Bearing Lithium Corp.
(formerly Bearing Resources Ltd.)

Consolidated Financial Statements

For the year ended October 31, 2017
(Expressed in Canadian dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Bearing Lithium Corp. (formerly Bearing Resources Ltd.)

We have audited the accompanying financial statements of Bearing Lithium Corp. (formerly Bearing Resources Ltd.), which comprise the consolidated statements of financial position as at October 31, 2017 and 2016, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Bearing Lithium Corp. (formerly Bearing Resources Ltd.) as at October 31, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

(signed) "DMCL"

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
February 28, 2018

Bearing Lithium Corp.
(formerly Bearing Resources Ltd.)
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

As at	Note	October 31, 2017 $	October 31, 2016 $
ASSETS			
Current assets			
Cash		2,601,164	1,856,756
Accounts receivable		89,775	18,032
Prepaid expense		217,669	24,337
Investment in marketable securities	6	403,540	600,001
		3,312,148	2,499,126
Non-current assets			
Reclamation bond		21,993	21,993
Exploration and evaluation assets	8	120,504	4
Investment in MSB SA	5 & 7	16,362,380	-
		19,817,025	2,521,123
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		410,440	45,779
Due to Minera Salar Blanco SpA	5	791,725	-
		1,202,165	45,779
SHAREHOLDERS' EQUITY			
Common shares	10	30,204,541	9,677,738
Contributed surplus	10	6,440,175	5,770,948
Foreign currency translation reserve		(64,731)	-
Deficit		(17,965,125)	(12,973,342)
Total shareholders' equity		18,614,860	2,475,344
Total liabilities and shareholders' equity		19,817,025	2,521,123

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

Subsequent Events *(Note 15)*

These consolidated financial statements were approved for issuance by the Board of Directors on February 28, 2018 and signed on its behalf by:

/s/ Patrick Cussen
Director

/s/ Jeremy Poirier
Director

Bearing Lithium Corp.
(formerly Bearing Resources Ltd.)
Consolidated Statements of Loss and Comprehensive Loss
For the year ended October 31, 2017 and 2016
(Expressed in Canadian dollars)

Year ended	Note	October 31, 2017 $	October 31, 2016 $
Operating expenses			
Exploration and evaluation		12,054	22,442
Consulting	9	1,007,395	65,159
Investor communications		272,334	-
Management		286,664	-
Merger related costs		457,023	-
Office and general		187,375	15,606
Professional fees		174,325	61,611
Regulatory and filing		106,003	27,415
Share-based payment expense	10	740,070	275,346
Travel		194,575	-
		(3,437,818)	(467,579)
Other income			
Foreign exchange gain		72,171	3,652
Interest income		12,285	145
Gain on sale of Mexican subsidiaries	4	-	488,129
Impairment of mineral property	8	(1,624,694)	-
Recovery on exploration and evaluation asset	8	95,700	-
Loss on disposal of marketable securities		(32,407)	-
Unrealized loss on investment	6	(77,020)	(120,000)
		(1,553,965)	371,926
Net loss for the year		(4,991,783)	(95,653)
Other comprehensive income			
Items that may be subsequently reclassified to loss for the year			
Foreign currency translation adjustment		(64,731)	(3,267)
Comprehensive loss		(5,056,514)	(98,920)
Basic and diluted loss per common share		(0.20)	(0.01)
Weighted average number of common shares outstanding		25,045,715	6,801,179

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

Bearing Lithium Corp.
(formerly Bearing Resources Ltd.)
Consolidated Statements of Shareholders' Equity
For the years ended October 31, 2017 and 2016
(Expressed in Canadian dollars)

	Common Shares					
	No. of shares	Amount	Contributed Surplus	AOCI	Deficit	Shareholders' equity
	#	$	$	$	$	$
Balance, October 31, 2015	6,472,418	8,677,789	5,023,092	3,267	(12,877,689)	826,459
Issued for cash pursuant to private placement *[note 10]*	12,000,000	1,104,000	456,000	-	-	1,560,000
Share issuance costs *[note 10]*	-	(87,541)	-	-	-	(87,541)
Finders warrants*[note 10]*	-	(16,510)	16,510	-	-	-
Share-based payment expense *[note 10]*	-	-	275,346	-	-	275,346
Disposition of Mexican subsidiaries *[note 4]*	-	-	-	(3,267)	-	(3,267)
Net loss for the year	-	-	-	-	(95,653)	(95,653)
Balance, October 31, 2016	18,472,418	9,677,738	5,770,948	-	(12,973,342)	2,475,344
Issued for cash pursuant to private placement *[note 10]*	2,865,000	888,433	257,567	-	-	1,146,000
Share issuance costs *[note 10]*	-	(110,795)	42,617	-	-	(68,178)
Share-based payment expense *[note 10]*	-	-	740,070	-	-	740,070
Options exercised *[note 10]*	725,000	320,633	(131,883)	-	-	188,750
Warrants exercised *[note 10]*	12,482,615	3,606,219	(485,565)	-	-	3,120,654
Shares issued for acquisition of mineral claims *[note 8]*	1,473,990	1,659,631	-	-	-	1,659,631
Shares issued on acquisition of Li3 *[note 5]*	18,635,108	14,162,682	246,421	-	-	14,409,103
Foreign currency translation adjustment	-	-	-	(64,731)	-	(64,731)
Net loss for the year	-	-	-	-	(4,991,783)	(4,991,783)
Balance, October 31, 2017	54,654,131	30,204,541	6,440,175	(64,731)	(17,965,125)	18,614,860

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

Bearing Lithium Corp.
(formerly Bearing Resources Ltd.)
Consolidated Statements of Cash Flows
For the years ended October 31, 2017 and 2016
(Expressed in Canadian dollars)

	2017 $	2016 $
OPERATING ACTIVITIES		
Net loss for the year	(4,991,783)	(95,653)
Add items not affecting cash:		
Share-based payment expense	740,070	275,346
Loss on investments	109,427	120,000
Impairment of mineral property	1,624,694	-
Gain on disposition of mineral property interest	(95,700)	-
Gain on disposal of Mexican subsidiaries	-	(488,129)
Unrealized foreign exchange	(1,424)	(3,267)
Changes in non-cash working capital items relating to operations:		
Accounts receivable	(71,741)	(11,788)
Prepaid expenses and other	(193,332)	(24,337)
Accounts payable and accrued liabilities	89,497	23,360
Accrued interest (income) expense	-	(51)
Cash used in operating activities	(2,790,292)	(204,519)
INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	152,733	-
Proceeds from disposition of subsidiary	-	15,000
Proceeds from disposition of mineral property interest	30,000	-
Cash costs incurred for merger	(262,196)	-
Purchase of mineral property interest	(85,563)	-
Cash provided by (used in) investing activities	(165,026)	15,000
FINANCING ACTIVITIES		
Proceeds from issuance of common shares, net	1,077,822	1,472,459
Proceeds from options exercised	188,750	-
Proceeds from warrants exercised	3,120,654	-
Repayment of promissory note assumed on acquisition	(687,500)	-
Cash provided by financing activities	3,699,726	1,472,459
Increase in cash	744,408	1,282,940
Cash, beginning of the year	1,856,756	573,816
Cash, end of the year	2,601,164	1,856,756

Supplemental Cash-flow information	2017 $	2016 $
Non-cash transactions		
Shares issued on acquisition of Li3 Energy, Inc.*[note 5]*	14,409,103	-
Shares issued on acquisition of mineral property interest	1,659,631	-
Interest paid	85,537	-
Income taxes paid	-	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Business Description

Bearing Lithium Corp. (formerly Bearing Resources Ltd.) (the "Company") is engaged in the exploration and development of mineral properties. The Company's registered office is 2600-1066 West Hastings Street, Vancouver, British Columbia, Canada.

On September 28, 2017 the Company acquired all issued and outstanding shares of Li3 Energy, Inc. ("Li3 Energy") a US listed company and its subsidiaries Li3 Energy Peru SRL ("Li3 Peru"), a subsidiary formed in Peru; Alfredo Holdings, Ltd. ("Alfredo"), an exempted limited company incorporated under the laws of the Cayman Islands; and Li3 Energy Copiapó, SA ("Li3 Copiapó"), a Chilean corporation, which is a subsidiary of Alfredo (note 5).

On September 23, 2016, the Company completed a transaction with Commander Resources Ltd. ("Commander") whereby Bearing transferred certain of its Canadian mineral property interests to its wholly owned subsidiaries, BRZ Mex Holdings Ltd. ("BRZM") and Minera BRG SA de CV ("Mexican subsidiaries"). Subsequent to the transfer of the mineral property interests, Bearing transferred its shareholdings in the Mexican subsidiaries to Commander in exchange for 12,000,000 common shares of Commander and payment of $15,000 ("Commander Agreement") (note 4).

These consolidated financial statements have been prepared on the assumption that the Company and its subsidiaries will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company's assets are in the exploration and evaluation stage. While the Company has sufficient cash resources to continue operations for the 12 months, it will need to raise additional funds. These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

2. BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated financial statements of the Company for the year ended October 31, 2017 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on February 28, 2018.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial assets and financial liabilities to fair value.

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Li3 Energy, Li3 Peru, Alfredo and Li3 Copiapó from the date of acquisition on September 28, 2017. These consolidated financial statements also include the accounts of the Company's Mexican subsidiaries up to the disposition of both subsidiaries on September 23, 2016. All intercompany transactions, balances, income and expenses have been eliminated on consolidation.

The Company controls an investee if the Company has:
(i) power over the investee;
(ii) exposure, or rights, to variable returns from its involvement with the investee; and
(iii) the ability to use its power over the investee to affect its returns.

2. BASIS OF PREPARATION (CONTINUED)

Basis of measurement (continued)

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in loss and comprehensive loss from the date that the Company gains control until the date that the Company ceases to control the subsidiary.

Critical accounting judgments, estimates and assumptions

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant Judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

i. Management is required to assess the functional currency of the Company. In concluding that the Canadian dollar is the functional currency of the Company, management considered the currency that mainly influences the operating expenditures in the jurisdiction in which the Company operates.

ii. Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfer and title may be affected by undetected defects.

iii. The Company determined that the transfer of the shares of BRZM in the year ended October 31, 2016 represented a loss of control of the subsidiary resulting in derecognition of the assets and liabilities of BRZM from the consolidated financial statements.

iv. Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets.

v. Where the Company holds less than 20% of voting rights in an investment, the investment is treated as an available for sale investment. Management requires to exercise judgement on whether voting or other rights exist that would result in significant influence.

2. BASIS OF PREPARATION (CONTINUED)

Estimation Uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the current and next fiscal financial years:

i. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted.

   Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods. The Company has not recorded any deferred tax assets.

ii. Management uses the Black-Scholes Option Pricing Model for valuation of share based compensation and brokers' warrants, which requires the input of subjective assumptions including expected price volatility, risk-free interest rates and forfeiture rates. Changes in the input assumptions can materially affect the fair value estimate and the Company's results of operations and equity reserves.

iii. Impairment of exploration and evaluation assets or cash-generating units ("CGU") are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit, including geologic and metallurgic information, economics assessment/studies, accessible facilities and existing permits.

3. SIGNIFICANT ACCOUNTING POLICIES

Foreign currency translation

The functional currency of the Company and each of its subsidiaries is the currency of the primary economic environment in which they operate. The consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency. The Company's Mexican subsidiaries had a Mexican peso functional currency. Transactions in other than an entity's functional currency are recorded at exchange rates prevailing on the dates of the transactions.

The consolidated financial statements of subsidiaries that have a functional currency other than the Canadian dollar were translated into Canadian dollars as follows: assets and liabilities – at the closing rate at the date of the statement of financial position, and income and expenses – at the average rate for the period. All resulting changes are recognized in other comprehensive income as foreign currency translation adjustments.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Exploration and evaluation costs (continued)

Expenditures relating to exploration activities are expensed as incurred and expenditures relating to pre-extraction activities are expensed as incurred until such time proven or probable reserves are established for that project, after which subsequent expenditures relating to development activities for that particular project are capitalized as incurred.

Where proven and probable reserves have been established, the project's capitalized expenditures are depleted over proven and probable reserves using the units-of production method upon commencement of production. Where proven and probable reserves have not been established, the project's capitalized expenditures are depleted over the estimated extraction life using the straight-line method upon commencement of extraction. The Company has not established proven or probable reserves for any of its projects.

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

They carrying values of exploration and evaluation properties are assessed for impairment by management whenever indicators of impairment exist. An impairment loss is recognized if it is determined that the carrying value exceeds the recoverable amount.

Share-based payments

The Company may grant stock options to buy common shares of the Company to directors, officers, employees and non-employees. The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period for employees using the graded vesting method. Fair value of share-based payments for non-employees is recognized and measured at the date the goods or services are received and is based on the fair value of the goods or services received or the fair value of the equity instruments issued if this is a more reliable measure. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as an expense is adjusted to reflect the number of stock options expected to vest.

Asset impairment

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

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

Income taxes

Deferred income tax is recognized using the liability method on temporary differences arising between the tax and accounting bases of assets and liabilities as well as for the benefit of losses available to be carried forward to future years. Deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction does not affect either accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets are recognized only to the extent that it is probable that future profit will be available against which such assets can be utilized.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Common shares

The Company has adopted a pro-rata method for the measurement of shares and warrants issued as units in financing arrangements. The pro-rata method requires the gross proceeds and the related share issuance costs be allocated to the common shares and the warrants based on the relative fair value of each component.

The fair value of the common shares is based on the closing price on the closing date of the transaction using the Black-Scholes Option Pricing Model. The fair value attributed to the warrants is recorded as contributed surplus. If the warrants are exercised, the value attributable to the warrants is transferred to share capital.

Loss per share

Loss per share is calculated using the weighted average number of shares outstanding during the period. Diluted loss per share is calculated using the treasury stock method whereby all in the money options and warrants are assumed to have been exercised at the beginning of the year and the proceeds from the exercise are assumed to have been used to purchase common shares at the average market price during the period. In periods of loss basic and diluted loss per share are the same, as the effect of the exercise of outstanding options and warrants is anti-dilutive.

Financial instruments

Financial Assets
Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

Loans and Receivables
These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Available-For-Sale Financial Assets
Non-derivative financial assets that do not meet the definition of loans and receivables are classified as available-for-sale and comprise principally the Company's strategic investments in entities not qualifying as subsidiaries or associates. Available-for-sale investments are carried at fair value with changes in fair value recognized in other comprehensive loss/income. Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognized in other comprehensive loss/income, is recognized in profit or loss. If there is no quoted market price in an active market and fair value cannot be readily determined, available-for-sale investments are carried at cost. On sale or impairment, the cumulative amount recognized in other comprehensive loss/income is reclassified from accumulated other comprehensive loss/income to profit or loss. Available-for-sale financial assets that do not have a quoted price in an active market, and are not reliably measurable, are initially recognized at cost. If there is objective evidence that an impairment loss has been incurred the amount or the impairment loss is measured as the difference between the carrying amount and the present value of the estimated future cash flows. These impairments are not reversed. As at October 31, 2017, the Company's investment in MSB SA is classified as available-for-sale financial instrument at cost (2016 – none).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Held-For-Trading Financial Assets
Financial assets held-for-trading are designated upon initial recognition as at fair value through profit or loss. Financial assets held-for-trading are classified as fair value through profit and loss if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets held-for-trading includes derivative financial instruments acquired or entered into that are not designated as hedging instruments in hedge relationships as defined by IAS 39, Financial Instruments: Recognition and Measurement. Included in this class are investments in marketable securities of other public companies. Related realized and unrealized gains and losses are included in profit or loss.

Impairment on Financial Assets
At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Financial Liabilities
Financial liabilities are classified as either fair value through profit or loss or other financial liabilities, based on the purpose for which the liability was incurred, and are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument. Other financial liabilities comprise trade payables and accrued liabilities and are subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding. Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the year which are unpaid.

Accounting standards issued but not yet effective

The following accounting standards are issued but not yet effective. The Company has not early-adopted these revised standards and expects no significant effect on the Company's consolidated financial statements when adopted.

IFRS 9 Financial Instruments
IFRS 9 includes requirements for recognition, measurement, and derecognition of financial instruments and hedge accounting. The IASB is adding to the standard as it completes the various phases of its comprehensive project on financial instruments, and so it will eventually form a complete replacement for IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 was originally issued in November 2009, reissued in October 2010, and then amended in November 2013. The current version of IFRS 9 is applicable to annual periods beginning on or after January 1, 2018.

IFRS 16 Leases
IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 Leases. The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019.

(Expressed in Canadian Dollars)

4. DISPOSITION OF BRZ MEX HOLDINGS LTD. AND MINERA BRG SA de CV

As a result of the agreement entered into during the year ended October 31, 2016 with Commander, the Company determined it lost control of its Mexican Subsidiaries. In accordance with the guidance of IFRS 10, the Company derecognized the carrying value of the assets and liabilities of the Mexican subsidiaries on the effective date of the Commander Agreement and concurrently recognized the fair value of the consideration received from Commander. The gain on the disposition and de-recognition of the Mexican subsidiaries is summarized as follows:

		October 31, 2016
De-recognition of subsidiary assets and liabilities		
Mineral properties		
October Dome	$	(25,000)
Flume		(13,325)
Mt. Polley		(210,000)
Net working capital of Mexican subsidiaries		(4,183)
		(252,508)
Reclassification of foreign currency balances		3,267
		(249,241)
Consideration received:		
Commander shares recorded at fair value on inception *[note 6]*		720,000
Cash		15,000
Price adjustment receivable		2,370
Gain on disposition of Mexican subsidiaries	$	**488,129**

5. ACQUISITION OF Li3 ENERGY, INC.

On September 28, 2017 the shareholders of Li3 Energy approved an agreement and plan of merger (the "Merger Agreement") entered between the Company and Li3 Energy on January 27, 2017, under which the Company acquired Li3 Energy. Pursuant to the Merger Agreement, LI Acquisition Corporation ("Sub") merged with Li3 Energy (the "Merger"), with Li3 Energy surviving the Merger as a wholly owned subsidiary of the Company. In exchange for each share of Li3 Energy common stock was converted into an aggregate of 16,000,000 common shares of the Company.

In connection with the agreement with Li3 Energy, the Company settled the principal of $525,000 of convertible debt owed by Li3 Energy plus a 22% interest bonus through the issue of 1,685,568 units. Each unit comprises of one common share and one-half warrant with each whole warrant entitling the holder to acquire an additional common share for one year following the close of the proposed transaction. The fair value of the shares on the date of closing was $1,281,032. The fair value of the share purchase warrants was $246,421. The fair value of the warrants was calculated using the Black-Scholes Option pricing model with the following weighted average assumptions; stock price $0.76, exercise price $0.80 and $0.82, term of 1.11, volatility 99.97%, dividend yield of 0% and a risk-free rate of 0.88.

Per the January 19, 2016 shareholders' agreement (the "shareholders agreement"), between Li3 Energy and Minera Salar Blanco SpA ("MSB SA"), Li3 Energy was required to make payments to the capital requirements of Minera Li Energy SpA. Under the terms of the shareholders' agreement, MSB SA advanced Minera Li Energy SpA US$1,800,000 secured over Li3 Energy's interest in Minera Li Energy SpA.

(Expressed in Canadian Dollars)

5. ACQUISITION OF Li3 ENERGY, INC. (CONTINUED)

Following the merger agreement, the amount owed by Li3 Energy was reduced by US$1,200,000 to allow MSB SA full ownership of Minera Li Energy SpA. On acquisition, the balance owing was US$577,272. Further to the agreement, Li3 was required to pay MSB SA an additional US$454,901 plus accrued interest of US$102,375. In aggregate notes payable of US$1,134,548 (CDN$1,415,916) were assumed in the acquisition.

Both loans accrued interest at 8.5%, were secured over the Company's interest in Minera Li Energy SpA, and had a maturity of January 19, 2018. Subsequent to October 31, 2017, the loans were settled in full.

The cost of the acquisition was allocated first to the monetary assets and liabilities with the excess allocated to the 17.67% shareholding MSB SA. The 17.67% shareholding entitles the Company to one representative on the board of MSB SA which represents a 16.67% voting interest. The Company's investment is not subject to any preferential rights and the Company does not have the power to participate in the operating and financial policies of MSB SA. Therefore, as the Company's interest is less than 20%, significant influence is not met, and the investment is accounted for as a financial asset in accordance with IAS 39, Financial Instruments: Recognition.

The acquisition of Li3 Energy was recorded in the accounts of the Company at its fair value determined as follows:

16,000,000 Shares issued to shareholders of Li3	$	12,160,000
Finder's fee *[note 10]*		721,650
Units issued on settlement of Li3 convertible loan *[note 10]*		1,281,032
Warrants issued on conjunction of Li3 loan settlement *[note 10]*		246,421
Legal expenses related to merger		93,347
Cash, net of cash received		168,849
Total	$	14,671,299

A summary of the allocation of the cost of the acquisition is as follows:

Investment in MSB SA		16,362,380
Accounts payable		(275,165)
Notes payable		(1,415,916)
Total	$	14,671,299

The continuity of the notes payable assumed on the merger is shown below:

		2017
Balance, October 31, 2016	$	-
Notes payable assumed		1,415,916
Interest		3,731
Repayment		(687,500)
Foreign exchange loss (gain)		59,578
Balance, October 31, 2017	$	791,725

(Expressed in Canadian Dollars)

6. INVESTMENT IN MARKETABLE SECURITIES

	Number of shares		October 31, 2017		October 31, 2016
Commander Resources Ltd.					
Fair value at inception	12,000,000	$	720,000	$	720,000
Disposal	(2,724,000)		(163,440)		-
Adjusted cost base	9,276,000		556,560		720,000
Unrealized loss			(185,520)		(120,000)
Fair value, end of the period			371,040		600,000
Golden Predator Mining Corp.					
Fair value at agreement date [note 5]	85,000		65,700		-
Disposal	(35,000)		(21,700)		
Adjusted cost base	50,000		44,000		-
Unrealized loss			(11,500)		
Fair value, end of the period			32,500		-
Rise Gold Corp.					
Fair value, beginning of period	15,000		1		1
Disposal	(15,000)		(1)		-
Fair value, end of the period	-		-		1
		$	403,540	$	600,001

In connection with the Company's disposition of the Mexican subsidiaries on September 23, 2016, the Company received 12,000,000 shares of Commander. These shares are designated as securities held for trading measured at fair value.

During the year, the Company sold its interest in the Yukon properties, as part of the consideration, the Company received 85,000 shares of Golden Predator Mining Corp. These shares have been designated as securities held for trading measured at fair value.

7. INVESTMENT IN MSB SA

MSB SA is a private Chilean corporation with an objective to advance a business in the production of lithium. As a result of the merger and dissolution of Minera Li Energy SpA, the Company holds a 17.67% interest in MSB SA. The remaining shares of the company are owned by by Lithiom Power International Limited, a Chilean corporation, Minera Salar Blanco SpA, also a Chilean Corporation who each own 50% and 32.33% respectively.

MSB SA owns 60% Sociedades Legales Mineras Litio1 to 6 de la Sierra Hoyada de Maricunga ("SLM Litio 1-6"), a group of six private companies (the "Maricunga Companies"), and the Cocina Mining Concessions.

The Company's investment in is recorded at cost as MSB SA does not have a quoted price in an active market. The Company completed an impairment assessment and did not identify objective evidence that an impairment loss had been incurred as at October 31, 2017.

(Expressed in Canadian Dollars)

8. MINERAL PROPERTY INTERESTS

	October Dome	Mt Polley	Yukon	Fish Lake Valley Nevada	Total
Balance, October 31, 2015	$ **210,000**	**13,325**	$ **25,004**	$ **-**	$ **248,329**
Disposition of mineral property interests in connection with the Commander Agreement *[note 4]*	(210,000)	(13,325)	(25,000)		(248,325)
Balance, October 31, 2016	-	-	4	-	4
Asset Purchase Agreement for claims located in Esmeralda	-	-			
County, Nevada	-	-	-	1,745,194	1,745,194
Impairment	-	-	-	(1,624,694)	(1,624,694)
Balance, October 31, 2017	$ **-**	$ **-**	$ **4**	$ **120,500**	$ **120,504**

October Dome

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 by an amount of $345,057. During the year ended October 31, 2016, this property was included in the disposition of the Mexican subsidiaries.

Mt Polley

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 had 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 had a 100% interest in the Nordik, Buc, and Calm claims subject to a 2% NSR royalty. During the year ended October 31, 2016, this property was included in the disposition of the Mexican subsidiaries.

Fish Lake Valley, Nevada

On February 7, 2017, the Company entered into an asset purchase agreement to acquire a 100% interest in 81 lode claims located in Esmeralda County, Nevada. To complete the purchase, the Company paid US $60,000 (CDN $81,900) in cash and issued 1,400,000 common shares of the Company with a fair value of $1,596,000 *[Note 10]*. On April 5, 2017, the Quit Claim deed transferring title of claims was signed. On May 8, 2017, the Company paid finders' fees of 73,990 common shares with a fair value of $63,631 and paid a cash fee of $3,663.

The Company entered into an option agreement dated September 25, 2017 with First Division Ventures Inc. ("First Division") to acquire a 100% interest in certain mining claims. The terms of the Agreement provide that in order for First Division to exercise the Option, it must make a cash payment in the initial amount of $20,000 and issue 20,000 common shares to Bearing within 10 days of execution, and thereafter issue an additional 4,000,000 common shares to Bearing by the third anniversary of the Agreement. First Division must also carry out a $3,000,000 work program on the Claims prior to the third anniversary of the Agreement: $120,000 within the first year, $800,000 during the second year and $2,000,000 by the end of the third year. First Division exercised the option subsequent to October 31, 2017. The Company retains a 3% NSR. The NSR is not subject to a buy-back or repurchase right.

(Expressed in Canadian Dollars)

8. MINERAL PROPERTY INTERESTS (CONTINUED)

Fish Lake Valley, Nevada (continued)

The Company determined that the carrying value of the property should be impaired to the estimated current fair value of the consideration to be received under the option agreement for a total of $120,500. As a result, an impairment charge of $1,624,694 has been recorded in accordance with Level 3 of the fair value hierarchy.

Yukon

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). During the year ended October 31, 2016, the Flume property was included in the disposition of the Mexican subsidiaries.

On January 3, 2017, the Company entered into a property purchase agreement with Golden Predator Mining Corp. ("Golden"), pursuant to which Golden has agreed to purchase all of the Company's interest in certain mineral claims in the Yukon Territory. As partial consideration for the purchase agreement, Golden will pay to the Company an aggregate fee of $275,000, payable over 48 months from the execution date of the purchase agreement. In addition, Golden will issue shares according to the following schedule:

(i) 35,000 common shares on date of execution (received)
(ii) 50,000 common shares 8 months after date of execution (received); and
(iii) Common shares equal to $600,000 on the 20 month, 32 month and 48 month anniversary of the execution date.

Under the terms of the purchase agreement, Golden will also grant to the Company a 2% net smelter royalty ("NSR") on certain claims and a 1% NSR on the remaining claims. Golden has the right to re-purchase 50% of the NSR for $1,000,000 at any time.

During the year ended October 31, 2017, the transaction completed and the Company received $30,000 and 85,000 common shares, initially measured at a fair value of $65,700. These amounts have been recognized recovery on disposition of mineral properties in the consolidated statement of loss and comprehensive loss.

9. RELATED PARTY DISCLOSURE

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel can be summarized as follows:

	Year ended October 31, 2017	2016
Management and Consulting	$ 243,269	$ 52,392
Share-based compensation	65,365	220,277
	$ 308,634	$ 272,669

As at October 31, 2017, included in accounts payable and accrued liabilities is $27,077 (2016 - $2,730) owing to related parties. The amount is non-interest bearing and has no terms of repayments.

10. SHARE CAPITAL

Common shares

For the year ended October 31, 2017:

On December 16, 2016, the Company issued 2,865,000 units for gross proceeds of $1,146,000. Each unit consisted of one common share and one half share purchase warrant. Each whole share purchase warrant entitles the holder to acquire an additional share of the Company for a period of one year from the date of issuance at an exercise price of $0.80 per warrant. Total proceeds were allocated based on the proportionate fair value of the common share and the warrant, with $257,567 of the proceeds allocated to the warrant and $888,433 allocated to the common share.

In conjunction with the financing, the Company paid aggregate finder's fees of $68,178 and issued 147,000 broker's warrants measured at a fair value of $42,617 and having the same terms as the warrants issued as units pursuant to this financing.

On March 10, 2017, the Company issued 1,400,000 common shares of the Company with a fair value of $1,596,000 pursuant to an asset purchase agreement signed February 7, 2017. On May 8, 2017, in connection with the asset purchase agreement signed February 7, 2017, the Company issued an additional 73,990 common shares with a fair value of $63,631 *[note 5].*

On July 11, 2017, in connection with definitive agreement and plan of merger with Li3 Energy Inc. *[note 5]*, the Company issued 1,685,568 common shares and 842,786 common share purchase warrants with a fair value of $1,281,032 and $246,421 respectively. The shares and warrants were subject to closing of the merger with Li3 Energy Inc. and as such the options and warrants were valued at the date of closing.

On September 28, 2017, the company issued 16,000,000 on the merger and acquisition of Li3 Energy Inc. *[note 5]* and 949,540 finders shares in connection with the merger. The shares were valued at market value of the shares at the date of closing of the transaction of $0.76 for a total value of $12,881,650.

For the year ended October 31, 2017, the Company issued 725,000 common shares pursuant to the exercise of stock options for proceeds of $188,750. Previously recognized grant date fair value of $131,883 was reclassified from contributed surplus to common shares.

For the year ended October 31, 2017, the Company issued 12,482,615 common shares pursuant to the exercise of warrants for proceeds of $3,120,654. Previously recognized grant date fair value of $485,565 was reclassified from contributed surplus to common shares.

For the year ended October 31, 2016:

For the year ended October 31, 2016, the Company completed a non-brokered private placement and issued in aggregate 12,000,000 units at a price of $0.13 per unit for gross proceeds of $1,560,000. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to acquire an additional share of the Company for a period of one year from the date of issuance at an exercise price of $0.25 per share. In conjunction with the financing, the Company paid aggregate finder's fees of $87,541 and issued 482,615 broker's warrants having a fair value of $16,510 and having the same terms as the warrants issued as units pursuant to this private placement. Total proceeds were allocated based on the proportionate fair value of the common share and the warrant, with $456,000 of the proceeds allocated to the warrant and $1,104,000 allocated to common share.

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (CONTINUED)

Warrants

Warrant transactions and the number of warrants outstanding are summarized below:

	Number	Weighted Average Exercise Price $
Balance, October 31, 2015	**-**	**-**
Private placement of equity units	12,000,000	0.25
Brokers' warrants issued as finders' fees	482,615	0.25
Balance, October 31, 2016	**12,482,615**	**0.25**
Private placement of equity units	1,432,500	0.80
Brokers' warrants issued as finders' fees	147,000	0.80
Warrants issued in connection with Li3 Energy Inc. merger *[note 5]*	842,786	0.82
Exercised	(12,482,615)	(0.25)
Balance, October 31, 2017	**2,422,286**	**0.81**

Date of Expiry	Exercise Price	October 31, 2017	October 31, 2016
October 21, 2017	$0.25	-	12,482,615
December 16, 2017	$0.80	1,579,500	-
July 11, 2018	$0.80	657,558	-
January 11, 2019	$0.88	185,228	-
Total Outstanding and Exercisable	**$0.38**	**2,422,286**	**12,482,615**

The fair value of the broker warrants of $42,617 (2016 - $16,510) issued in connection with the private placement were calculated using the Black-Scholes Option Pricing Model with the following assumptions: stock price $0.50, exercise price $0.80, term of 1 year, volatility of 191.53%, dividend yield of 0% and a risk-free interest rate of 0.62 (2016 – 0.54).

As of October 31, 2017, the weighted average remaining life for outstanding warrants was 0.43 years.

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.

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (CONTINUED)

Options (Continued)

Stock option transactions and the number of stock options outstanding are summarized below:

	Number	Weighted Average Exercise Price $
Balance, October 31, 2015	**325,000**	**0.36**
Forfeited	(25,000)	0.20
Expired	(125,000)	0.60
Granted	1,325,000	0.27
Balance, October 31, 2016	**1,500,000**	**0.26**
Granted	2,130,000	0.73
Exercised	(725,000)	0.25
Balance, October 31, 2017	**2,905,000**	**0.61**

Date of Expiry	Exercise Price	October 31, 2017	October 31, 2016
August 1, 2019	$0.20	75,000	175,000
October 6, 2021	$0.80	1,250,000	-
October 10, 2021	$0.84	80,000	-
October 24, 2021	$0.26	700,000	1,325,000
December 2, 2021	$0.50	125,000	-
January 4, 2022	$0.50	125,000	-
January 5, 2022	$0.55	125,000	-
January 6, 2022	$0.58	225,000	-
January 9, 2022	$0.59	50,000	-
May 25, 2022	$0.83	150,000	-
Total Outstanding	**$0.61**	**2,905,000**	**1,500,000**
Total Exercisable		**1,500,000**	**1,500,000**

As of October 31, 2017, the weighted average remaining life for outstanding options was 3.98 years.

The fair value of the stock options issued during the year ended October 31, 2017 of $740,070 (2016 - $275,346) were calculated using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

	October 31, 2017	October 31, 2016
Share price	0.74	0.26
Exercise price	0.73	0.26
Expected life	4.35 years	5 years
Annualized volatility	169%	114%
Expected dividend yield	0%	0%
Risk-free interest rate	1.42%	0.66%
Fair value per option	$0.63	$0.21

(Expressed in Canadian Dollars)

11. CAPITAL DISCLOSURES

The Company's objectives when managing capital are to ensure its ability to continue as a going concern in order to pursue the acquisition and development of mineral property interest. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is largely dependent upon external financings to fund activities. In order to carry out planned acquisition and development and pay for administrative costs, the Company will spend its existing working and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financing resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes to the Company's approach to capital management during the year ended October 31, 2017. The Company is not subject to externally imposed capital restrictions.

12. INCOME TAXES

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 26% (2016 - 26%) to income before income taxes. The reasons for the differences are as follows:

		October 31, 2017		October 31, 2016
Net loss for the year	$	(4,991,783)	$	(95,563)
Statutory tax rate		26%		26%
Expected income tax recovery		(1,298,000)		(25,000)
Permanent differences		(178,000)		71,000
Disposition of Mexican subsidiaries		-		538,000
Mineral property interests		-		651,000
Effect of true-up of prior year provision		2,000		(430,000)
Other		123,000		(44,000)
Change in unrecognized tax assets		1,351,000		(761,000)
	$	-	$	-

(Expressed in Canadian Dollars)

12. INCOME TAXES (CONTINUED)

The Company recognizes tax benefits on losses or other deductible amounts where the probable criteria for the recognition of deferred tax assets has been met. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

		October 31, 2017		October 31, 2016
Share issuance costs	$	28,000	$	18,000
Marketable securities		45,000		16,000
Capital losses		-		138,000
Non-capital losses		1,760,000		732,000
Property and equipment		1,000		1,000
Exploration and evaluation assets		422,000		-
Unrecognized deferred tax assets		(2,256,000)		(905,000)
Net deferred tax assets	$	-	$	-

The Company has incurred non-capital losses of approximately $6,834,000 that may be carried forward and used to reduce taxable income. These losses will expire commencing in 2031.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

The fair value of the Company's financial instruments is approximated by their carrying value due to their short-term nature.

IFRS 13 establishes a fair value hierarchy for financial instruments measured at fair value that reflects the significance of inputs used in making fair value measurements as follows:

Level 1 – quoted prices in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liabilities, either directly (i.e. as prices) or indirectly (i.e. from derived prices); and
Level 3 – inputs for the asset or liability that are not based upon observable market data.

The fair value of cash and marketable securities (with the exception of shares in Rise Gold Corp.) are based on Level 1 inputs. There are no financial instruments subject to level 2 or level 3 fair value measurements.

Categories of financial instruments

Financial Assets		October 31, 2017		October 31, 2016
FVTPL				
Cash	$	2,601,164	$	1,856,756
Investment in marketable securities		403,540		600,001
	$	3,004,704	$	2,456,757
Financial Liabilities				
Accounts payable and accrued liabilities	$	410,440	$	45,779
Due to Minera Salar Blanco SpA		791,725		-
	$	1,202,165	$	45,779

(Expressed in Canadian Dollars)

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Categories of financial instruments (continued)

The Company's financial instruments are exposed to certain financial risks, which include foreign currency risk, interest rate risk, credit risk, liquidity risk and other price risk. The Company's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company's exposure to these risks and its methods of managing the risks remain consistent.

Credit risk

Concentration of credit risk exists with respect to the Company's cash, as all amounts are held at a major Canadian financial institution and a major Chilean financial institution. The Company's concentration of credit risk and maximum exposure thereto is as follows:

Cash		2017		2016
Canadian financial institution	$	2,600,171	$	1,856,756
Chilean financial institution		993		-
	$	2,601,164	$	1,856,756

The credit risk associated with cash is minimized by ensuring that substantially all dollar amounts are held with a major financial institution with strong investment-grade ratings by a primary ratings agency.

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. The Company normally maintains sufficient cash to meet the Company's business requirements; as at October 31, 2017, the cash balance of $2,601,164 which are sufficient to meet its obligations related to its current financial liabilities of $1,202,165. However, to meet required administrative and exploration and evaluation expenditures over the next twelve months the Company may be required to raise additional capital in the future to fund its operations.

Market risk

[i] Interest rate risk

The Company is exposed to interest rate risk on its cash and cash equivalents held at October 31, 2017. A 100 basis point (1%) increase or decrease in the interest rate in 2017 would have resulted in approximately a $5,700 change in the Company's reported loss for the year ended October 31, 2017 based on its closing balance during the fiscal year.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

[ii] Currency risk

The carrying amounts of the Company's foreign currency denominated monetary assets are as follows:

	October 31, 2017		October 31, 2016	
	US $	Cdn $	US $	Cdn $
Cash	70,665	88,332	33,882	45,401
Accounts payable	(821,386)	(1,059,014)	-	-

As at October 31, 2017, the Company incurs expenses in Canadian dollars and United States dollars. The Company therefore has exposure to fluctuations in the Canadian dollar - United States dollar exchange rate. On the basis of current market conditions, the Company has determined that a 10% change in foreign exchange rates would affect the fair value of total assets by approximately $105,000.

[iii] Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities.

14. SEGMENTED INFORMATION

During the years ended October 31, 2017 and 2016, the Company operated in one industry segment: mineral exploration; within three geographic segments: Canada, United States and Chile. The Company and all subsidiaries are operated as one entity with a common management located at the Company's head office. The Company's non-current assets by geographic areas for the years ended December 31, 2017 and 2016 are as follows:

October 31, 2017	Canada	United States	Chile	Total
Non-current assets				
Investment in MSB SA	$ -	$ -	$ 16,362,380	$ 16,362,380
Exploration and evaluation of assets	-	120,504	-	120,504
Reclamation bond	21,993	-	-	21,993
	$ 21,993	$ 120,504	$ 16,362,380	$ 16,504,877

October 31, 2016	Canada	United States	Mexico	Total
Non-current assets				
Exploration and evaluation of assets	$ -	$ 4	$ -	$ 4
Reclamation bond	21,993	-	-	21,993
	$ 21,993	$ 4	$ -	$ 21,997

15. SUBSEQUENT EVENTS

a) On November 22, 2017 the Company paid US$620,963 (Cdn$792,348) to settle the balance outstanding owed on the loan from Minera Salar Blanco SpA to Li3 Energy, Inc.

b) Subsequent to October 31, 2017, the company issued 533,000 shares common shares pursuant to the exercise of 533,000 warrants for proceeds of $343,225.