BEARING RESOURCES LTD.

Condensed Interim Consolidated Financial Statements

For the Quarter Ended January 31, 2016

(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 January 31, 2016 and October 31, 2015 (unaudited)

(Expressed in Canadian dollars, except where indicated)

	January 31, 2016 $	October 31, 2015 $
Assets		
Current assets		
Cash and cash equivalents	559,182	573,816
Accounts receivable and prepaid expenses	2,033	4,790
Investments	1	1
	561,216	578,607
Non-current assets		
Reclamation bonds and deposits	21,977	21,942
Mineral property interests (note 4)	248,329	248,329
	831,522	848,878
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	28,416	22,419
Shareholders' Equity		
Common shares	8,677,789	8,677,789
Contributed surplus	5,023,092	5,023,092
Accumulated other comprehensive income ("AOCI")	2,957	3,267
Deficit	(12,900,732)	(12,877,689)
	803,106	826,459
	831,522	848,878

Contingencies (note 10)

Approved by the Board of Directors

"Kirk Shaw" Director

"Eduard Epshtein" 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 months ended January 31, 2016 and 2015

(Expressed in Canadian dollars, except where indicated)

Expenditures	Three Months Ended January 31, 2016	Three Months Ended January 31, 2015
	$	$
Exploration costs		
Expenditures (note 3)	6,376	17,858
Corporate and other costs		
Audit, filing and legal fees	7,127	5,562
Consulting and labour	11,303	31,664
Depreciation and amortization	-	-
Finance income	(35)	(2,454)
Foreign exchange (gain)	(5,488)	(8,488)
Other costs	164	573
Rent and office costs	3,596	5,493
	16,667	32,349
Loss for the period	23,043	50,207
Other comprehensive income		
Items that may be reclassified subsequently to loss for the period		
Foreign currency translation adjustment	310	433
Comprehensive loss for the period	23,353	50,640
Basic and diluted loss per share	0.00	0.00
Weighted average shares outstanding	25,889,648	25,889,648

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

Bearing Resources Ltd.

Condensed Consolidated Statement of Shareholders' Equity

For the three months ended January 31, 2016 and 2015

(Expressed in Canadian dollars, except where indicated)

	Common shares					
	No. of shares #	**Amount $**	**Contributed Surplus $**	**AOCI $**	**Deficit $**	**Shareholders' equity $**
Balance –November 1, 2014	25,889,648	8,677,789	5,023,092	5,286	(12,367,410)	1,338,757
Comprehensive income (loss)	-	-	-	(433)	(50,207)	(50,640)
Balance – January 31, 2015	25,889,648	8,677,789	5,023,092	4,853	(12,417,617)	1,288,117
Balance –November 1, 2015	25,889,648	8,677,789	5,023,092	3,267	(12,877,689)	826,459
Comprehensive income (loss)	-	-	-	(310)	(23,043)	(23,353)
Balance – January 31, 2016	25,889,648	8,677,789	5,023,092	2,957	(12,900,732)	803,106

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

Bearing Resources Ltd.

Condensed Consolidated Statement of Cash Flow

For the three months ended January 31, 2016 and 2015

(Expressed in Canadian dollars, except where indicated)

	Three Months Ended January 31, 2016 $	Three Months Ended January 31, 2015 $
Cash flows from operating activities		
Loss for the period	(23,043)	(50,207)
Items not affecting cash		
Depreciation and amortization	-	-
Unrealized foreign exchange (gain)	(5,488)	(8,488)
Change in non-cash operating working capital		
Decrease (increase) in accounts receivable & prepaid expenses	2,721	2,673
Increase (decrease) in accounts payable & accrued liabilities	5,998	(3,224)
	(19,812)	(59,246)
Cash flows from financing activities	-	-
Cash flows from investing activities	-	-
Effect of exchange rate changes on cash and equivalents	5,178	8,055
Decrease in cash and cash equivalents	(14,634)	(51,191)
Cash and cash equivalents - Beginning of period	573,816	728,975
Cash and cash equivalents - End of period	559,182	677,784

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

1 Nature of operations

Bearing Resources Ltd. (the "Company" or "Bearing") is engaged in the exploration and development of mineral properties in Mexico and Canada. The Company's registered office is Suite 2600, Oceanic Plaza, 1066 West Hastings Street, 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").

Reorganization

On May 5, 2015, the Company announced its proposal to complete a corporate reorganization (the "Reorganization") that would have transformed it from a mineral exploration company to a film, television and digital media company. The Reorganization would have included the reverse takeover of the Company by Odyssey Media Inc. ("Odyssey") and the concurrent disposition of the Company's mineral properties in exchange for shares of Commander Resources Inc. ("Commander"). On March 14, 2016, the Company announced the termination of this Reorganization with Odyssey but, subject to regulatory approval, is still pursuing the disposition of the Company's mineral properties with Commander whereby Bearing would receive 13,000,000 common shares of Commander and $15,000 in cash.

The Company is also continuing to evaluate other opportunities and intends to provide an update to its shareholders in the near future.

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.

These interim consolidated financial statements were approved for issue on March 15, 2016 by the Audit Committee on behalf of the Board of Directors. The condensed interim consolidated financial statements do not contain all disclosures required under IFRS and should be read in conjunction with the Company's audited annual consolidated financial statements and the notes thereto for the year ended October 31, 2015.

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 4.

(Expressed in Canadian dollars, except where indicated)

3 Exploration costs (continued)

	For the three months ended January 31, 2016		
$	**OctDome**	**Mexico**	**Total**
General & administration	-	6,376	6,376
	-	6,376	6,376

	For the three months ended January 31, 2015		
$	**OctDome**	**Mexico**	**Total**
General & administration	1,096	16,262	17,358
Geology & geochemistry	500	-	500
	1,596	16,262	17,858

4 Mineral property interests

Under the Company's accounting policy property acquisition costs are capitalized.

$	OctDome	Mt Polley	Other	Total
October 31, 2014	555,057	13,325	25,004	593,386
Write-downs (recoveries)	(345,057)	-	-	(345,057)
October 31, 2015	210,000	13,325	25,004	248,329
January 31, 2016	210,000	13,325	25,004	248,329

The **October Dome gold 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. A further portion is subject to a 1.5% NSR royalty. In April 2015, the Company wrote down its interest in October Dome as impairment is indicated by the terms of the proposed Commander Transaction (note 1). The amount of the write-down has been estimated based on the value of the cash and shares proposed to be received from Commander as of October 31, 2015.

The **Mt. Polley copper-gold properties** are located adjacent to Imperial Metals Corporation's ("Imperial") 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 over 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. 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.

(Expressed in Canadian dollars, except where indicated)

4 Mineral property interests (continued)

In the **Yukon**, the Company's portfolio includes the Flume (subject to a 2.5% NSR), HY (subject to a 2% NSR), Jay, VM, VBA and Big properties. It also has royalties on properties owned by Aben Resources Ltd. (a 2% NSR on the VF property) and Precipitate Gold Corporation (a 2% NSR on the Jay East Property). In July 2013, the Company wrote down acquisition costs on its Yukon properties (excluding Flume).

In **Mexico**, the Pedro gold property is located near the city of Torreon, the property was previously drilled by Newmont de Mexico, S.A de C.V ("Newmont"), under an option agreement that was terminated in 2014.

5 Common shares

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

Capital risk management
The Company considers its common shares and options as capital. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares. It is the Company's objective to safeguard its ability to continue as a going concern, so that it can either complete the Odyssey Transaction or continue to explore and develop its projects for the benefit of its stakeholders.

6 Share stock options

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 at the date of grant in accordance with the Plan.

	2016		2015	
	Number of shares	**Weighted average exercise price $**	**Number of shares**	**Weighted average exercise price $**
Outstanding - October 31	1,300,000	0.09	1,300,000	0.09
Outstanding – January 31	1,300,000	0.09	1,300,000	0.09

As of January 31, 2016, the following stock options were outstanding:

Number of options Outstanding	Number of options vested and exercisable	Exercise price $	Expiry Date
500,000	500,000	0.15	July 12, 2016
800,000	800,000	0.05	August 1, 2019
1,300,000	1,300,000		

For the period ended January 31, 2016 total share-based compensation expense was $nil (2015: nil).

(Expressed in Canadian dollars, except where indicated)

7 Related party transactions

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

$	Three Months Ended January 31, 2016	Three Months Ended January 31, 2015
Short-term employee benefits	9,239	27,921
Share-based payment expense	-	-
Total key management personnel	9,239	27,921

8 Geographic segmented information

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

$	Mexico	Canada	Total
January 31, 2016			
Non-current assets	-	270,306	270,306
October 31, 2015			
Non-current assets	-	270,271	270,271

9 Financial instruments

Financial instruments include cash and any contracts that give rise to a financial asset to one party and a financial liability or equity instrument to another party. Financial instruments disclosure requires information about the classification and fair value of financial instruments, including their classification within a hierarchy that prioritizes the inputs to fair value measurements. The three levels of the fair value hierarchy are:
Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

Fair Values
As at January 31, 2016, the Company's carrying values of cash and cash equivalents, accounts receivable, reclamation bonds and deposits, accounts payable and accrued liabilities approximate their fair values due to their short terms to maturity. The Company has no assets measured at fair value on a recurring basis.

Credit Risk
Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and accounts receivable. The Company deposits cash and cash equivalents with high credit quality financial institutions as determined by rating agencies. Accounts receivable are primarily from governments.

Interest Rate Risk
The Company is exposed to interest rate risk on its cash and cash equivalents held at January 31, 2016. A 100 basis point (1%) increase or decrease in the interest rate in 2016 would have resulted in approximately an $2,832 change in the Company’s reported loss for the period ended January 31, 2016 based on its closing balance.

9 Financial instruments (continued)

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities. The Company is reliant upon equity issuances as its sole source of cash. The Company manages liquidity risk by trying to maintain an adequate level of cash and cash equivalents to meet its ongoing obligations. The Company continuously reviews its actual expenditures and forecast cash flows and matches the maturity dates of its cash equivalents to capital and operating needs.

Currency Risk

As at January 31, 2016 the Company incurs expenses in Canadian dollars, Mexican pesos and United States dollars. The Company therefore has exposure to United States dollars as the functional currencies of the Company and its Mexican subsidiaries are Canadian dollars and Mexican pesos respectively. Both of these exposures are immaterial.

10 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.

Management Discussion & Analysis for the three months ended January 31, 2016

Dated: March 17, 2016

(Expressed in Canadian Dollars)

The financial information in this document 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 Company's audited financial statements for the years ended October 31, 2015, and 2014.

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 months ended January 31, 2016.

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 AND CORPORATE UPDATE

Bearing Resources Ltd. ("Bearing" or the "Company") is a Canadian based company which has been focused on exploration for precious and base metals in North America. On March 14, 2016 it terminated a proposed corporate reorganization (the "Reorganization") that would have transformed it from a mineral exploration company into a film, television and digital media company. The Reorganization would have included the reverse takeover of the Company by Odyssey Media Inc. ("Odyssey") and the concurrent disposition of the Company's mineral properties in exchange for shares of Commander Resources Inc. ("Commander"). Subject to regulatory approval, the Company is still pursuing the disposition of the Company's mineral properties with Commander whereby Bearing would receive 13,000,000 common shares of Commander and $15,000 in cash.

The Company is also continuing to evaluate other opportunities and intends to provide an update to its shareholders in the near future.

Bearing was incorporated on January 13, 2011 as 0900353 B.C. LTD, 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. Bearing shares commenced trading on the TSX Venture Exchange on June 10, 2011. The current Board of Directors is comprised of three Independent Directors (Kirk Shaw; Amar Balaggan and Eduard Epshtein).

2 EXPLORATION AND PROJECT UPDATE

Table 1:Exploration Analysis ($)				QUARTER					YTD	
	Q214	**Q314**	**Q414**	**Q115**	**Q215**	**Q315**	**Q415**	**Q116**	**2015**	**2016**
Drilling	-	2,657	-	-	-	-	-	-	-	-
General & administration	3,303	682	6,570	17,358	(26,442)	8,191	2,038	6,376	17,358	6,376
Geology & geochemistry	-	-	-	500	-	-	-	-	500	
Subtotal	**3,303**	**3,339**	**6,570**	**17,858**	**(26,442)**	**8,191**	**2,038**	**6,376**	**17,858**	**6,376**
Write-downs	-	-	-	-	345,057	-	-	-	-	-
	3,303	**3,339**	**6,570**	**17,858**	**318,615**	**8,191**	**2,038**	**6,376**	**17,858**	**6,376**
Split Project / Region:										
Mexico	2,103	682	5,443	16,262	(30,020)	8,191	1,696	6,376	16,262	6,376
October Dome	1,200	2,657	1,127	1,596	348,635	-	342	-	1,596	-
Total exploration & acquisition	**3,303**	**3,339**	**6,570**	**17,858**	**318,615**	**8,191**	**2,038**	**6,376**	**17,858**	**6,376**

Expenditures by the Company over the last eight quarters were limited as the Company has elected to reduce its exploration activities in an effort to preserve its cash and maintain its treasury.

In Q2 2015, the Company received approximately $37,000 in refund from value added taxes in Mexico and also wrote down the OctDome property by $345,057 as a result of impairment indicators arising from the proposed transaction with Commander (section 1). The expenditures in Q3 2015 and Q1 2016 relate principally to the payment of mining rights to maintain our claims in Mexico.

<u>Mexico</u>

Pedro Property, Durango

The wholly owned Pedro claims are located approximately 100 kilometres from the city of Torreon, and are bisected by a paved highway and power lines. Pedro is comprised of a number of targets including the HP Breccia prospect, a gold soil anomaly extending over a 1,800 x 600m area that coincides with extensive silicified sedimentary breccias and conglomerate, and the Las Lajas gold prospect.

In July 2014, Newmont de Mexico, S.A de C.V terminated an option agreement over the Pedro claims after having paid US$50,000 and drilled 1,744m. For full details of the drill program reference should be made to the Company's news release dated July 3, 2014.

<u>Canada</u>

British Columbia Properties

October Dome

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 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 claims are subject to net smelter return ("NSR") royalties of between 1.5% and 2%. 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.

On May 5, 2015, the Company wrote down the property by $345,057 as a result of an impairment indicator based on the value of the proposed Commander transaction (section 1).

Mt.Polley

The Mt. Polley properties are located adjacent to Imperial's 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 over 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. Three royalty payments were received Q1 2012.

Yukon Properties
The Yukon properties include the Flume, HY, Jay, VM, VBA and Big properties. In addition, the Company has two separate royalties on properties owned by Aben Resources Ltd. and owned by Precipitate Gold Corporation.

Flume Property
In May 2013, Ryan Gold Corp ("RGC") terminated its option on the Flume property, after undertaking over $1.5 million in expenditures (including a nine diamond drill hole (2,307m) program in November 2012). 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. In December 2014, Bearing excised its underlying option to acquire the Flume property, the final payment was waived subject to an additional 0.5% NSR on the property. The Flume property is now subject to a 2.5% NSR.

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

3 OUTLOOK

With the termination of the Reorganization, Bearing, subject to regulatory approval, proposes to continue to pursue the disposition of its' existing mineral properties with Commander and is also continuing to evaluate other opportunities. The Company believes that it has sufficient cash to pursue these opportunities and looks forward to providing an update to shareholders' in the near future.

4 FINANCIAL POSITION REVIEW

Table 2: Financial Position ($) **Assets**	**October 31, 2014**	**October 31, 2015**	**January 31, 2016**
Cash and cash equivalents	728,975	573,816	559,182
Accounts receivable and prepaid expenses	4,819	4,790	2,033
Investments	7,201	1	1
Reclamation bonds and deposits	21,867	21,942	21,977
Mineral property interests	593,386	248,329	248,329
October Dome	555,057	210,000	210,000
Mt. Polley	13,325	13,325	13,325
Yukon	25,004	25,004	25,004
Property, plant and equipment	-	-	-
Total Assets	**1,356,248**	**848,878**	**831,522**
Liabilities			
Accounts payable and accrued liabilities	17,491	22,419	28,416
Shareholders' Equity			
Common shares	8,677,789	8,677,789	8,677,789
Contributed surplus	5,023,092	5,023,092	5,023,092
AOCI	5,286	3,267	2,957
Deficit	(12,367,410)	(12,877,689)	(12,900,732)
Total Shareholders' Equity	**1,338,757**	**826,459**	**803,106**
Total Liabilities and Shareholders' Equity	**1,356,248**	**848,878**	**831,522**

Cash outflow for the period from operating activities was $19,812 (2015: $50,758) principally comprised of public company compliance costs, office costs and administrative labour. Costs are lower than the previous year as a result of continuing cost reduction initiatives. There were no cash flows from financing activities (2015: $0). 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 in the event the Reorganization is not completed.

Bonds and reclamation deposits relate to the Mt Polley and October Dome properties. The Yukon mineral properties (JAY, HY, BIG/VBA and VM properties) have been written down to $1 each. The remaining balance of $25,000 relates to the Flume Property.

Table 3: Shareholders' Equity ($)	October 31, 2015	January 31, 2016
Common shares	25,889,648	25,889,648
Options outstanding		
Number	1,300,000	1,300,000
Weighted average price	$0.09	$0.09
Market capitalization	$0.8 million	$0.8 million
Share price	$0.03	$0.03

Commitments

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.

5 EXPENDITURE REVIEW

Table 5:Expenditures ($000's)	QUARTER								YTD	
	Q214	Q314	Q414	Q115	Q215	Q315	Q415	Q116	2015	2016
Revenues	-	-	-	-	-	-	-	-	-	-
Expenditures	3	3	7	18	(26)	8	2	6	18	6
Writedown	-	-	-	-	345	-	-	-	-	-
Exploration expenditures (Table 1)	**3**	**3**	**7**	**18**	**319**	**8**	**2**	**6**	**18**	**6**
Other expenses										
Audit, filing and legal fees	18	20	7	6	21	16	14	7	6	7
Consulting and labour	32	30	32	32	32	20	14	11	32	11
Depreciation and amortization	1	(1)	-	-	-	-	-	-	-	-
Finance income	(3)	(2)	(3)	(2)	(2)	(1)	-	-	(2)	-
Foreign exchange loss (gain)	1	-	(2)	(8)	4	(6)	-	(5)	(8)	(5)
Other costs	2	(3)	(1)	-	-	-	1	-	-	-
Rent and office costs	6	7	7	5	5	6	5	4	5	4
Share-based payment expense	-	-	48	-	-	-	-	-	-	-
Unrealized loss on investment	(5)	6	1	-	-	2	-	-	-	-
Total other expenses	**52**	**58**	**91**	**32**	**60**	**37**	**34**	**17**	**32**	**17**
Net loss	**55**	**62**	**98**	**50**	**379**	**45**	**36**	**23**	**50**	**23**
Other comprehensive income	-	-	(1)	-	-	-	-	-	-	-
Comprehensive loss	**55**	**62**	**97**	**50**	**379**	**45**	**36**	**23**	**50**	**23**
Basic and diluted loss per share	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.01**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

As the Company is in the exploration stage it has no revenues. Audit, filing and legal fees in in Q2 and Q3 2014 are up slightly due to the costs associated with the Company's annual and special annual general meeting. Q3 and Q4 2015 include the cost of an auditor review of the interim financial statements in connection with the Reorganization of the Company. Expenditures in Q4 2015 and Q1 2016 were principally associated with maintaining the company in good standing.

Q2 2014 costs decreased as the President and CEO started working part-time effective January 1, 2014, effective May 1, 2015, the President and CEO agreed to pay on "as needed basis" which has further reduced the consulting and labour costs in Q3 2015.

Rent and office costs include insurance and communication costs. This cost category reduced significantly in Q2 2014 as a result of the termination of the Company's office lease. Share-based compensation expenses in Q4 2014 related to the stock option grant on August 1, 2014.

6 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, 2015.

Completion of the Reorganization is subject to a number of conditions, including Exchange acceptance and disinterested shareholder approval. The Reorganization cannot close until the required shareholder approval is obtained. There can be no assurance that the Reorganization will be completed as proposed or at all. Investors are cautioned that, except as disclosed in the Management Information Circular to be prepared in connection with the Reorganization, any information released or received with respect to the Reverse Takeover may not be accurate or complete and should not be relied upon. Trading in the securities of Bearing Resources Ltd. should be considered highly speculative.

6.1 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 January 31, 2016. 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 January 31, 2016, that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

6.2 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.

6.3 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 new 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.

6.4 Other Risks

Reference should be made to the Company's risks and critical accounting policies and practices section of the October 31, 2015 Management Discussion and Analysis for a complete discussion on the risk factors associated with **Government Laws, Regulation & Permitting; Additional Financing; Key Management and Competition; Title to Properties; Commodity Prices and Conflicts of Interest** amongst other things.

6.5 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 exploration 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 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.

If, after deferred acquisition costs are capitalized, information becomes available suggesting the recovery of such costs is unlikely, the relevant capitalized amount is written off in the consolidated statement of loss and comprehensive loss in the period when the information becomes available. Management believes that the estimates involving its exploration and evaluation assets and expenditures are reasonable.

Exploration and evaluation costs

Exploration and evaluation costs include costs to acquire 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 on the statement of financial position when management has established that a resource exists and 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, 2015 Management Discussion and Analysis for other accounting policies including but not limited to **Foreign currency translation; Income taxes; Loss per share; Financial Instruments and Future accounting pronouncements.**

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Contact: Robert Cameron, President and CEO at rcameron@bearingresources.ca