



(An Exploration Stage Company)
Condensed Consolidated Financial Statements
For the Quarter ended April 30, 2014

(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, 2014 and October 31, 2013

(Expressed in Canadian dollars, except where indicated)

	April 30, 2014 \$	October 31, 2013 \$
Assets		
Current assets		
Cash and cash equivalents	818,107	948,931
Accounts receivable and prepaid expenses	11,907	14,829
Investments (note 4)	14,401	9,001
	<u>844,415</u>	<u>972,761</u>
Non-current assets		
Reclamation bonds and deposits	21,752	21,750
Mineral property interests (note 5)	593,386	593,386
Property, plant and equipment	8,798	23,223
	<u>1,468,351</u>	<u>1,611,120</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	18,395	33,109
	<u>18,395</u>	<u>33,109</u>
Shareholders' Equity		
Common shares (note 6)	8,677,789	8,677,789
Contributed surplus	4,974,637	5,007,069
Accumulated other comprehensive income ("AOCI")	5,365	4,511
Deficit	(12,207,835)	(12,111,358)
	<u>1,449,956</u>	<u>1,578,011</u>
	<u>1,468,351</u>	<u>1,611,120</u>

Nature of operations (note 1)

Commitments and contingencies (note 10)

Approved by the Board of Directors

"David Watkins"

Director

"Damian Towns"

Director

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

Bearing Resources Ltd.

Condensed Consolidated Statement of Loss and Comprehensive Loss

For the three and six months ended April 30, 2014 and 2013

(Expressed in Canadian dollars, except where indicated)

Expenditures	Three Months Ended April 30, 2014	Three Months Ended April 30, 2013	Six Months Ended April 30, 2014	Six Months Ended April 30, 2013
			\$	\$
Exploration (note 3)	3,303	69,156	7,642	252,006
Corporate and other costs				
Audit, filing and legal fees	17,838	10,452	29,619	47,689
Consulting and labour	32,297	78,190	74,880	150,541
Depreciation and amortization	763	5,578	5,993	11,205
Finance income	(3,062)	(1,432)	(5,756)	(3,125)
Other costs	3,327	5,948	(1,945)	10,384
Rent and office costs	5,989	19,932	23,876	39,604
Share-based payment expense	-	38,452	(32,432)	80,115
Unrealized loss on held-for-trading investment	(5,400)	88,684	(5,400)	89,184
Travel and promotion	-	23,397	-	50,586
	51,752	269,201	88,835	476,183
Loss for the period	55,055	338,357	96,477	728,189
Other comprehensive income				
Items that may be classified subsequently to net income				
Foreign currency translation adjustment	(111)	(13,848)	(854)	(18,241)
Comprehensive loss for the period	54,944	324,509	95,623	709,948
Basic & diluted loss per share	\$0.00	\$0.02	\$0.00	\$0.03
Weighted average shares outstanding	25,889,648	25,889,648	25,889,648	25,889,648

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, 2014 and 2013

(Expressed in Canadian dollars, except where indicated)

	Common shares		Contributed Surplus \$	AOCI \$	Deficit \$	Shareholders' equity \$
	No. of shares #	Amount \$				
Balance – November 1, 2012	25,889,648	8,677,789	4,858,379	(8,470)	(10,686,848)	2,840,850
Share Issuances	-	-	-	-	-	-
Share Issuance costs	-	-	-	-	-	-
Share-based payments	-	-	80,115	-	-	80,115
Comprehensive income (loss)	-	-	-	18,241	(728,189)	(709,948)
Balance – April 30, 2013	25,889,648	8,677,789	4,938,494	9,771	(11,415,037)	2,211,017
Balance – November 1, 2013	25,889,648	8,677,789	5,007,069	4,511	(12,111,358)	1,578,011
Share Issuances	-	-	-	-	-	-
Share Issuance costs	-	-	-	-	-	-
Share-based payments	-	-	(32,432)	-	-	(32,432)
Comprehensive income (loss)	-	-	-	854	(96,477)	(95,623)
Balance – April 30, 2014	25,889,648	8,677,789	4,974,637	5,365	(12,207,835)	1,449,956

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, 2014 and 2013

(Expressed in Canadian dollars, except where indicated)

	Three Months Ended April 30, 2014 \$	Three Months Ended April 30, 2013 \$	Six Months Ended April 30, 2014 \$	Six Months Ended April 30, 2013 \$
Cash flows from operating activities				
Loss for the period	(55,055)	(338,357)	(96,477)	(728,189)
Items not affecting cash				
Depreciation and amortization	763	5,578	5,993	11,205
Mineral properties recovery	-	(195,994)	-	(195,994)
Mineral property writedown	-	166,527	-	166,527
Share-based payment expense	-	38,452	(32,432)	80,115
Unrealized loss on held-for-trading investment	(5,400)	88,684	(5,400)	89,184
	<u>(59,692)</u>	<u>(235,110)</u>	<u>(128,316)</u>	<u>(577,152)</u>
Change in non-cash operating working capital				
Decrease (increase) in accounts receivable & prepaids	(6,333)	(100)	2,919	86,369
Increase (decrease) in accounts payable & accruals	(2,103)	(44,855)	(14,712)	(31,134)
	<u>(68,128)</u>	<u>(280,065)</u>	<u>(140,109)</u>	<u>(521,917)</u>
Cash flows from financing activities				
Share issuances, net	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities				
Mineral property acquisition costs	-	1,017	-	-
Mineral property reimbursements	-	-	-	-
Payments to acquire capital assets	-	-	9,110	-
	<u>-</u>	<u>1,017</u>	<u>9,110</u>	<u>-</u>
Effect of exchange rate changes on cash and equivalents	52	4,647	175	1,069
Increase in cash and cash equivalents	(68,076)	(274,401)	(130,824)	(520,848)
Cash & cash equivalents - Beginning of period	<u>886,183</u>	<u>1,644,100</u>	<u>948,931</u>	<u>1,890,547</u>
Cash & cash equivalents - End of period	<u>818,107</u>	<u>1,369,699</u>	<u>818,107</u>	<u>1,369,699</u>

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

Bearing Resources Ltd.

Notes to the Consolidated Financial Statements

For the three and six months ended April 30, 2014 and 2013

(Expressed in Canadian dollars, except where indicated)

1 Nature of operations

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. On March 25, 2011, Levon Resources Ltd. (“Levon”) acquired Valley High Ventures Ltd. (“Valley High”), the predecessor corporation to the Company, by way of a court-approved plan of arrangement (the “Arrangement”).

2 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 interim consolidated financial statements are consistent with those of the previous financial year, except as described below.

(i) IFRS 10, *Consolidated Financial Statements*, requires an entity to consolidate an investee when it has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under previous IFRS, consolidation was required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The Company assessed its consolidation conclusions on November 1, 2013 and determined that the adoption of IFRS 10 did not result in any change in the consolidation status of any of its subsidiaries and investees.

(iii) IFRS 11, *Joint Arrangements*, requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under previous IFRS, entities had the choice to proportionately consolidate or equity account for interests in jointly controlled entities. The Company has classified its joint arrangements and concluded that the adoption of IFRS 11 did not result in any changes in the accounting for its joint arrangements.

(iii) IFRS 13, *Fair value measurements*, provides a single framework for measuring fair value. The measurement of the fair value of an asset or liability is based on assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The Company adopted IFRS 13 on November 1, 2013 on a prospective basis. The adoption of IFRS did not require any adjustments to the valuation techniques used by the Company to measure fair value and did not result in any measurement adjustments as at November 1, 2013.

(iv) The Company has adopted the amendments to IAS 1 effective November 1, 2013. These amendments required the Company to group other comprehensive incomes by those that will be reclassified subsequently to profit or loss and those that will not be reclassified. The Company has reclassified comprehensive income items of the comparative period. These changes did not result in any adjustments to other comprehensive income or comprehensive income.

Bearing Resources Ltd.

Notes to the Consolidated Financial Statements

For the three and six months ended April 30, 2014 and 2013

(Expressed in Canadian dollars, except where indicated)

2 Significant accounting policies (continued)

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 Company.

The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of May 27, 2014, 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, 2014.

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, 2013.

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.

New accounting pronouncements

The following new or revised standards will be effective for the Company in future periods.

(i) IFRS 9, *Financial Instruments*, was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely.

Requirements for financial liabilities were added to IFRS 9 in October 2010 and largely carried forward existing requirements in IAS 39, *Financial Instruments – Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income. The effective date of IFRS 9 was deferred in November 2013, a new effective date has not yet been published. The Company has not yet completed an assessment of the impact of adopting IFRS 9.

(ii) IFRIC 21, *Accounting for Levies imposed by Governments*, clarifies that the obligating event giving rise to a liability to pay a levy is the activity described in the relevant legislation that triggers payment of the levy. IFRIC 21 is effective for fiscal years beginning on or after January 1, 2014. The Company is currently assessing the impact of this guidance.

Bearing Resources Ltd.

Notes to the Consolidated Financial Statements

For the three and six months ended April 30, 2014 and 2013

(Expressed in Canadian dollars, except where indicated)

3 Exploration costs

Exploration costs are comprised of exploration and evaluation expenses on the following properties/ groupings. For an understanding of the properties/ groupings, reference should be made to note 5, the costs on Mt. Polley are included under the "Other" heading on the following table:

Expensed exploration costs for the three months ended April 30, 2014					
\$	OctDome	Yukon	Mexico	Other	Total
Camp & accommodation	-	-	-	-	-
Drilling	-	-	-	-	-
General & administration	1,200	-	2,103	-	3,303
Geology & geochemistry	-	-	-	-	-
Write-downs (Recoveries)	-	-	-	-	-
	1,200	-	2,103	-	3,303

Expensed exploration costs for the three months ended April 30, 2013					
\$	OctDome	Yukon	Mexico	Other	Total
Camp & accommodation	-	-	7,936	-	7,936
Drilling	-	-	-	-	-
General & administration	5,554	-	57,301	20,039	82,895
Geology & geochemistry	353	-	56,635	805	57,792
Write-downs (recoveries)	-	-	(79,467)	-	(79,467)
	5,907	-	42,405	20,844	69,156

Expensed exploration costs for the six months ended April 30, 2014					
\$	OctDome	Yukon	Mexico	Other	Total
Camp & accommodation	-	-	-	-	-
Drilling	314	-	-	-	314
General & administration	1,200	-	6,128	-	7,328
Geology & geochemistry	-	-	-	-	-
Write-downs (Recoveries)	-	-	-	-	-
	1,514	-	6,128	-	7,642

Bearing Resources Ltd.

Notes to the Consolidated Financial Statements

For the three and six months ended April 30, 2014 and 2013

(Expressed in Canadian dollars, except where indicated)

3 Exploration costs (continued)

Expensed exploration costs for the six months ended April 30, 2013					
\$	OctDome	Yukon	Mexico	Other	Total
Camp & accommodation	-	-	14,429	-	14,429
Drilling	4,780	-	-	-	4,780
General & administration	5,554	350	134,526	54,637	195,068
Geology & geochemistry	1,342	1,306	113,263	1,285	117,196
Write-downs (recoveries)	-	-	(79,467)	-	(79,467)
	11,677	1,656	182,751	55,923	252,006

4 Investments

	April 30, 2014	October 31, 2013
Held for trading investments (\$)		
Patriot Minefinders Inc (“Patriot”) (1,140,000 shares)	1	1
Aben Resources Ltd. (“Aben”) (180,000 shares)	14,400	9,000
	14,401	9,001

Bearing does not consider there to be a market for the Patriot shares and accordingly has recorded the shares at an estimated fair value of \$1.

In August 2013, the Company received a further 1,700,000 Aben common shares conjunction with the VF Property disposal (note 5). In March 2014, Aben undertook a 10:1 share consolidation.

5 Mineral properties

Under the Company’s accounting policy all acquisition costs are capitalized until the property is placed into production or disposed of.

\$	OctDome	Mt Polley	Mexico	Other	Total
October 31, 2012	555,057	13,325	167,390	149,116	884,888
Acquisition costs	-	-	-	25,000	25,000
Write-downs	-	-	(180,451)	(149,112)	(329,563)
Exchange differences	-	-	13,061	-	13,061
October 31, 2013	555,057	13,325	-	25,004	593,386
Acquisition costs	-	-	-	-	-
Write-downs	-	-	-	-	-
Exchange differences	-	-	-	-	-
April 30, 2014	555,057	13,325	-	25,004	593,386

Bearing Resources Ltd.

Notes to the Consolidated Financial Statements

For the three and six months ended April 30, 2014 and 2013

(Expressed in Canadian dollars, except where indicated)

5 Mineral properties (continued)

Mexican Properties:

Pedro gold property: In September 2013, the Newmont de Mexico, S.A de C.V (“Newmont”) Venture Agreement was signed whereby Newmont may earn an initial 51% interest by paying US\$800,000 (US\$50,000 paid; US\$750,000 in year 5) and spending US\$2.2 million (US\$150,000 by the first anniversary; a cumulative US\$400,000 by the third anniversary and a cumulative US\$2.2 million by the fifth anniversary). Newmont may earn an additional 24% interest by spending US\$10 million, or preparing a pre-feasibility study (whichever comes first) within five years of earning the initial 51%. Following the additional earn-in, Bearing may elect to have Newmont fund all costs to production for an additional 5% interest, Bearing’s share of these costs will be recovered by Newmont from 90% of Bearing’s share of earnings from mine production.

Other Mapimi properties: Under a May 2012 option agreement the Company had the right to acquire the KM66 silver-gold-lead-zinc property. In February 2013, the Company signed an option agreement whereby Patriot could have earned up to a 75% interest in KM66. Under the option agreement, Patriot paid \$50,000 upon signing the agreement and issued 1,200,000 shares (note 4). Patriot failed to advance US\$150,000 due under the option agreement and as a result the Company terminated both the option agreement with Patriot and the underlying option agreement to acquire the KM66 property in April 2013 and wrote off capitalized acquisition costs of \$165,536.

Canadian Properties:

October Dome gold property: The October Dome property is located northwest of Likely, British Columbia, Canada. A portion of the property is subject to a 2% Net Smelter Royalty (“NSR”), with each 0.5% purchasable for \$500,000 and 667 hectares are subject to a 1.5% NSR royalty.

Mt. Polley copper-gold properties: The Mt. Polley properties are located adjacent to Imperial Metals Corporation’s (“Imperial”) producing Mt. Polley open-pit copper gold mine, northeast of Williams Lake, British Columbia, Canada. The Company has a 90% interest in a portion of the Lloyd claims 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 on each claim group with the exception of the Buc claims can be purchased for \$500,000 for each one-half percent.

The Mt. Polley properties previously included an additional area adjacent to Imperial’s Boundary Zone that was sold to Imperial in which the Company retained a royalty interest. 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 for a payment of \$1,000,000. The Company is entitled to 90% of the aforementioned royalties.

Yukon: In the Yukon, the Company’s portfolio includes the Flume (note 10), HY (subject to a 2%NSR), Jay, VM, VBA and Big properties. It also has royalties on properties owned by Aben and Precipitate Gold Corporation (“Precipitate”). In August 2013, Bearing sold the VF Property to Aben for 1.7 million shares and retained a 2% NSR. Aben had previously been earning a 100% interest in the VF property and had paid \$30,000 and issued 100,000 shares. Also, in August 2013, Bearing sold the Jay East property to Precipitate and retained a 2% NSR. Precipitate had previously been earning up to a 70% interest in Jay East property and had made cash payments of \$30,000.

In July 2013, the Company wrote down acquisition costs on its HY, Big, Van, Jay, VBA and VM Yukon properties by \$149,112.

Bearing Resources Ltd.

Notes to the Consolidated Financial Statements

For the three and six months ended April 30, 2014 and 2013

(Expressed in Canadian dollars, except where indicated)

6 Common shares

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

7 Share stock options and warrants

Options

The Company has a stock option plan (the "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 the Plan.

	April 30, 2014		October 31, 2013	
	Number of shares	Weighted average exercise price \$	Number of shares	Weighted average exercise price \$
Outstanding - October 31	1,690,000	0.15	2,255,000	0.69
Granted	-	-	-	-
Forfeited	-	-	(73,334)	0.17
Expired	(5,000)	0.15	(491,666)	0.27
Cancelled	-	-	-	-
Outstanding – at period end	1,685,000	0.15	1,690,000	0.15

As of April 30, 2014, the following stock options were outstanding:

Number of options Outstanding	Number of options vested and exercisable	Exercise price \$	Expiry Date
1,685,000	1,685,000	0.15	July 12, 2016

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, 2014 total share-based compensation expense was \$(32,432) (2013: \$38,452). For the six months ended April 30, 2014 total share-based compensation expense was \$(32,432) (2013: \$80,115).

Warrants

	April 30, 2014		October 31, 2013	
	Number of shares	Weighted average exercise price \$	Number of shares	Weighted average exercise price \$
Outstanding – October 31	-	-	214,286	0.60
Issued	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	(214,286)	0.60
Outstanding – at period end	-	-	-	-

As of April 30, 2014, no warrants were outstanding:

Bearing Resources Ltd.

Notes to the Consolidated Financial Statements

For the three and six months ended April 30, 2014 and 2013

(Expressed in Canadian dollars, except where indicated)

7 Share stock options and warrants (continued)

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% to 133%	100%
Expected dividend	nil	nil

8 Related party transactions

The Company considers the Officers of the Company to be key management personnel.

\$	Three Months Ended April 30, 2014	Three Months Ended April 30, 2013	Six Months Ended April 30, 2014	Six Months Ended April 30, 2013
Short-term employee benefits	27,916	87,749	65,820	175,482
Share-based payment expense	-	17,436	-	35,459
Total key management personnel	27,916	105,185	65,820	210,941

9 Geographic segmented information

The Company operates in a single operating segment, mineral exploration. The following table provides geographic information.

\$	Mexico	Canada	Total
April 30, 2014			
Loss for the period	8,153	88,324	96,477
Non-current assets	8,798	615,138	623,936
Total assets	20,674	1,447,677	1,468,351
Total liabilities	4,344	14,051	18,395
October 31, 2013			
Loss for the year	216,265	1,208,245	1,424,510
Non-current assets	19,225	619,134	638,359
Total assets	23,957	1,587,163	1,611,120
Total liabilities	328	32,781	33,109

Bearing Resources Ltd.

Notes to the Consolidated Financial Statements

For the three and six months ended April 30, 2014 and 2013

(Expressed in Canadian dollars, except where indicated)

10 Commitments and contingencies

The following table sets out the fiscal year cash commitments of the Company as of April 30, 2014 and does not consider any subsequent events.

	2014	2015	2016	2017	Thereafter	Total
\$	(6 months)					
Flume option payments	35,000	60,000	50,000	-	-	145,000

Flume

Under the amended Flume Agreement, Bearing may earn a 100% interest in the Flume property by final payments of \$170,000 payable over four years (paid \$25,000; unpaid \$145,000). Freeport McMoRan Canada Limited (“Freeport”) retains the right to share in the proceeds derived from the sale or option of the property to a third party. Freeport also retains a 2% NSR royalty, of which one half can be purchased by Bearing for \$1,000,000.

Other

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.



Management Discussion & Analysis for the three and six months ended April 30, 2014

Dated: May 27, 2014

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, 2013, and 2012, 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, 2014.

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.

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1 PROFILE, PROJECTS AND CORPORATE UPDATE

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 is currently operating on a reduced activity level in order to control costs and maintain the treasury. The Company plans to seek joint venture partners for some of its exploration assets and currently has an option on its Pedro property in Mexico with Newmont. On May 14, 2014 the Company announced that it intends to seek new opportunities that may include opportunities outside the mining and exploration sector.

Bearing was incorporated on January 13, 2011 as 0900353 B.C. LTD 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, by way of a court-approved plan of arrangement (the “Arrangement”), at which time Bearing began operating as a standalone entity. For a full understanding of the Arrangement reference should be made to the Valley High’s Information Circular, dated February 18, 2011.

Bearing began operations on March 26, 2011. On June 10, 2011, Bearing began trading on the TSX Venture Exchange. The Board of Directors is comprised of three Independent & two Executive Directors. Robert Cameron is the President and CEO of the Company and has over 30 years of experience in the mining industry. The Lead Independent Director is David Watkins, an Independent Director with over 42 years in the mining industry. At the request of certain shareholders’, the current directors are not standing for re-election at the June 11, 2014 and a new slate of 3 directors (Kirk Shaw; Amar Balaggan and Eduard Ephstein) have been nominated to stand for election at the June 11, 2014 Annual General & Special Meeting and facilitate the identification and evaluation of the new opportunities noted above. Effective April 30, 2014 Geoff Chater and Brian Bayley resigned from the Board of Directors. Mr Chater was the Chairman of the Board and to date this position has not been filled.

Mexico Exploration

The wholly owned Pedro claims (25,000 hectares in Durango, Mexico) are located approximately 100 kilometres from the Penoles smelter at Torreon, and is bisected by a paved highway and power lines. Pedro has a number of targets including the

HP Breccia gold prospect and the Las Lajas gold prospect. The HP Breccia prospect is a gold soil anomaly extending over a 1,800 x 600m area that coincides with extensive silicified sedimentary breccias and conglomerate.

In September 2013, the Company entered into a Venture Agreement with Newmont de Mexico, S.A de C.V (“Newmont”), whereby Newmont may earn an initial 51% interest by paying US\$800,000 (US\$50,000 paid; US\$750,000 in year 5) and spending US\$2.2 million in expenditures (US\$150,000 by the first anniversary; a cumulative US\$400,000 by the third anniversary and a cumulative US\$2.2 million by the fifth anniversary). Newmont may earn an additional 24% interest by spending US\$10 million, or by preparing a pre-feasibility study (whichever comes first) within five years of earning the initial 51%. Following the additional earn-in, Bearing may elect to have Newmont fund all costs to production for an additional 5% interest, Bearing’s share of these costs will be recovered by Newmont from 90% of Bearing’s share of earnings from mine production.

The Company previously had a larger land position that included the KM66 and Parrandera property. The Company had optioned KM66 to Patriot Minefinders Ltd (“Patriot”) who had paid \$50,000 and issued the 1.2 million shares to Bearing. The agreement was terminated after Patriot failed to advance the remaining funds due under the agreement. As a result the Company terminated its underlying agreement to acquire KM66 in May 2013.

Table 1: Mexico Expenditure \$	Quarter							YTD		
	Q312	Q412	Q113	Q213	Q313	Q413	Q114	Q214	2013	2014
Camp & accommodation	20,606	14,437	6,493	7,936	364	-	-	-	14,429	-
Drilling	160,606	1,602	-	-	-	-	-	-	-	-
General & administration	195,885	78,487	77,225	57,301	40,484	(4,507)	4,025	2,103	134,526	6,128
Geology & geochemistry	142,666	84,374	56,628	56,635	24,980	-	-	-	113,263	-
Write-downs (recoveries)	85,553	-	-	(79,467)	(991)	(36,628)	-	-	(79,467)	-
Total exploration	605,316	178,900	140,346	42,405	64,837	(41,135)	4,025	2,103	182,751	6,128
Acquisition costs (net)	63,188	1,973	-	(166,527)	991	-	-	-	(166,527)	-
Total exploration & acquisition	668,504	180,873	140,346	(124,122)	65,828	(41,135)	4,025	2,103	16,224	6,128

Direct expenditures by the Company over the last three quarters remain limited as the Company has elected to reduce its exploration in an effort to preserve its treasury. Notwithstanding, the Company has been advised that in April 2014, Newmont completed over 1,700m of drilling (11 holes) at Pedro, which included approximately 400m of core and the Company is currently waiting for Newmont to provide the results of this drilling campaign.

Q3 2012 include the costs of a 1,172m (7 hole) diamond drilling campaign, geophysical surveys and associated geology costs at Parrandera (property subsequently dropped). General & administration (“G&A”) includes the provision for value added taxes (“VAT”) in Mexico. In Mexico, the Company provides for VAT due to the uncertainty surrounding the timing and collectability of the amounts involved. KM66 taxes are included Q1 2013 & Q2 2013 G&A and Pedro taxes in Q1 2013 and Q3 2013 G&A. Q4 2013 included a reversal of VAT provision associated with the payment from Newmont on Pedro.

Prior to Q4 2013, Geology & geochemistry costs were principally the costs of our exploration team in Mexico. Work in Q1 and Q2 2013 was focused mostly on detailed geological mapping of the HP Breccia discovery on the Pedro property, as well as detailed mapping and core re-logging on KM66. The reduction in Q3 2013 and onwards costs is consistent with the reduction in our Mexican exploration team.

The capitalized Parrandera acquisition costs were written off in Q3 2012. KM66 acquisition costs of \$166,527 were written off in Q2 2013, this was offset by \$50,000 in cash and the deemed value of the 1.2 million Patriot shares received (\$195,993). Acquisition costs include US\$150,000 for KM66, net of write-offs associated with Parrandera which reduced the net acquisition costs (costs capitalised) for Q3 2012 to \$63,188. The Q2 2013 amount relates to aforementioned write down of acquisition costs associated with KM66.

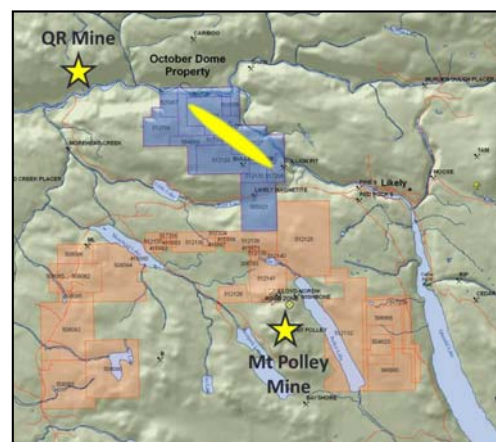
October Dome Property, British Columbia, Canada

The 100% owned October Dome gold property, is located in the “Quesnel Trough” in central British Columbia, near the town of Likely. The October Dome claims are subject to net smelter return (“NSR”) royalties 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 7 km to the southeast of Barkerville Gold Mines Ltd.’s QR skarn gold mine property. 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 Induced Polarization (“IP”) surveys and soil geochemistry.

\$	Quarterly								YTD	
	Q312	Q412	Q113	Q213	Q313	Q413	Q114	Q214	2013	2014
Camp & accommodation	-	1,069	-	-	-	-	-	-	-	-
Drilling	2,658	175,679	4,780	-	4,078	162,845	314	-	4,780	314
General & administration	15,000	5,064	-	5,554	994	5,804	-	1,200	5,554	1,200
Geology & geochemistry	1,916	691	990	353	20	510	-	-	1,342	-
Total	19,574	182,503	5,770	5,907	5,092	169,159	314	1,200	11,677	1,514

In Q4 2012, the Company completed a 1,002 metre (4 hole) diamond drill program. In Q4 2013, the Company completed a 1,086 metre (6 hole) diamond drill program (refer news release dated Dec 2, 2013) which targeted the northern end of the 4 km long gold and arsenic soil anomaly that is coincident with an IP chargeability anomaly, some 1,200 to 1,900 metres northwest of the area drill tested in the 2012 drill pattern. Holes OD-5 through OD- 7 encountered diorite and monzonite intrusions within hornfelsed sediments and propylitised basalts. Alteration in the drill holes is pervasive, comprised of intense propylitic alteration with pyrite, epidote and minor chalcopyrite with elevated gold values throughout the holes. Hole OD-6 encountered a 15 metre core length of massive magnetite skarn with semi-massive pyrite layers accompanied by chalcopyrite, epidote, and garnet at the sediment/basalt contact. A 9 metre section of this skarn assayed 0.7 grams per tonne (“gpt”) gold (“Au”) including a 3 metre length that returned 1.3 gpt Au.



Yukon Properties

In the Yukon, the Company’s portfolio includes the Flume (3,900 hectares), HY (1,000 hectares), Jay (3,110 hectares), VM (2,160 hectares), VBA (1,672 hectares) and Big (790 hectares) properties. It also has royalties on 2,900 hectares owned by Aben Resources Ltd. (“Aben”) and 2,240 hectares owned by Precipitate Gold Corporation (“Precipitate”).

Flume Property: In May 2013, Ryan Gold Corp (“RGC”) terminated its option on the Flume property. In November 2012, RGC announced the results from its nine diamond drill hole (2,307m) program at the Flume property, the results included the highlight hole F12-006 which included 2m of 5.76 g/t Au. For full details of the drill results, reference should be made to RGC’s news release dated November 6, 2012.

HY Property: The Company has a 100% interest in the HY claims, subject to a 2% NSR.

Yukon Royalties: In August 2013, Bearing sold the VF Property to Aben for 1.7 million shares and retained a 2% NSR, it also sold the Jay East property to Precipitate and retained a 2% NSR. Aben had previously been earning a 100% interest in the VF property and had paid \$30,000 and issued 100,000 shares. Precipitate had previously been earning up to a 70% interest in Jay East property and had made cash payments of \$30,000.

\$	Quarterly								YTD	
	Q312	Q412	Q113	Q213	Q313	Q413	Q114	Q214	2013	2014
General & administration	-	-	350	-	-	-	-	-	350	-
Geology & geochemistry	455	(406)	1,306	-	5,685	-	-	-	1,306	-
Write-down (Recoveries)	(33,750)	-	-	-	149,111	(17,000)	-	-	-	-
Total exploration	(33,295)	(406)	1,656	-	154,796	(17,000)	-	-	1,656	-
Acquisition costs (net)	(25,000)	-	-	-	(124,111)	-	-	-	-	-
Total	(58,295)	(406)	1,656	-	30,685	(17,000)	-	-	1,656	-

Recoveries (option payments received in excess of our cost base) in Q4 2013 relate to the VF property which was eventually sold to Aben, Q3 2012 recoveries relate to the Flume property. In Q3 2013, the Company wrote-down the carrying value of certain Yukon properties by \$149,111. The Q3 2013 payment of \$25,000 relates to the Flume property.

2 OUTLOOK

The Company has pro-actively reduced its activities and human resources in an effort to conserve cash. As of April 30, 2014 it had cash and cash equivalents of \$0.82 million. At the start of 2014 the President and CEO dropped to a part-time basis to further conserve the Company's treasury. At the request of certain of its major shareholders, the Company intends to seek new opportunities that may include opportunities outside of the mining and exploration sector. To facilitate the identification and evaluate these new opportunities, these shareholders have requested a new slate of directors be nominated at the Company upcoming Annual General and Special Meeting to be held on June 11, 2014.

Prior to drilling at Pedro, Newmont completed soil sampling in the gap area between the main Pedro grid and the smaller Pedro north grid and completion of a wide-spaced CSAMT geophysical survey to help identify drill targets. In April 2014, Newmont completed over 1,700m of drilling (11 holes) at Pedro, which included approximately 400m of core. The Company is currently waiting for Newmont to provide the results of this drilling campaign.

The Company has recently filed its work commitments on October Dome and Mt Polley, which has resulted in the core claims remaining in good standing until January 2017.

The Company intends to seek a new joint venture partner for Flume property which was returned by Ryan Gold in May 2013. The property remains in good standing until 2023 and is subject to the underlying Freeport McMoRan Canada Limited ("Freeport") Agreement.

3 FINANCIAL POSITION REVIEW

Table 4: Financial Position (\$)	October 31, 2012	October 31, 2013	April 30, 2014
Assets			
Cash and cash equivalents	1,890,547	948,931	818,107
Accounts receivable and prepaid expenses	112,381	14,829	11,907
Investments	3,000	9,001	14,401
Reclamation bonds and deposits	21,660	21,750	21,752
Mineral property interests	884,888	593,386	593,386
<i>October Dome</i>	555,057	555,057	555,057
<i>Mt. Polley</i>	13,325	13,325	13,325
<i>Mexico</i>	167,390	-	-
<i>Yukon</i>	149,116	25,004	25,004
Property, plant and equipment	48,952	23,223	8,798
Total Assets	2,961,428	1,611,120	1,468,351
Liabilities			
Accounts payable and accrued liabilities	120,578	33,109	18,395
Shareholders' Equity			
Common shares	8,677,789	8,677,789	8,677,789
Contributed surplus	4,858,379	5,007,069	4,974,637
AOCI	(8,470)	4,511	5,365
Deficit	(10,686,848)	(12,111,358)	(12,207,835)
Total Shareholders' Equity	2,840,850	1,578,011	1,449,956
Total Liabilities and Shareholders' Equity	2,961,428	1,611,120	1,468,351

Cash outflow from operating activities was \$140,109 (2013: \$521,917) were principally comprised of office costs and labour charges and are significantly down as a result of the curtailment of exploration activities and cost reduction initiatives. There was no cash flow from financing activities. Cash inflow from investing activities was \$9,110 (2013: \$-) as a result of the

deposition of certain Mexican assets. The Company believes it has sufficient cash and cash equivalents to maintain its current portfolio of exploration properties and meet its' working capital requirements for the next twelve months.

Investments are comprised of 180,000 Aben shares that are marked to market, that were received in conjunction with the VF property. Aben completed a 10:1 share consolidation in 2014 which reduced the number of shares that Bearing held from 1,800,000 to 180,000. It also includes 1.14 million shares in Patriot, which as of October 31, 2013 were recorded an estimated fair value of \$1.

Bonds and reclamation deposits relate to the Mt Polley and October Dome properties. The decrease in property, plant and equipment is principally due to the disposition of certain Mexican assets.

The Mt. Polley properties are 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 (~37 hectares) adjacent to Imperial's Boundary Zone that was sold to Imperial and in which the Company retains a royalty. 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 three royalty payments between February and April 2012 in Q1 2012, based on tonnes milled from August to October 2011. The receipt of these royalties was applied to deferred acquisition costs on the Mt Polley properties.

In April 2013, the Company wrote off the deferred costs associated with KM66. In Q4 2013, the Company received US\$50,000 from Newmont which resulted in the acquisition costs being recovered on Pedro and a \$36,628 recovery in the income statement. Yukon mineral property interests decreased in Q3 2013, as the Company wrote down its carrying costs of its JAY, HY, BIG/VBA and VM properties to \$1 each. The remaining balance of \$25,000 relates to the payment in Q3 2013, of an option payment on the Flume Property

The decrease in accounts payable is consistent with the reduction in the Company's activity levels. There were no changes in the number of common shares or options during the period.

Table 5: Shareholders' Equity (\$)	October 31, 2013	April 30, 2014
Common shares	25,889,648	25,889,648
Options outstanding		
Number	1,690,000	1,685,000
Weighted average price	\$0.15	\$0.15
Market capitalization	\$1.3 million	\$1.8 million
Share price	\$0.05	\$0.07

Commitments

Table 6: Fiscal Year Commitments, as at January 31, 2014 (\$)	2014 (6 months)	2015	2016	Thereafter	Total
Flume	35,000	60,000	50,000	-	145,000

Bearing may earn a 100% interest in the Flume property by making cash payments totalling \$245,000 (\$100,000 paid) and by spending \$500,000 (incurred) on exploration. Freeport retains the right to share in the proceeds derived from the sale or option of the property to a third party. Freeport also retains a 2% NSR royalty, of which one half can be purchased by Bearing for \$1,000,000. RGC terminated a right to earn a potential 75% interest in the Flume property in May 2013. RGC had incurred over \$1,500,000 in qualified expenditures, and made cash payments of \$175,000.

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.

Table 7: - Use of Proceeds Table

Description	Shares (000's)	Price \$	Gross Proceeds (\$000's)	Intended Use	Actual Use
January 18, 2012- Unit Offering	429	\$0.42	180	Working capital	As intended
July 20, 2012 – Flow Through Offering	2,000	\$0.20	400	Exploration	As intended

4 EXPENDITURE REVIEW

Table 8: Expenditures (\$000's)	Quarterly							YTD		
	Q312	Q412	Q113	Q213	Q313	Q413	Q114	Q214	2013	2014
Revenues	-	-	-	-	-	-	-	-	-	-
Exploration expenditures (Table 9)	769	1,288	183	69	245	110	4	3	252	7
Other expenses										
Audit, filing and legal Fees	9	18	37	10	18	(9)	12	18	48	30
Consulting and labour	114	58	72	78	55	39	43	32	150	75
Depreciation and amortization	6	6	6	6	6	9	5	1	11	6
Finance income	(7)	(4)	(2)	(1)	(16)	(3)	(3)	(3)	(3)	(6)
FT premium recognition	(14)	(51)	-	-	-	-	-	-	-	-
Other costs	2	7	4	6	3	2	(5)	3	10	(2)
Rent and office costs	14	23	20	20	22	20	18	6	40	24
Share-based payment expense	91	106	42	38	66	2	(32)	-	80	(32)
Unrealized loss on investment	1	3	1	88	(135)	243	-	(5)	89	(5)
Travel and promotion	25	23	27	24	17	-	-	-	51	-
Total other expenses	241	189	207	269	37	303	37	52	476	89
Net loss	1,010	1,477	390	338	282	412	41	55	728	96
Other comprehensive income	2	(3)	(4)	(14)	3	2	-	-	(18)	-
Comprehensive loss	1,012	1,474	386	324	285	410	41	55	710	96
Basic loss per share	\$0.04	\$0.06	\$0.02	\$0.01	\$0.01	\$0.01	\$0.00	\$0.00	\$0.03	\$0.00

As the Company is in the exploration stage it has no sales or revenues. Audit, filing and legal fees in Q1 2013 costs include costs associated with the Patriot Agreement and filing fees associated with the 2012 financial statements. The credit in Q4 2013 was associated with a reduction in the provision for audit services.

Consulting and labour decreased from the first three quarters of 2013 as the Company looked to conserve cash and restructured some of its personnel. Q4 2013 costs are also lower due to the allocation of a portion of the President and CEO time in the field to the October Dome drill program. Q2 2014 costs decreased due to the President and CEO working part-time effective January 1, 2014. Finance income is comprised of interest income on the Company's cash and cash equivalents.

The FT premium recognition arose from incurring Canadian exploration expenditures related to the 2011 flow-through financing. Rent and office costs include insurance and communication costs and reduced significantly in Q2 2014 as a result of the termination of the office lease. Share-based payment expense is as a result of the grant of options. The significant decrease in Q4 2013 is due to almost all of the stock options being vested and therefore expensed. The Q1 2014 amount adjustment is due to a true up for forfeitures at the end of the vesting period for certain options. Unrealized losses in Q2 2013 principally relate to the mark to market losses on the 1.14 million Patriot shares and Q3 2013 gain represents the subsequently recovery of the Patriot shares. The Company wrote the investment down to \$1 in Q4 2013.

Travel and promotion expenses decreased due to the corporate downsizing during fiscal 2013.

Table 12: Expensed Exploration (\$000's)	Quarterly								YTD	
	Q312	Q412	Q113	Q213	Q313	Q413	Q114	Q214	2013	2014
Camp & accommodation	55	88	7	8	-	-	-	-	14	-
Drilling	265	695	5	-	4	162	-	-	5	-
General & administration	252	115	112	83	59	1	4	3	195	7
Geology & geochemistry	145	85	59	58	33	1	-	-	117	-
Write-down (recoveries)	52	305	-	(79)	148	(54)	-	-	(79)	-
Total	769	1,288	183	69	245	110	4	3	252	7
By Project:										
Mexico	605	179	140	42	65	(41)	4	2	182	6
Zymo (refer below)	137	895	-	-	-	-	-	-	-	-
October Dome	19	182	6	6	5	168	-	1	12	1
Yukon	(33)	-	2	-	155	(17)	-	-	2	-
Other (refer below)	41	32	35	21	20	-	-	-	56	-
Total	769	1,288	183	69	245	110	4	3	252	7

Expensed exploration costs in Q3 2012 relates to the start of the 2012 exploration program at Zymo and the drilling at Parrandera. Camp costs reflect the costs of running these programs. Drilling costs include 2,322m (Q3 and Q4 2012) of helicopter supported drilling and associated assay costs at Zymo. Q4 2012 also includes drilling costs at October Dome (1,002m). Q4 2013 drill costs relate to the 1,087m program at October Dome.

The write-down in Q3 2012 relates to Parrandera, which were offset by recoveries on the Flume property of \$33,750. The Q4 2012 write-down relates to Zymo acquisition costs. Q3 2013 includes write downs on our Yukon properties. Recoveries in Q4 2013 relate to the deemed value of the Aben shares and the recovery in excess of the acquisition costs for Pedro from Newmont.

5 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, 2013.

5.1 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, 2014. 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, 2014, that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

5.2 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.

5.3 NI 43-101 Compliance Requirements

Under National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"), if an issuer discloses in writing scientific or technical information about a mineral project on a property material to the issuer, the issuer must include in the written disclosure the name and the relationship to the issuer of the qualified person who: (a) prepared or supervised the preparation of the information that forms the basis for the written disclosure or (b) approved the written disclosure. For the purposes of this MD&A, Robert Cameron, PGeo, President and Chief Executive Officer, a geologist with more than 30 years of experience is the Qualified Person for the purposes of NI 43-101 has approved the written disclosure in this MD&A. This MD&A references a number of previous news releases in respect of disclosure of technical matters relating to mineral properties and reference should be made to these news releases to fully understand these references.

5.4 Other Risks

Reference should be made to the Company's risks and critical accounting policies and practices section of the October 31, 2013, 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.

5.5 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, other than property acquisition 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.

Other Accounting Policies

Reference should be made to the risks, and critical accounting policies and practices section of the October 31, 2013 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.



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