80,000) in July 2011.

In January 2012, the Company closed a $180,000 private placement. The non-brokered private placement consisted of 428,572 units. Each unit was comprised of one common share of the Company and one half of a common share purchase warrant. The units were priced at $0.42 per Unit. Each whole warrant will be exercisable for one common share of the Company until January 18, 2013 at an exercise price of $0.60.

(Expressed in Canadian dollars, except where indicated)

9 Share stock options and warrants

Options

The Company has a stock option plan that permits the grant of share purchase options up to 10% of the issued and outstanding common shares of the Company to directors, officers, key employees and consultants. Terms and pricing of options are determined in accordance with plan.

	April 30, 2012		October 31, 2011	
	Number of shares	Weighted average exercise price $	Number of shares	Weighted average exercise price $
Opening - October 31	2,090,000	0.72	-	-
Granted	220,000	0.38	2,090,000	0.72
Cancelled	-	-	-	-
Forfeited	(3,333)	(0.72)	-	-
Exercised	-	-	-	-
Closing – April 30	2,306,667	0.69	2,090,000	0.72

As of April 30, 2012, the following stock options were outstanding:

Number of options Outstanding	Number of options vested and exercisable	Exercise price $	Expiry Date
2,086,667	696,668	0.72	July 12, 2016
220,000	73,333	0.38	December 16, 2016
2,306,667	770,001	0.69	

The majority of stock options vest over a two year period.

Option and warrant pricing models require the input of highly subjective assumptions including the expected volatility. Changes in the assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

For the three months ended April 30, 2012 share-based compensation expense was $111,380 (2011: nil). For the six months ended April 30, 2012 share-based compensation expense was $237,561 (2011: nil)

(Expressed in Canadian dollars, except where indicated)

9 Share stock options and warrants (continued)

Warrants

	April 30, 2012		October 31, 2011	
	Number of shares	**Weighted average exercise price $**	**Number of shares**	**Weighted average exercise price $**
Outstanding – beginning of year	4,166,663	0.60	-	-
Granted	214,286	0.60	4,166,663	0.60
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding – end of period	4,380,949	0.60	4,166,663	0.60

At April 30, 2012, the following warrants were outstanding:

	Number of Shares outstanding	Exercise price $	Expiry Date
	4,166,663	0.60	July 8, 2012
	214,286	0.60	January 13, 2013
	4,380,949	0.60	

The following assumptions were used in the Black-Scholes pricing model to calculate the compensation expense:

	Warrants	Options
Risk-free interest rate	0.93% to 1.02%	0.95% to 1.92%
Expected life	0.67 years	2.5 to 3.5 years
Expected volatility	100%	100%
Expected dividend	nil	nil

10 Related party transactions

The Company considers the Officers of the Company to be key management personnel. This table excludes any costs associated with key management personnel that related to Bearing Business prior to March 25, 2011.

	Three Months Ended April 30, 2012	Three Months Ended April 30, 2011	Six Months Ended April 30, 2012	Six Months Ended April 30, 2011
Short-term employee benefits	128,268	14,704	250,868	14,704
Share-based payments	50,898	-	102,927	-
Total key management personnel	179,166	14,704	353,794	14,704

(Expressed in Canadian dollars, except where indicated)

11 Geographic segmented information

The Company operates in a single operating segment, mineral exploration. The following table illustrates the geographic location of the Company's assets.

$	Mexico	Canada	Total
April 30, 2012			
Loss for the period	390,592	828,417	1,219,009
Non-current assets	139,282	968,056	1,107,338
Total assets	456,568	4,515,715	4,972,283
Total liabilities	113,768	148,528	262,296
October 31, 2011			
Loss for the year	342,317	3,206,903	3,549,220
Non-current assets	121,989	1,015,783	1,137,772
Total assets	140,838	5,800,666	5,941,504
Total liabilities	31,678	393,454	425,132

12 Commitments and contingencies

As part of the Arrangement, Bearing agreed to indemnify Levon from any tax liabilities associated with the transfer of the assets to Bearing from Valley High. At this time, the Company does not believe that any significant liabilities will arise as a result of this indemnification. This liability, if any, will not be known until all tax returns are completed.

In addition, the Company has a number of commitments in respect to its exploration properties (refer to note 6).

Cash Commitments Schedule per Fiscal Year, as at April 30, 2012 ($) (1)	2012 (paid)	2012	2013	2014	Thereafter
Zymo (to earn 51% excludes commitments & shares)	-	100,000	100,000	100,000	100,000
Parrandera- US$(2)	15,000	145,000	385,000	200,000	-
Lease commitments	11,952	23,904	47,808	11,952	-

(1) *Table excludes shares; it also excludes the Flume payments as these have been offset by the RGC Agreement*
(2) *Subsequent to period end, the Company terminated its option agreement over the Parrandera properties.*

BEARING RESOURCES LTD.

The following information is prepared in accordance with International Financial Reporting Standards ("IFRS") in Canadian dollars, unless otherwise noted. This Management Discussion & Analysis ("MD&A") should be read in conjunction with the Bearing Resources audited financial statements for the years ended October 31, 2011, and 2010, which are available on SEDAR (www.sedar.com).

The financial information in this MD&A is derived from the Company's financial statements prepared in accordance with Canadian GAAP (which requires IFRS for public companies) and is denominated in Canadian dollars, unless otherwise noted. This MD&A should be read in conjunction with the Company's unaudited financial statements for the three and six months ended April 30, 2012.

This MD&A may contain forward looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of exploration or other risk factors beyond its control. Actual results may differ materially from the expected results.

Table of Contents:

The results up to March 25, 2011 have been presented in this MD&A under the continuity of interest basis of accounting with balance sheet amounts based on the amounts recorded by Valley High Ventures Ltd. ("Valley High"). In addition, the information contained in the statement of income and deficit has been derived from certain allocations from Valley High's financial statements. These allocations are consistent with those applied in the preparation of the audited financial statements for the year ended October 31, 2011. Management cautions readers of this MD&A, that the allocation of expenses does not necessarily reflect the future financial performance of the Company.

1 STRATEGY AND PROFILE

1.1 Strategy

Bearing Resources Ltd. ("Bearing" or the "Company") is a Canadian based company focused on exploration for precious and base metals in North America. The Company's strategy is to identify, explore and develop mineral deposits with a magnitude of size and grade to be of interest to mid-sized and larger mining companies. The Company will carry out all aspects of exploration and development from grass roots to feasibility stage. Projects will be acquired through both staking and acquisition. From time to time, the Company may option a project to an external exploration company in an effort to focus both financial and human capital on higher priority projects.

1.2 Profile

Bearing was incorporated on January 13, 2011 as 0900353 B.C. LTD (subsequently renamed on January 31, 2011 to Bearing) as a wholly owned subsidiary of Valley High Ventures Ltd. ("Valley High"). On March 25, 2011, Levon Resources Ltd. ("Levon") acquired Valley High, the predecessor corporation to the Company (refer to section 7), by way of a court-approved plan of arrangement (the "Arrangement"), at which time Bearing began operating as a standalone entity. On June 10, 2011, Bearing began trading on the TSX Venture Exchange.

1.3 Key Personnel and Competencies

The Board of Directors is comprised of four Independent and three Executive Directors. The Board is chaired by David Watkins, an Independent Director with over 42 years in the mining industry. The Board has extensive geological experience, as well as financial and corporate development expertise. Geoff Chater is the President and CEO of the Company and has over 22 years of experience in the mining industry. He is ably supported by Robert Cameron, Vice President Business Development, who has over 30 years of experience in the mining industry.

2 MILESTONES & PROJECTS UPDATE

2.1 Milestones / Highlights

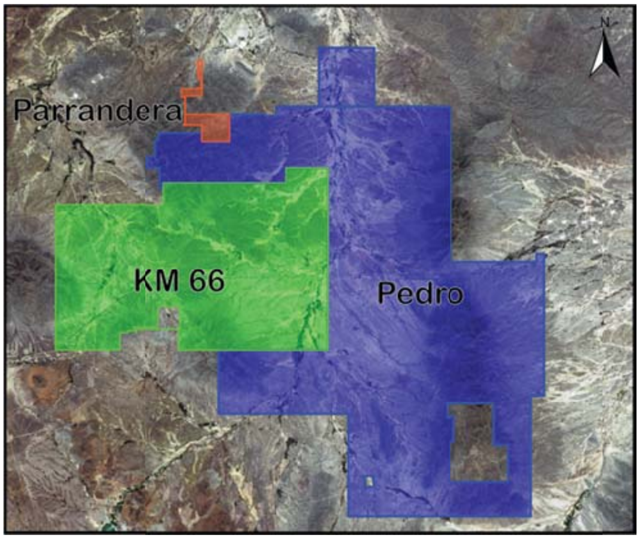
- Announced Parrandera drill results and elected to terminate associated option agreements (Jun 2012)
- Definitive agreement on KM 66 Silver-Gold-Lead-Zinc Property (May 2012)
- Drilling commenced at Parrandera Gold-Copper Target (Apr 2012)
- Announced LOI to acquire KM 66 Silver-Gold-Lead-Zinc Property (Mar 2012)
- Optioned VF claims to Aben Resources Ltd (Mar 2012)
- First royalty payments from Imperial (Feb 2012)
- Closed $180,000 private placement (Jan 2012)
- Appointment of Manager Corporate Relations (Dec 2011)
- HY-JAY property returns high grade gold (Dec 2011)
- Assay results from Zymo incl. 126m of 0.34% Cu & 0.28 g/t Au (0.54% Cu equivalent) (Dec 2011)
- Acquisition of HY claims (Nov 2011)

2.2 Mexico Exploration

In Mexico, the Company's focus is on the Mapimi Project (~40,000 hectares) in Durango, Mexico. The Mapimi Project was made up of two optioned properties (Parrandera and Kilometer 66 ("KM 66")) and the wholly owned Pedro ground. The Mapimi Project is located approximately 100 kilometres from the Penoles smelter at Torreon, is bisected by a paved highway and power lines. In June 2012, the Company elected to terminate its option agreements on the small (351 hectare) Parrandera property.

Mapimi - KM 66

In May 2012, the Company signed a definitive agreement to acquire a 100% interest in the 13,400 hectare KM 66 silver-gold-lead-zinc property in Durango, Mexico. Acquisition terms appear in section 4.2. KM 66 covers a five kilometre-long trend of mineralization that includes the La Gloria and Las Palmitas breccia-hosted epithermal silver-gold-lead-zinc deposits. Great Panther Silver Ltd. ("Great Panther") (who previously held an option to acquire KM 66) filed a technical report containing a mineral resource estimate compliant with NI 43-101 for the La Gloria and Las Palmitas deposits titled "Technical Report on the Mapimi Project, Mexico" dated May 8, 2008 and prepared by Wardrop Engineering ("Wardrop") of Vancouver, B.C. (the "Technical Report") (a copy of the Technical Report can be found at www.sedar.com under the profile of Great Panther). The Technical Report calculated a total of 22,297,800 silver equivalent ounces (6,585,900 tonnes grading 28 g/t silver, 0.09 g/t gold, 0.41% lead, 1.14% zinc) in the indicated category and a further 6,305,000 silver equivalent ounces (2,027,900 million tonnes grading 34 g/t silver, 0.13 g/t gold, 0.54% lead, 0.81% zinc) in the inferred category using a cut-off grade of 50 g/t silver equivalent. Metal prices and recoveries used were US $9.55 per ounce and 76 per cent, respectively, for silver, US $530 per ounce and 70 per cent for gold, US $0.63 per pound and 80 per cent for lead, and US$1 per pound and 80 per cent for zinc.



Bearing cautions the reader that the resource prepared by Wardrop for Great Panther is considered a "historical estimate" under NI 43-101 and a qualified person from the Company has not done sufficient work to classify the historical estimate as a current mineral resource. In order to verify the historical estimate additional work may be required. This may include, but may not be limited to, re-evaluation and confirmation of previous drilling and assay results; validation of QA/QC (quality assurance/quality control) procedures and recalculation of the resource model using current metal price and recovery assumptions. Bearing is not treating the historical estimate as a current mineral resource.

In addition to the La Gloria and Las Palmitas resource areas, drilling by Great Panther identified quartz-molybdenite veins in the Bull's-Eye zone (186.22 metres grading 440ppm molybdenum) and carbonate replacement deposits in the North Zone (2.14 metres grading 2.98% zinc and 0.41% lead). The Bull's-Eye zone is defined by a 2,000-by-800-metre induced polarization anomaly with a magnetic high near its centre. The remainder of the property remains unexplored.

Mapimi- Parrandera
In June 2011, the Company optioned the Parrandera gold-copper-zinc prospect through agreements with local Mexican vendors. The Parrandera options include a 49 hectare claim group and 302 hectare claim group. Option terms are disclosed in section 4.2. In June 2012, the Company announced that the property would be returned to the underlying vendors as the property did not meet the Company's exploration target criteria.

Mapimi- Pedro
The Company has also staked claims (~26,000 hectares) that are contiguous with the KM 66 & Parrandera properties (final approval and registration is pending for some of these claims.) The Parrandera project is located in the Mapimi region of eastern Durango, Mexico.

Table 1: Mexico Properties				**Quarter**					**YTD**	
	Q310	**Q410**	**Q111**	**Q211**	**Q311**	**Q411**	**Q112**	**Q212**	**2011**	**2012**
Camp & accommodation	-	-	-	3,541	9,799	23,055	18,550	22,417	3,541	40,967
Drilling	-	-	-	-	-	-	-	72,062	-	72,062
General & administration	40,206	28,942	1,040	33,472	11,147	67,513	23,603	32,827	34,512	56,430
Geology & geochemistry	45,754	96,877	30,848	73,877	75,838	87,099	81,559	94,142	104,725	175,701
Geophysics	-	-	-	-	-	-	24,725	15,472	-	40,197
Total exploration	**85,960**	**125,819**	**31,888**	**110,890**	**96,785**	**177,667**	**148,437**	**236,920**	**142,778**	**385,357**
Acquisition costs	-	-	-	-	77,375	2,608	15,509	5,821	-	21,330
Total exploration & acquisition	**85,960**	**125,819**	**31,888**	**110,890**	**174,159**	**180,275**	**163,946**	**242,741**	**142,778**	**406,687**

The costs prior to Q2 2011 include an allocation of costs from Valley High Ventures under the continuity of interests accounting principle and do not necessary reflect any actual expenditures. Camp & accommodation have increased in line with our increased work at Mapimi.

Drilling costs in Q2 2012 relate to the 483m of diamond drilling that was completed up to April 30, 2012 on the optioned Parrandera ground. The results from this drill program did not meet the Company's exploration target criteria and the property will be returned to its underlying vendors. For a full description of the drill results reference should be made to the Company's news release dated June 7, 2012. General & administration include the provision for value added taxes ("VAT") in Mexico. The increase in Q4 2011 relates partially to a larger provision for value added taxes as a result of vehicle purchases. In Mexico, the Company includes a provision for VAT due to the uncertainty surrounding the timing and collectability of the amounts involved. The increase in Q2 2012 relates to the provision of VAT on the aforementioned drill program.

Geology & geochemistry costs are principally comprised of our exploration team in Mexico. The higher costs in Q1 2012 are partially explained by field assistants and other personnel for the exploration work on the Mapimi ground. Geophysics costs in Q1 and Q2 2012 stemmed from 12 line kilometres of induced polarization ("IP") and magnetics survey undertaken at Parranderra.

Acquisition costs increased in Q3 2011 and Q1 2012 as a result of entering into the two Parrandera option agreements. The Q2 2012 costs relates to acquisition costs associated with Carreton and KM 66.

2.3 Zymo Copper-Gold Property, British Columbia, Canada

In June 2011 (Q3 2011), the Company entered into an option agreement with Eastfield Resources Ltd. ("Eastfield") to earn up to a 65% interest in the 12,113 hectare Zymo project, located 45 kilometres west of the town of Smithers, British Columbia. The Zymo property has been explored by a number of companies since its discovery in 1997. Work to date has outlined a nine by three kilometre open ended target defined by combined copper in soil and IP chargeability anomalies, within which four distinct porphyry targets have been identified.

The Hobbes Zone is the most advanced target identified to date and has been tested with sixteen drill holes over a distance of 720 by 350 metres, in which all drill holes intersected copper/gold mineralization. The best hole drilled to date was ZY-08-9 that returned 72.0 metres (core length) of 0.72% copper and 0.54 g/t gold within a longer interval that returned 159 metres grading 0.44% copper and 0.32 g/t gold.

Under the terms of the Zymo option agreement, Bearing may earn an initial 51% interest by making cash payments of $500,000 ($100,000 paid) and issuing 500,000 shares (100,000 issued) and completing exploration expenditures totalling $8 million over a five year period ($1.7m incurred to date). Bearing may earn an additional 9% interest by completing a feasibility study and maintaining minimum annual expenditures of $500,000. Should Bearing make the decision to put the property into production, Bearing will have an option to earn an additional 5% interest by paying $10 million, issuing 2 million shares and arranging project financing for the mine development.

The following table summarizes the quarterly and year to date ("YTD") expenditures on the Zymo property. Exploration and evaluation costs are expensed while the acquisition costs are capitalized.

Table 2: Zymo Properties	Quarter					YTD	
(Optioned Q311)	**Q211**	**Q311**	**Q411**	**Q112**	**Q212**	**2011**	**2012**
Camp & accommodation	-	34,172	206,762	1,176	575	-	1,751
Drilling	-	18,484	888,240	-	-	-	-
General & administration	-	52	10,606	-	-	-	
Geology & geochemistry	-	37,894	116,595	30,664	1,403	-	32,067
Geophysics	-	19,291	201,054	2,550	-	-	2,550
Total exploration	**-**	**109,893**	**1,423,257**	**34,390**	**1,978**	**-**	**36,368**
Acquisition costs	-	180,000	-	-	-	-	-
Total exploration & acquisition	**-**	**289,894**	**1,423,257**	**34,390**	**1,978**	**-**	**36,368**

The above table does not include any allocation of time for our Vice President ("VP") Exploration (whose costs are included in general exploration costs) or our VP Business Development (whose costs are included under other expenses) who helped develop and manage the exploration program. Camp cost includes the cost of establishing a camp near the property and other accommodation costs associated with our exploration program that commenced in July 2011.

Drilling costs include the cost of the 11 holes (3,454 metres) of helicopter assisted diamond drilling and associated analytical costs. The drill results included a highlight hole of 126 metres at 0.54% copper equivalent (0.34% Cu and 0.28 g/t Au), for a complete understanding of the results reference should be made to the Company's news release dated December 8, 2011.

Geology and geochemistry costs include the costs associated with a soil stream sediment sampling and prospecting program. In Q1 2012, the geology and geochemistry costs relate to the costs of compiling and wrapping up the recent exploration program at Zymo. Geophysics includes the cost of approximately 30 kms of line cutting and IP surveying that commenced in Q3 2011 and includes both a labour and helicopter component.

Acquisition costs include the payment of $100,000 and the fair value ($80,000) of 100,000 shares issued under the option agreement with Eastfield (refer section 4.2)

Under the terms of the option agreement, subject to certain conditions, Bearing was required to spend $2 million prior to December 31, 2011. Due to the weather conditions it was not possible to complete this expenditure and under the terms of the agreement both parties have agreed to extend this deadline to December 31, 2012. As a result, Bearing will be required to spend $2.5 million prior to December 31, 2012 to maintain the option in good standing. As of April 30, 2012, the Company had incurred approximately $1.7 million in qualifying expenditures towards earn-in.

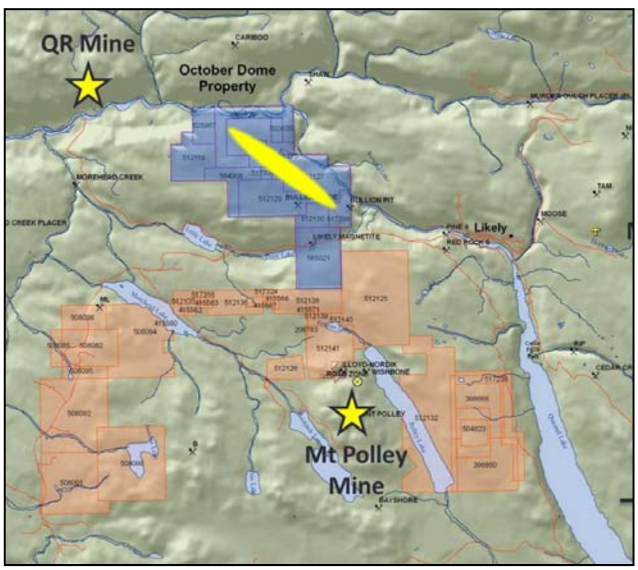
2.4 October Dome Property British Columbia, Canada

The 100% owned October Dome gold property, is located in the "Quesnel Trough" in central British Columbia, Canada near the town of Likely. The October Dome claims are subject to Net Smelter Royalties ("NSR") of between 1.5% and 2%. The October Dome property is located 10km north of Imperial Metals Corporation's ("Imperial") Mt. Polley porphyry copper gold mine property and Barkerville Gold Mines Ltd.'s QR skarn gold mine property is located 7 km to the northwest. The October Dome target is defined by a grid area of some 4.0 km by 1.1 km that has been surveyed by magnetic and IP surveys and soil geochemistry.

In June 2011, the Company completed a soil sampling program in order to expand the existing soil grid to the southeast. This sampling extended the existing gold and arsenic soil anomalies by a further kilometre to the southeast. In October 2011, the Company received a multi-year exploration permit that will allow extension of the existing IP grid to the southeast to cover the expanded soil anomaly as well as trenching and diamond drilling.

The following table summarizes the quarterly and year to date expenditures on the October Dome property. Exploration and evaluation costs are expensed while the acquisition costs are capitalized.

Table 3: October Dome Properties	Quarterly								YTD	
	Q310	Q410	Q111	Q211	Q311	Q411	Q112	Q212	2011	2012
Camp & accommodation	-	-	-	-	5,925	3,247	-	-	-	-
Drilling	-	-	-	-	-	-	-	-	-	-
General & administration	-	-	-	2,393	2,930	14,409	4,531	3,491	2,393	8,021
Geology & geochemistry	-	-	27,644	14,599	32,402	3,755	915	230	42,243	1,146
Geophysics	-	-	-	-	-	-	-	-	-	-
Write-down (recoveries)	-	-	-	-	-	-	-	-	-	-
Total exploration	**-**	**-**	**27,644**	**16,992**	**41,257**	**21,411**	**5,446**	**3,721**	**44,636**	**9,167**
Acquisition costs	-	-	-	-	-	-	-	-	-	-
Total acquisition & exploration	**-**	**-**	**27,644**	**16,992**	**41,257**	**21,412**	**5,446**	**3,721**	**44,636**	**9,167**



The October Dome property was transferred as part of Arrangement Agreement (section 7). Any costs prior to March 25, 2011 were incurred by Valley High and reference should be made to the MD&A for Valley High for those periods, which is available on SEDAR.

General & administration in Q4 2011 include the costs of obtaining a multi-year exploration permit that will allow extension of the existing IP grid to the southeast as well as trenching and diamond drilling of the anomalous areas, and claim fees. Q1 2012 and Q2 2012 costs relate to ongoing consultation costs with First Nations. In Q1 2011, a soil sampling program was undertaken. In Q2 2011, the Company undertook an updated NI43-101 report and costs of this report are included in Geology and geochemistry. In Q3 2011, the Company undertook an additional soil sampling program that extended the known anomaly a further kilometer to southeast.

Past soil sampling and geophysical programs have outlined a coincident chargeability high and gold-arsenic and copper soil anomaly over a strike length of 2.5 kms. The soil sampling in 2011 extended this anomaly a further 1km to the southeast.

2.5 Yukon Properties

In the Yukon, the Company owns the VF (2,900 hectares; optioned to Aben), BIG (2,740 hectares), JAY (5,350 hectares; partially optioned to Precipitate), VBA (1,660 hectares), VM (2,160 hectares) and HY (1,000 hectares) properties. It also holds the Flume property (3,680 hectares; optioned to RGC) located 60 km southwest of Dawson City, Yukon and 30 kilometres northwest of Kinross Gold Corporation's White Gold discovery.

In March 2012, the Company optioned the VF property to Aben Resources Ltd. (“Aben”) whereby they could earn a 100% interest by making a total of $150,000 in cash payments ($30,000 paid) and issuing a total of 1 million Aben common shares over 4 years (100,000 issued) and incur $100,000 of exploration expenditures in the first year. Bearing will retain a 2% NSR on the VF property, of which Aben may purchase 1% for $1,500,000.

In August 2011, the Company partitioned 2,240 hectares (referred to as the “Jay East” property) of the JAY claim block and entered into an option agreement with Precipitate Gold Corporation ("Precipitate") whereby Precipitate can earn up to a 70% interest in Jay East. To earn an initial 51% interest Precipitate must make cash payments totalling $480,000 ($5,000 paid) and complete exploration expenditures totalling $2 million over a five year period. Precipitate may earn an additional 19% interest by completing a feasibility study and making additional cash payments totalling $300,000. Jay East is located immediately to the east and south of Precipitate's REEF property.

During 2011, the Company acquired a 100% interest in the HY claims. Under the terms of the purchase agreement with Freeport-McMoran of Canada Limited (“Freeport”), the Company acquired a 100% interest in the claims through a one-time payment of $50,000. The claims are subject to a 2% NSR. In addition, Freeport is entitled to receive up to 30% of any proceeds over and above the initial purchase consideration of $50,000 from disposition if the property is sold within the first year.

Under a June 2009 option agreement with Phelps Dodge Corporation of Canada Limited ("PDC"), the Company may acquire a 100% interest in the Flume property subject to an NSR. In January 2010, the Flume property was optioned to Ryan Gold Corp (“RGC”), whereby RGC has been granted the right to earn up to a 75% interest in the property. Under the terms of the agreement, RGC has the right to earn a 51% interest in the Flume property by incurring $1.5 million in qualified expenditures over a four year period and making cash payments of $500,000 ($150,000 paid). If the earn-in is achieved, RGC would further have the option to increase its share to 65% by spending an additional $5 million and making further staged cash payments totalling $500,000 by the end of year seven. RGC would then have the option of increasing its share to 75% by the end of year nine by completing a feasibility study and making a cash payment of $1 million.

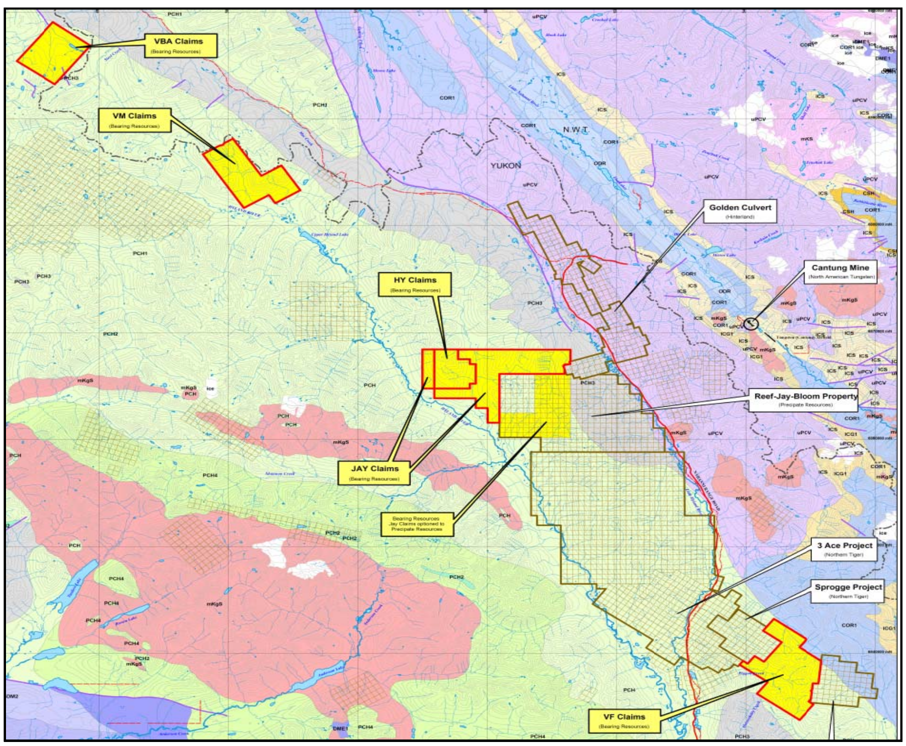
In the Summer of 2011, RGC took a total of 1,510 soil samples from the Flume Property to complement the 2,493 soil samples taken in 2010. Anomalous gold-in-soil values greater than 100 ppb gold, the upper 1.8% of the gold-in-soil values, and up to a maximum of 1,916 ppb gold were identified over the claim blocks. With the encouraging soil results on this project, RGC plans further geological mapping of the area, extended grid soil sampling, as well as an initial drill program. RGC has budgeted to spend $1.8 million on Flume in 2012.

The following table summarizes the quarterly and YTD expenditures on the Company’s Yukon portfolio. It does not include costs incurred by third parties on optioned properties. Exploration and evaluation costs are expensed while the acquisition costs are capitalized.

Table 4: Yukon Properties	**Quarterly**								**YTD**	
	Q310	**Q410**	**Q111**	**Q211**	**Q311**	**Q411**	**Q112**	**Q212**	**2011**	**2012**
Camp & accommodation	-	-	-	-	21,254	24,391	-	-	-	-
Drilling	-	-	-	-	-	-	-	-	-	-
General & administration	-	-	-	-	2,911	13,265	-	-	-	-
Geology & geochemistry	-	-	-	-	125,495	90,833	17,929	**(3,697)**	-	**14,232**
Geophysics	-	-	-	-	114,069	(201)	-	-	-	-
Write-down (Recoveries)	(15,000)	-	-	-	4,432	54	-	**(19,673)**	-	**(19,673)**
Total exploration	**-**	**-**	**-**	**-**	**268,162**	**128,343**	17,929	**(23,370)**	**-**	**(5,441)**
Acquisition costs	140,119	-	-	47,225	23,845	53,780	-	**(18,828)**	47,225	**(18,828)**
Total acquisition & evaluation	**125,119**	**-**	**-**	**47,225**	**244,980**	**182,123**	17,929	**(42,198)**	**47,225**	**(24,269)**

In Q3 2011, field crews were mobilized to the BIG, VF, JAY and VBA properties. The camp and accommodation costs relate to the cost of establishing a base in the Yukon for the summer exploration program. Geology and geochemistry costs include the costs of geological mapping, prospecting and sampling on the Yukon properties and for full details reference should be made to news release dated December 12, 2011.

The results include the discovery of the HY-JAY Zig Zag gold zone ("Zig Zag"), where 9 of 14 grab samples from subcrop and associated boulder field returned assay results of greater than 1 g/t gold. These results included two samples that assayed 47.0 g/t gold &, 175 g/t silver, and 19.9 g/t gold & 230 g/t silver, respectively. It is important to note that grab samples are selective by nature and are unlikely to represent average grades of sampling on the entire property. Q1 2012 costs principally relate to compilation and assessment reports on the underlying claims.



Geophysics costs include the expense of airborne magnetic and radiometric surveys totalling 1,240 line-kilometers completed over the VF and JAY claims in Q3 2011. Results indicate potential strong structural controls on both properties.

Recoveries in Q3 2010 represent the difference between the Company's payments that were due on Flume to PDC and those that were paid to the Company from RGC. They are recorded as recoveries as the Company has no capitalized cost associated with Flume. In Q3 2011, the Company disposed of certain claims in the Yukon and wrote off these costs ($23,182) (this explains the decrease in acquisition costs as well as the increase in write-downs). This write-down was offset by a further receipt from RGC that was in excess of the payment due to PDC.

In Q2 2012, the Company received $30,000 in cash and 100,000 shares from Aben (market value: $8,500). Of this amount $18,827 was applied against previously deferred costs and $19,673 was recognized as a recovery.

Included within acquisition costs for Q4 2011 is the $50,000 payment to Freeport for the HY property (refer section 2.5)

2.6 Other Exploration Costs

Other Exploration Costs include the costs associated with our generative exploration programs in Canada and the Mt Polley Properties, BC, Canada. The Mt. Polley properties comprise approximately 7,458 hectares located adjacent to Imperial's producing Mt. Polley open-pit copper gold mine, which is approximately 100 km northeast of Williams Lake, British Columbia, Canada. The claims are subject to a NSR of up to 2%.

The Mt. Polley properties had previously included an additional area comprising one complete mineral cell and four partial cells that are adjacent to Imperial's Boundary Zone. This area was sold to Imperial and the Company has retained a royalty based on the material that is milled from this area. The royalty is $2.50 per tonne for the first 400,000 tonnes of material milled and the $1.25 per tonne for all tonnes milled in excess of 400,000 tonnes. The royalty per tonne in excess of 400,000 tonnes milled can be reduced to $0.62 per tonne by Imperial making a payment of $1 million. The Company is entitled to 90% of the royalty payments. The Company received the three royalty payments between February and April 2012.

The following table summarizes the quarterly and YTD expensed exploration costs for generative exploration in Canada, including Mt Polley, Exploration and evaluation costs are expensed while the acquisition costs are capitalized:

Table 5:	**Quarterly**								**YTD**	
Other Exploration	**Q310**	**Q410**	**Q111**	**Q211**	**Q311**	**Q411**	**Q112**	**Q212**	**2011**	**2012**
Camp & accommodation	-	-	-	-	-	-	-	-	-	-
General & administration	34,103	32,068	10,791	(2,397)	29,266	39,597	41,681	40,985	8,052	82,666
Geology & geochemistry	397	(23,856)	-	-	-	2,833	234	-	-	234
Geophysics	-	-	-	-	-	-	-	-	-	-
Write-down (recoveries)	-	-	-	-	-	-	-	-	-	-
Total exploration	**34,500**	**8,212**	**10,791**	**(2,397)**	**29,266**	**42,430**	**41,915**	**40,985**	**8,052**	**82,900**

Expensed exploration costs up to March 25, 2011 include those exploration costs from Valley High that are based on a number of accounting assumptions and are not necessarily representative of future performance.

General & administration costs include the costs of our VP Exploration, in Canada.

3 OUTLOOK

In May 2012, the Company finalised the option on the Kilometer 66 property ("KM 66"), located west of and contiguous with the Company's Pedro Property, which further extended our land position at Mapimi within the gold-silver belt of the Mesa Central Region in Durango State. The KM 66 property is a 13,400 hectare property which hosts a number of mineral occurrences including the La Gloria zone where historical work by previous operators had defined a resource. The majority of this large property is unexplored. Upcoming work at Kilometer 66 will involve targeted soil sampling, reconnaissance IP surveys, mapping and prospecting in order to define drill targets. In addition, the area of detailed drilling at La Gloria will be re-evaluated to design a resource expansion drill program.

Between May and November 2011, the Company increased its land holdings in Mapimi with the addition of four new 100% owned Pedro claims totalling ~26,000 hectares (title partially pending). The Company is evaluating the area for intrusion related base metal and gold-silver mineralization, and has identified a number of potential targets utilizing regional scale prospecting and soil sampling. This work will increase over the next quarter with a goal of identifying several drill ready targets by the fourth quarter, 2012.

Subsequent to the period end, at the optioned 351 hectare Parrandera property, the Company completed a 1,172 meter (7 hole) diamond drill program designed to test the depth extension of anomalous gold-silver-copper-zinc surface mineralization. The results of this drill program did not meet the Company's exploration target criteria and the property will be returned to the underlying property owners.

The Company has initiated the process to drop its application on the 8,500 hectare Carreton property which is located in central Durango State in the municipality of San Pedro El Gallo. Prospecting carried out to date does not support further expenditure on the property

At the Zymo copper-gold porphyry property in British Columbia, the exploration program completed in 2011 included 3,454 metres of NQ diamond drilling in 11 drill holes; 7 holes at the Hobbes Zone ("Hobbes"), 2 holes at the FM Zone ("FM") and 2 holes at the URC Zone ("URC"). Drill results were released on December 8, 2011. In addition, approximately 30 kilometres of IP geophysical surveying was completed as well as soil stream sediment sampling and prospecting. The work program was terminated early due to the onset of winter conditions and will be continued in the spring of 2012. The Company expects to execute a minimum $0.8 million exploration program in 2012 that will focus on further delineation drilling at Hobbes as well as testing the other targets on the property.

At October Dome, the Company has recently received a multi-year exploration permit that will allow extension of the existing IP grid to the southeast to cover the expanded soil anomaly as well as trenching and diamond drilling of the anomalous areas. The Company plans to complete an initial drill program in 2012 targeting the strong coincident IP and soil anomalies. The Company continues to have discussions with the Williams Lake Indian Band (WLIB) and Soda Creek Indian Band (SCIB) regarding the Company's activities in the area. The Company is hopeful that these discussions will result in the execution of an Exploration Agreement with both the WLIB and SCIB. The Exploration Agreement would recognize and respect WLIB and SCIB asserted aboriginal rights and title in the area as well as the Company's rights and interests in the exploration and potential development of the project.

At Mt. Polley, no specific work program is currently contemplated and the Company continues to follow with interest Imperial's activity in and around the Mt. Polley mine area, in particular the Boundary Zone. The Company owns a production Royalty, on tonnes milled that are derived from a portion of the Boundary Zone, owned by Imperial Metals Ltd. The Royalty has a time lag of five months from milling to payment and the Company has now received three Royalty payments. It is the Company's understanding that this was derived from limited initial small scale mining at the Boundary Zone which took place between August and October of 2011 and that no additional Royalty payments may be expected until five months following the start-up of mining at the Boundary Zone. The Company has no guidance as to when start up may take place.

In the Yukon, the addition of the HY property (9,974 hectares), brought its exploration property portfolio in the Yukon to a total of seven. Three of the properties have been optioned to third party exploration companies; The Flume property to Ryan Gold Corp., the Jay East property to Precipitate Gold Corp. and the VF property to Aben Resources Ltd. The Company has decided to seek partners for the remainder of its Yukon portfolio. With respect to the Flume property, Ryan Gold Corp. announced its intention to complete at least 7 drill holes totalling 1,500 metres on a portion of the property where results of soil geochemical and airborne magnetic surveys have outlined an approximately 2.5 km long northwest trending soil anomaly, greater than 100 ppb Au, that is coincident with linear magnetic features.

As at April 30, 2012, the Company had cash and cash equivalents of approximately $3.8 million ($0.7m flow-through). The Company continues to look for opportunities to both expand its existing exploration portfolio and ensure that its exploration properties continue to be advanced.

4 FINANCIAL POSITION REVIEW

4.1 Assets

Table 6: Assets ($)	October 31, 2010	October 31, 2011	April 30, 2012
Cash and cash equivalents	-	4,582,528	3,768,358
Accounts receivable and prepaid expenses	52,990	221,204	89,587
Investments	-	-	7,000
Mineral property interests	711,012	1,048,819	1,024,727
Reclamation bonds and deposits	11,500	21,505	21,552
Property, plant and equipment	16,393	67,448	61,059
Total Assets	**791,895**	**5,941,504**	**4,972,283**

Cash and cash equivalents decreased during the period as a result of exploration and corporate expenses for the period and the reduction in accounts payable from year end. The decrease was offset by the receipt of $180,000 in proceeds from the financing that was undertaken in January 2012.

The decrease in accounts receivable and prepaid expenses is due principally to the receipt of Harmonized Services Tax (“HST”) associated with the Zymo exploration program, that was accrued for at year end.

Investments are comprised of 100,000 Aben common shares, that are marked to market, that were received as part of the VF option agreement (section 2.5)

Table 7: Mineral property interests ($)	October 31, 2010	October 31, 2011	April 30, 2012
Zymo	-	180,000	180,000
October Dome	555,057	555,057	555,057
Mt. Polley	40,836	40,836	13,325
Mexico (including Mapimi)	-	79,984	102,229
Other	115,119	192,943	174,116
Total Mineral property interest	**711,012**	**1,048,819**	**1,024,727**

Under the Company’s accounting policy only acquisition costs are deferred. In Q1 2012, the Company has received three royalty payments from Imperial, based on tonnes mined from August to October 2011. The receipt of these royalties has been applied to deferred acquisition costs, which explains the decrease in the carrying cost of the Mt Polley properties. The Company has also deferred its December option payment in respect of Parrandera.

The costs deferred on Zymo represent the June 2011, cash payment of $100,000 and the fair value of 100,000 shares issued in connection with the option agreement. The Parrandera option payments are consistent with the option payments due on two of the optioned properties and acquisition costs on the other areas surrounding the properties.

Other mineral property interests are comprised principally of acquisition costs in the Yukon. The reduction in Q2 2012 is due to the receipt of funds from Aben on the VF project.

4.2 Liabilities and Commitments

Table 8: Liabilities ($)	October 31, 2010	October 31, 2011	April 30, 2012
Accounts payable and accrued liabilities	-	355,667	197,800
Premium liability	-	69,465	64,496
Total Liabilities	**-**	**425,132**	**262,296**

Accounts payable and accrued liabilities decreased due to the completion of the exploration program at Zymo for 2011 and associated payment of those expenses in Q1 2012. This has been partially offset by the accrual for 483 meters of drilling at Parrandera.

The Premium liability arises from the flow-through financing that was conducted in July 2011. The initial liability was established at $233,658 and has been drawn down by qualifying exploration expenditure. The Company is under the obligation to renounce these tax losses on this financing but the liability is released when these tax losses are incurred. The flow-through financing was done in conjunction with a separate unit offering, that comprised a common share and half-warrant. For the purposes, of determining the premium liability the Company has calculated what the fair value of a half-warrant would have been on the flow-through financing and determined this to be the premium liability.

Commitments

Table 9: Cash Commitments Schedule per Fiscal Year, as at April 30, 2012 ($)(1)	2012 (paid)	2012	2013	2014	Thereafter
Zymo (*to earn 51% excludes commitments & shares*)	-	100,000	100,000	100,000	100,000
Parrandera- US$(2)	15,000	145,000	385,000	200,000	-
Lease commitments	11,952	23,904	47,808	11,952	-

(1) *Table excludes shares, it also excludes the Flume payments as these have been offset by the RGC Agreement. The table also excludes KM66 as this agreement was signed after April 30, 2012.*
(2) *Subsequent to period end the Company terminated its option over the Parrandera property.*

Parrandera:
The 49 hectare claim could have been purchased for a total of US$250,000 (US$40,000 paid) over two years, subject to a 1.5% NSR (0.5% purchasable for US$100,000). The 302 hectare claim could have been purchased for a total of US$560,000 over three years (US$40,000 paid) subject to a 1.5% NSR (0.5% purchasable for US$500,000). In June 2012, the Company elected to terminate its option agreements on the Parrandera property.

KM 66:
In May 2012, the Company entered into an agreement to acquire a 100% interest in the 13,400 hectare KM 66 silver-gold-lead-zinc property under the terms of the agreement BRZ can earn a 100% interest, subject to a 3% NSR the Company shall pay: US$150,000 on signing (paid May 2012); US$150,000 on the first anniversary of signing; US$150,000 on the second anniversary; US$400,000 on the third anniversary; US$500,000 on the fourth anniversary; US$7,875,000 at the end of year five.

At the Company's election it may purchase the property outright after two years for US$5,575,000 or after three years for US$5,875,000 or after four years for US$6,875,000. The Company may purchase up to 1% of the NSR for US$650,000 per half percent and holds a first right of refusal to purchase the remaining 2%.

Zymo:
To earn an initial 51% interest, Bearing must make cash payments totalling $500,000 and issue 500,000 Bearing shares and complete exploration expenditures totalling $8 million over a five year period. Bearing may earn an additional 9% interest by completing a feasibility study and maintaining minimum annual expenditures of $500,000. Should Bearing make the decision to put the property into production, Bearing will have an option to earn an additional 5% interest by paying $10 million, issuing to 2 million Bearing shares and arranging project financing for the mine development.

Flume:
Bearing may earn a 100% interest in the Flume property from PDC by making cash payments totalling $225,000 ($75,000 paid) and by spending $500,000 on exploration work within 4 years (completed). The initial payment of $10,000 (paid) was due on the six month anniversary of the signing of the option agreement. A required minimum $200,000 work program was completed by June 24, 2011. PDC retains a 2% NSR royalty of which one half can be purchased for a sum of $1,000,000. PDC also retains the right to share in the proceeds derived from the sale or option of the property to a third party in the amount of 25% of the proceeds (in the first year the amount was 50% of proceeds) in any subsequent year. This commitment has been offset by payments received from RGC.

4.3 Equity and Financing

Table 10: Shareholders' Equity ($)	**October 31, 2010**	**October 31, 2011**	**April 30, 2012**
Common shares	-	8,094,885	8,256,758
Contributed surplus	4,169,805	4,407,606	4,661,978
AOCI	-	(5,999)	(9,620)
Deficit (refer to section 5)	(3,430,900)	(6,980,120)	(8,199,129)
Total Shareholders' Equity	**738,905**	**5,516,372**	**4,709,987**

In January 2012, the Company completed a 428,572 unit offering for gross proceeds of $180,000. Each unit was comprised of one common share and one half of a common share purchase warrant. The units were priced at $0.42. Each whole warrant is exercisable for one common share of the Company for a period of 12 months on or before January 18, 2018 an exercise price of $0.60.

The increase in contributed surplus arises from the aforementioned financing January 2012 and the continuing expensing of the fair value of stock options.

Table 11: Shareholders' Equity ($)	**October 31, 2010**	**October 31, 2011**	**April 30, 2012**
Common shares	*Non-applicable as Company was only spun-out of Valley High on March 25, 2011*	23,361,076	23,789,648
Options outstanding			
Number		2,090,000	2,306,667
Weighted average price		$0.72	$0.69
Warrants outstanding			
Number		4,166,663	4,380,949
Weighted average price		$0.60	$0.60
Market capitalization		$12.1 million	$10.5 million
Share price		$0.52	$0.44

Table 12: - Use of Proceeds Table					
Description	**Shares (000's)**	**Price CA$**	**Gross Proceeds ($000's)**	**Intended Use**	**Actual Use**
July 11, 2011- Flow through and Unit Issuance	14,386	$0.42	6,000	Exploration and working capital	Pending
January 18, 2012- Unit Offering	429	$0.42	180	Working capital	Pending

5 EXPENDITURE REVIEW

Expenditures up to March 25, 2011 are from the deemed business of Bearing that were included with the operating results of Valley High and the allocation of these costs are subject to the accounting assumptions adopted in determination of these results and are not necessarily a good indication of future results (refer to section 7).

	Quarterly								YTD	
Table 13: Expenditures ($000's)	**Q310**	**Q410**	**Q111**	**Q211**	**Q311**	**Q411**	**Q112**	**Q212**	**2011**	**2012**
Revenues	-	-	-	-	-	-	-	-	-	-
Exploration expenditures (Table 14)	105	134	70	126	545	1,821	248	260	196	508
Other expenses										
Audit, filing and legal Fees	-	-	-	2	121	210	33	43	2	76
Consulting and labour	47	46	15	32	111	134	143	138	47	281
Depreciation and amortization	2	4	3	1	2	3	6	6	4	12
Finance Income	-	-	-	-	(4)	(17)	(16)	(12)	-	(27)
FT premium recognition	-	-	-	-	-	(164)	(5)	-	-	(4)
Other costs	(6)	10	7	19	3	3	7	5	26	12
Rent and office costs	7	5	5	11	30	41	32	26	16	58
Share-based payments	-	-	-	-	267	140	126	111	-	238
Unrealized loss on investment	-	-	-	-	-	-	-	2	-	2
Travel and promotion	13	34	25	5	10	2	23	43	29	65
Total other expenses	63	99	55	70	540	352	349	362	124	711
Net loss	**168**	**233**	**125**	**196**	**1,085**	**2,145**	**597**	**622**	**321**	**1,219**
Basic loss per share		**Non-applicable**			**$0.07**	**$0.09**	**$0.12**	**$0.03**	**n/a**	**$0.05**

Exploration expenditures for Q2 2012 are principally comprised of $242,389 from Mexico (Section 2.2).

As the Company is in the exploration and development stage it has no sales or revenues. Audit, filing and legal fees have increased due to the Company becoming a stand-alone legal entity as of March 25, 2011. It also includes listing and legal costs associated with the Company commencing trading in July 2011. Included within Q4 2011 legal fees costs were one-off reimbursements arising from the Arrangement.

Consulting and labour increased from Q3 2011 as the Company has established itself as a separate operating entity.

Finance income is comprised of interest income on the Company's cash and cash equivalents.

The FT premium recognition arises from incurring Canadian exploration expenditures that were used to offset the flow-through share premium liability. These losses were renounced to the underlying shareholders in February 2012 and a full valuation allowance would have been taken on these losses had they not been incurred under the flow-through share program. The significant recognition in Q4 2011 is consistent with the flow-through spend on the Zymo project in Q4 2011 which decreased significantly in Q1 2012 with the end of the 2011 exploration program at Zymo.

Rent and office costs include insurance and communication costs. Share-based payments is as a result of the first time grant of options in Q3 2011 and one-third of these options vesting immediately and therefore one-third of their fair value was immediately expensed.

Travel and promotion expenses have increased in Q1 & Q2 2012 as a result of the appointment of a Manager of Corporate Relations.

Table 14: Expensed Exploration	**Quarterly**								**YTD**	
($000's)	**Q310**	**Q410**	**Q111**	**Q211**	**Q311**	**Q411**	**Q112**	**Q212**	**2011**	**2012**
Camp & accommodation	-	-	-	4	71	257	20	23	4	43
Drilling	-	-	-	-	18	888	-	72	-	72
General & administration	74	62	12	33	46	145	69	77	45	147
Geology & geochemistry	46	72	58	89	272	301	131	92	147	223
Geophysics	-	-	-	-	133	200	27	16	-	43
Write-down (recoveries)	(15)	-	-	-	4	-	-	(20)	-	(20)
Total	**105**	**134**	**70**	**126**	**545**	**1,791**	**248**	**260**	**196**	**508**

Expensed exploration costs in Q3 and Q4 2011 were higher as a result of the work programs at Zymo (refer to section 2.3) and Summer work programs in the Yukon (refer to section 2.4). Camp costs reflect the costs of running these programs. Drilling costs include 3,454m of helicopter supported drilling and associated assay costs at Zymo in Q3 and Q4 2011, and the accrual of 483m of diamond drilling at Parrandera in Q2 2012. Geophysics costs in Q3 2011 principally relate to our Yukon projects, Q4 2011 costs relate to Zymo and 2012 costs relate to Parrandera.

Recoveries in Q2 2012 relate to proceeds from Aben that exceed the Company's deferred acquisition costs

Expenditures prior to March 25, 2011 are based on expenses allocated from the financial performance of Valley High and are not necessary indicative of future costs. The amount allocated to the Bearing Business prior to March 25, is also tied to the exploration expenditures at Cordero versus the Bearing Business and therefore the allocations to the Bearing Business varied based on the relative exploration expenditures.

6 CASH FLOW REVIEW

Quarterly Discussion:
Cash outflow from operating activities for Q2 2012 was $ 291,478 (Q211: $212,540) was due principally to the exploration program at Parrandera and Corporate costs. Cash outflow from financing activities was $247 (Q211: $1,975,550 inflow) the previous inflow was from funding from Valley High for the Bearing Business. Cash inflow from investing activities was $27,180 (Q211: $nil) which was principally related to proceeds from the VF option agreement.

Year to Date:
Cash outflow from operating activities was $ 1,024,715 (Q211: $334,401) was due principally to the exploration program in Mexico, payment of costs associated with Zymo and corporate costs. Cash inflow from financing activities was $178,684 (H211: $2,097,411) the previous inflow was from funding from Valley High for the Bearing Business. Cash inflow from investing activities was $30,845 (H211: $nil) which was principally related to proceeds from the VF option agreement and Imperial royalty payments.

7 PLAN OF ARRANGEMENT

On March 25, 2011, Valley High was acquired by Levon Resources Ltd ("Levon") by way of a court-approved plan of arrangement (the "Arrangement").

Under the Arrangement, the authorized share capital of Valley High was amended by the creation of two new classes of shares consisting of an unlimited number of Valley High Class A Shares and an unlimited number of Valley High Preferred Shares. In the course of the capital reorganization each Valley High Share was exchanged for one Valley High Class A Share and 0.125 of a Bearing Resources Ltd. Share (the "Company" or "Bearing"), and such Valley High Shares were there cancelled.

Valley High's interest in the Mt. Polley Properties, Flume property, other staked Yukon properties and its early exploration prospect, Carreton, in Mexico (collectively, "the Projects") were transferred to Bearing, together with $1.8 million in cash.

Bearing provided Levon with an indemnification in respect of the tax payable on disposition of Bearing Resources Ltd., in the event that the fair market value of the assets transferred exceeds the tax pools available to Valley High upon acquisition.
For a full understanding of the Arrangement reference should be made to the Valley High's Information Circular, dated February 18, 2011.

The formation of Bearing was the result of the transfer of assets between entities under common control: accordingly, the transaction is excluded from the scope of IFRS 3 (R), Business Combinations. These financial statements have been presented using predecessor accounting with balance sheet amounts based on the amounts recorded by Valley High up to March 25, 2011.

Bearing began operations on March 26, 2011. Financial statement information prior to this date reflects the financial position, statements of loss, comprehensive loss and deficit and cash flows of the Bearing Business of Valley High. The statements of loss, comprehensive loss and deficit for the three ended January 31, 2011 include an allocation of Valley Highs' general and administrative expenses incurred in each of those periods up to March 25, 2011 and expenses incurred directly by Bearing for the periods then ended. The consolidated schedule of mineral property costs for the three months ended January 31, 2011 include the acquisition costs deferred to the Bearing properties.

The allocation of general and administrative expense was calculated on the basis of the ratio of costs deferred on projects in each year presented as compared to the costs incurred on all mineral properties in each of these years. The consolidated financial statements have been presented under the continuity of interests basis of accounting with balance sheet amounts based on the amounts recorded by Valley High. Management cautions readers of these financial statements, that the allocation of expenses does not necessarily reflect future general and administrative expenses.

8 RISKS, CRITICAL ACCOUNTING ESTIMATES & POLICIES

For a full version of the critical accounting estimates and policies, reference should be made to the Company's audited financial statements for the year ended October 31, 2011.

8.1 Disclosure Controls and Internal Control Financial Reporting

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to permit timely decisions regarding public disclosure. Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures, as defined in the rules of the Canadian Securities Administration, as at April 30,

2012. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective to ensure that information required to be disclosed in reports filed or submitted by the Company under Canadian securities legislation.

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management in its opinion has designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes. However, a material weakness exists in the design of internal control over financial reporting caused by a lack of adequate segregation of duties in the financial close process. The Chief Financial Officer is responsible for preparing, authorizing, and reviewing information that is key to the preparation of financial reports. He is also responsible for preparing and reviewing the resulting financial reports. This weakness has the potential to result in material misstatements in the Company's financial statements. Management has concluded, and the audit committee has agreed that taking into account the present stage of the Company's development, the Company does not have sufficient size and scale to warrant the hiring of additional staff to correct the weakness at this time.

The Canadian Securities Administrators do not require any certification on the effectiveness of these controls at this time. There have been no changes in the Company's internal control over financial reporting during the period ended April 30, 2012, that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

8.2 Forward Looking Statements

Certain statements included in this "MD&A" constitute forward-looking statements, including those identified by the expressions "anticipate", "believe", "plan", "estimate", "expect", "intend", "may", "should" and similar expressions to the extent they relate to the Business or its management. The forward-looking statements are not historical facts but reflect current expectations regarding future results or events. This MD&A contains forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors.

Information concerning the interpretation of drill results also may be considered forward-looking statements; as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. The estimates, risks and uncertainties described in this MD&A are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in the Company's forward-looking statements. In addition, any forward-looking statements represent the Company's estimates only as of the date of this MD&A and should not be relied upon as representing the Company's estimates as of any subsequent date. The material factors and assumptions that were applied in making the forward-looking statements in this MD&A include: (a) execution of the Company's existing plans or exploration programs for each of its properties, either of which may change due to changes in the views of the Company, or if new information arises which makes it prudent to change such plans or programs; and (b) the accuracy of current interpretation of drill and other exploration results, since new information or new interpretation of existing information may result in changes in the Company's expectations. Readers should not place undue reliance on the Company's forward-looking statements, as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize.

8.3 Other Risks

Reference should be made to the Company's risks and critical accounting policies and practices section of the October 31, 2011, Management Discussion and Analysis for a complete discussion on the risk factors associated with **Government Laws, Regulation & Permitting; Additional Financings; Key Management and Competition; Title to Properties; Commodity Prices and Conflicts of Interest** amongst other things.

8.4 Critical Accounting Policies

Estimates, risks and uncertainties

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported and disclosed in the financial statements and the accompanying notes. Actual results could differ from those estimates.

In applying its accounting policy for costs incurred during the development phase the Company must determine whether the criteria for capitalization have been met. The most difficult and subjective estimate is whether a project will generate probable future economic benefits. Management considers all appropriate facts and circumstances in making this assessment including historical experience, expected market demand, costs and future economic conditions.

Realization of the Company's assets and liabilities is subject to risks and uncertainties, including reserve and resource estimation, future copper and other base and precious metal prices, estimated costs of future production, changes in government legislation and regulations, estimated deferred income taxes, the availability of financing, and various operational factors.

Exploration and Evaluation Costs

Exploration and evaluation costs include costs to acquire the rights to explore, geological studies, exploratory drilling and sampling and directly attributable administrative costs.

Exploration and evaluation costs relating to non-specific projects or properties or those incurred before the Company has obtained legal rights to explore an area are expensed in the period incurred. Property acquisition costs are capitalized.

Exploration and evaluation costs are recognized as mineral property interests when management has established that a resource exists or that the costs can be economically recovered.

Once the technical feasibility and commercial viability of the extraction of resources from a particular mineral property has been determined, exploration and evaluation assets are reclassified to mine properties within property, plant and equipment.

Proceeds from the sale of properties or cash proceeds received from option payments are recorded as a reduction of the related mineral property interest.

Asset impairment

The Company performs impairment tests on mineral properties, when events or circumstances occur which indicate the assets may not be recoverable. Impairment assessments are carried out on project by project basis with each project representing a single cash generating unit.

When impairment indicators are identified, an impairment loss is recognized for any amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Other Accounting Policies

Reference should be made to the risks, and critical accounting policies and practices section of the October 31, 2011 Management Discussion and Analysis for other accounting policies including but not limited to **Foreign currency translation; Income taxes; Flow-through common shares; Loss per share; Valuation of equity units; Financial Instruments and Future accounting pronouncements;**

The functional currency of the Bearing is the Canadian dollar.

www.bearingresources.ca

Contact: Geoff Chater, President and CEO at gchater@bearingresources.ca