Bearing Lithium Corp.
(formerly Bearing Resources Ltd.)
Management Discussion & Analysis
For the year ended October 31, 2017

This Management Discussion & Analysis ("MD&A") is provided to enable the reader to assess material changes in financial condition and results of operations of Bearing Lithium Corp. (formerly Bearing Resources Ltd.) ("Bearing" or the "Company") for the year ended October 31, 2017. This MD&A should be read in conjunction with the audited consolidated financial statements of the company for the year ended October 31, 2017, prepared in accordance with international financial reporting standards ("IFRS") as issued by the international accounting standards board ("IASB"). This MD&A complements and supplements but does not form part of the company's consolidated financial statements.

This MD&A contains forward-looking statements. Statements regarding the adequacy of cash resources to carry out the company's exploration programs or the need for future financing are forward-looking statements. All forward-looking statements, including those not specifically identified herein, are made subject to cautionary language on page 13-16. Readers are advised to refer to the cautionary language when reading any forward-looking statements.

This MD&A is prepared in conformity with National Instrument 51-102F1. All dollar amounts referred to in this discussion and analysis are expressed in Canadian dollars except where indicated otherwise. This MD&A has taken into account information available up to and including February 28, 2017.

BUSINESS OVERVIEW

Bearing Lithium Corp. ("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 changed the company's business from mineral exploration 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").

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").

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 (BRZ.V).

NI 43-101 QUALIFIED PERSONS

Don Hains, PGeo, a qualified person as defined by National Instrument 43-101, has reviewed the scientific and technical information that forms the basis for the technical disclosure in this MD&A and has approved the disclosure with respect thereto herein.

HIGHLIGHTS

- On September 28, 2017 the shareholders of Li3 Energy, Inc. "Li3" approved an agreement and plan of merger (the "Merger Agreement") entered between the Company and Li3 whereby Bearing acquired all the issued and outstanding shares of Li3. Pursuant to the Merger Agreement, Bearing, LI Acquisition Corporation ("Sub"), a newly formed wholly owned subsidiary of the Company, merged with and into Li3 (the "Merger"), with Li3 surviving the Merger as a wholly owned subsidiary of Bearing. In exchange for each share of Li3 common stock was converted into an aggregate of 16,000,000 Bearing common shares of the Company.

  In connection with the agreement with Li3, the Company agreed to repay the principal of $525,000 of convertible debt owed by Li3 plus a 22% interest bonus. As a result, the Company issued 1,685,568 units. Each unit comprising of one common share and one-half warrant. Each whole warrant entitling the holder to acquire an additional common share for one year following the close of the 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 Company also paid a finder's fee of 949,540 shares with a fair value of $721,650.

  As a result of the acquisition, Bearing holds 49% interest in Minera Li Energy SpA ("Minera Li") through its ownership of Li3. Minera Li's primary asset is a lithium and potassium exploration project located in the northeast section of the Salar de Maricunga in Region III of Atacama in northern Chile. The rights to this asset are held by a Chilean company, Minera Salar Blanco SA ("MSB SA"). Li3 holds 36.05% of the shares in MSB SA. As part of the merger agreement, Minera Li was dissolved and Bearing, through its ownership of Li3, owns a direct 17.67% interest in the shares of MSB SA. With this acquisition it is not expected Bearing will be required to contribute any capital towards the project except for its share of the CAPEX.

- On May 8, 2017, in connection with the acquisition of 81 lode claims located in Esmeralda County, Nevada (the "Acquisition"), the Company issued 73,990 common shares with a fair value of $63,631 and paid $3,663 as a finder's fee.

- 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. On September 25, 2017 the Company entered into an option agreement with First Division Ventures Inc. ("First Division") whereby First Division could acquire 100% of certain mining claims. To exercise the Option, First Division is required to make a cash payment of $20,000, issue 200,000 common shares within 10 days of execution of the agreement and issue further 4,000,000 common shares by the third anniversary of the agreement. As a result of the agreement the Company determined that the carrying value of the property should be recorded at the estimated fair value of the consideration to be received of $120,500 and recorded an impairment charge of $1,624,694.

- 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. This transaction completed during the year ended October 31, 2017.

OUTLOOK

Bearing is an exploration and development company. The Li3 Definitive Agreement has enabled it to acquire an interest in the advanced-stage Maricunga project located in Chile, which represents one of the highest-grade lithium brine development opportunities in the Americas. With the transaction now completed, the Company plans to focus on working with its partners to advance the pre-production lithium project in Chile. Bearing has a free carry through Definitive Feasibility Study (DFS) permitting and filing of environmental reports.

The Company may need additional funding in the near future through either equity or debt financing to acquire new projects and further develop its remaining portfolio. Many factors influence the Company's ability to raise funds, including the health of the capital market, the climate for mineral exploration investment and the Company's track record. Actual funding requirements may vary from those planned due to a number of factors, including the funding of new projects. Management is approaching all identifiable sources of equity capital, but there is no guarantee that the Company will be able to secure additional financings in the future at terms that are favourable.

MINERAL PROPERTIES

Exploration related expenditures by the Company over the last eight quarters were limited due to the free carry on the Maricunga project. The Company is focused on the Maricunga project and currently has elected to reduce its exploration activities on other projects in an effort to preserve its cash and maintain its treasury. The company plans to advance any projects through JV or Earn in strategies.

The company currently retains 5 mineral properties, with 4 in the Yukon Canada and 1 in Nevada. The Yukon properties include the, HY Jay, VM, VBA and Big properties and the Nevada property is located at Fish Lake in Esmeralda County.

HY and Jay Property

The Company has a 100% interest in the HY and Jay claims, subject to a 2% NSR on a portion of the Hy claims. Work to date on the HY-Jay property by Bearing and previous owners has outlined three areas of anomalous gold in rock and soil at the Zig Zag, East Ridge and West zones. The East Ridge and West zones are highlighted by 0.9-kilometre- and 1.4-kilometre-long gold and arsenic soil geochemical anomalies. Of 298 rock Grab samples collected from the property 26 returned values greater than 1 gram per tonne grab sample 73723 collected in 1997 from the West zone returned 144.1 g/t gold (Bearing news releases of Nov. 24, 2011, and Dec. 12, 2011). The 2011 discovery of the Zig Zag gold zone returned significant gold assays from grab samples of quartz-arsenopyrite vein material collected from a large field of metasediment and phyllite subcrop and float boulders. Grab samples are selective by nature and are unlikely to represent average grades of sampling on the entire property.

On January 3, 2017 Golden Predator Mining Corp. ("Golden Predator") entered into a mineral property purchase agreement with Bearing Lithium Corp. pursuant to which Golden Predator agreed to purchase all of Bearing Resources' undivided interest in the property for total cash payments in the amount of $275,000, payable over a 48-month period from the execution date of the agreement. In addition, Golden Predator will issue a combined total of 35,000 common shares to the Company upon TSX Venture Exchange approval, and a further 50,000 common shares on the date that is eight months from the execution date both of which were received during the year. Golden Predator has also agreed to issue up to $600,000 worth of common shares of the company to the vendor on the dates that are 20 months, 32 months and 48 months from the execution date, at a price per share equal to the 21-day volume-weighted average price as at the date of issuance, subject to a floor price equal to the minimum price permitted under the TSX-V policies.

Bearing will retain a 2-per-cent net smelter royalty ("NSR") on certain of the claims and a 1-per-cent net smelter returns royalty on the remaining claims. Golden Predator may repurchase 50 per cent of the NSR, at any time, for the purchase price of $1-million. Completion of the acquisition and the obligation to make any payments other than the initial cash payment and share issuance are conditional upon completion by Bearing Resources of its transaction with Li3 Energy Inc.

Fish Lake Valley Property

The Company entered into an asset purchase agreement to acquire a 100% interest in 81 lode claims located in Esmeralda County, Nevada.

The claims cover 1,620 acres in the north-eastern corner of Fish Lake Valley, situated in central-western Nevada. The claims lie on tuffaceous sedimentary rocks of the Esmeralda Formation which are considered to be prospective lithium, boron and potassium mineralization.

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.

The Company determined that the carrying value of the property should be impaired to the estimated 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 the accounts.

Maricunga Project

On September 28, 2017 Bearing acquired Li3 Energy Inc and its interest in the Maricunga Project. Li3 currently holds a 17.7% interest in the Maricunga Project along with Minera Salar Blanco ("MSB") and Lithium Power International Limited ("Lithium Power") at 32.3% and 50% respectively pursuant to a joint venture arrangement (the "Joint Venture"). Under the terms of the Joint Venture, Lithium Power has agreed to fund exploration and development costs with both Li3 and MSB having a free carry until the completion of a definitive feasibility study.

The Maricunga lithium brine project is comprised of 4,463 hectares of old code and new code tenements covering a portion of the Maricunga Salar in northern Chile. Sampling to date by the joint venture indicates potential for high lithium grades from brine within the salar. Over US$40 million has been invested in the project to date by Li3 Energy Corp and the current JV partner Lithium Power International Limited. The project is comprised of a number of tenements some of which are grandfathered under a previous mining code which allows for the immediate exploitation of lithium.

A significant exploration and development program is underway with a goal of delivery of a Definitive Feasibility Study (DFS) in 2018. Drilling by the Joint Venture has generated the following drill results which were reported on in several press releases since January 17, 2017.

Hole	Tenement	Total Depth (m)	Assay Interval (m)	Lithium (mg/L avg)	Potassium (mg/L avg)	Lithium (mg/L max)
M10	Cocina	200	40	1,239	8,611	1,571
M1	Cocina	77	75	1,447	9,903	1,946
M2	Cocina	198	190	931	6,605	1,700
S5	Salamina	200	186	1,005	6,934	1,270
S3	San Francisco	200	186	1,040	7,708	1,240
S13	San Francisco	200	186	999	7,294	1,260
S6	San Francisco	200	186	1,368	9,468	3,375
M1A	Cocina	200	192	822	6,104	2,006
S2	Cocina	200	192	954	6,580	1,940
S18	Litio	173	168	1,382	11,041	1,740
S19	Cocina	360	336	975	7,273	1,614
P4	Cocina	180	Pumping well averaging 25 litres per second			

Source: Lithium Power International Ltd. Press Releases

Subsequent to the year, the company announced the results from a Preliminary Economic Assessment ("PEA") prepared in accordance with National Instrument 43-101 on Maricuhga Lithium brine project located in Chile. The following are the NI 43-101 Preliminary Economic Assessment (PEA) Highlights:

- The Maricunga Lithium Brine Project's Preliminary Economic Assessment (PEA) supports 20,000 tonnes per annum(t/a) production of lithium carbonate (LCE) and 74,000t/a potassium chloride fertilizer (KCl) over 20 years.
- Project NPV is estimated to be US$1.049B before tax at 8% discount rate, providing an IRR of 23.4%.
- Payback in 2 years and 11 months based on a 2-year ramp up period.
- Project operating cost places Maricunga among most efficient producers with lithium carbonate production cost of US$2,938 per tonne (/t) FOB in Chile, reducing to US$2,635/t with credits from KCl by-product.
- Project development cost estimated at US$366M excluding KCl, plus indirect costs of 14.2% (US$55M) and 18.6% (US$83M) contingency.

- The project is progressing to a feasibility study, providing improved certainty regarding reserves, metallurgical design, equipment and operational risks.
- Conventional evaporation pond and process technology used to minimise operational risks.
- PEA completed by Tier-1 engineering consultancy WorleyParsons to international standards. Accuracy of operating and capital cost estimates expected within a +/- 25% range.

Properties sold during the year ended October 31, 2016

On June 23, 2016, Commander and Bearing along with Bearing's wholly-owned subsidiary BRZ Mex Holdings Ltd. ("BRZM") executed an Asset Purchase Agreement (the "Agreement") wherein Commander acquired 100% of the issued and outstanding shares of BRZM which included BRZM's wholly-owned subsidiary, Minera BRG SA de CV., ("Minera BRG"). BRZM and its subsidiary together hold a 100% interest of four exploration stage properties in Canada and Mexico: October Dome (BC), Mt. Polley (BC), Flume (Yukon) and Pedro (Durango, Mexico). In addition, three royalty interests were also acquired. One of these royalties includes a production-defined royalty on a portion of the Boundary Zone deposit at the Mt. Polley Mine in BC owned by Imperial Metals Corporation.

On September 23, 2016, the transaction in connection with the Agreement was completed. As consideration, the Company received 12,000,000 common shares of Commander and $15,000.

Mineral property sale transaction during the year ended October 31, 2017

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 Company received $10,000 (non-refundable) and 85,000 common shares, measured at a fair value of $65,700. The non-refundable cash payment has been recognized as a recovery against the exploration and evaluation assets. Upon completion of the Li3 transaction, the shares received will become non-refundable and will be recognized as a recovery against the exploration and evaluation asset.

LIQUIDITY AND CAPITAL RESOURCES

The Company's consolidated financial statements for the year ended October 31, 2017, have been prepared on a going concern basis, which assumes that the Company will continue in operation in the foreseeable future and will be able to realize its assets and settle its liabilities in the normal course of business. At October 31, 2017, the Company had a working capital of $2,109,983 (October 31, 2016 – $2,453,347). The Company had a deficit of $17,965,125 as at October 31, 2017 (October 31, 2016 – $12,973,342).

Cash outflows for the year from operating activities were $2,790,292 (2016 - $204,519) principally comprised of consulting fees, audit and legal fees, management fees, merger costs and public company regulatory related costs and office costs. Costs are higher than the previous year as a result of increased operating activities, property sales and the Li3 transaction. Cash outflows from investing activities were $165,026 (2016 cash inflow - $15,000) as a result of $85,563 paid towards the acquisition of mineral properties, 262,196 on the acquisition of Li3 and proceeds of 152,733 on the sale of marketable securities. There were cash inflows of $3,699,726 (2016 – 1,472,459) from financing activities mainly as a result of the issuance of shares through private placements and the exercise of warrants. The Company believes it has sufficient cash to maintain its current portfolio of exploration properties and meet its' working capital requirements for the next twelve months.

Bonds and reclamation deposits relate to the Mt Polley and October Dome properties. The Yukon mineral properties (JAY, HY, BIG/VBA and VM properties) were written down to $1 each during the year ended October 31, 2016.

Commitments

Bearing provided Levon with an indemnification in respect of the tax payable on disposition of Bearing Lithium Corp., in the event that the fair market value of the assets transferred exceeds the tax pools available to Valley High upon acquisition.

ANNUAL FINANCIAL INFORMATION

As at	October 31, 2017	October 31, 2016	October 31, 2015
Cash	2,601,164	1,856,756	573,816
Accounts receivable	89,775	18,032	4,790
Prepaid expense	217,669	24,337	-
Investments	403,540	600,001	1
Reclamation bonds and deposits	21,993	21,993	21,942
Mineral property interests	120,504	4	248,329
Investment in MSB SA	16,362,380	-	-
Total Assets	**19,817,025**	**2,521,123**	**848,878**
Accounts payable and accrued liabilities	410,440	45,779	22,419
Due to Minera Salar Blanco SpA	791,725	-	-
Total liabilities	**1,202,165**	**45,779**	**22,419**
Common shares	30,204,541	9,677,738	8,677,789
Contributed surplus	6,440,175	5,770,948	5,023,092
AOCI	(64,731)	-	3,267
Deficit	(17,965,125)	(12,973,342)	(12,877,689)
Shareholders' Equity	**18,614,860**	**2,475,344**	**826,459**
Total Liabilities and Shareholders' Equity	**19,817,025**	**2,521,123**	**848,878**

For the year ended	October 31, 2017	October 31, 2016	October 31, 2015
Total Revenue	-	-	-
Operating expenses	3,437,818	467,579	178,050
Exploration Related costs	-	-	346,702
Other income (expense)	(1,553,965)	371,926	(14,473)
Net loss	4,991,783	95,653	510,279
Total Comprehensive loss	5,056,514	98,920	512,298
Basic and diluted loss per common share	0.20	0.01	0.08

RESULTS OF OPERATIONS AND SELECT FINANCIAL DATA

For year ended October 31, 2017 compared to year ended October 31, 2016

The Company incurred total comprehensive loss of $5,056,514, during the year ended October 31, 2017, an increase of $4,957,594, as compared to the total comprehensive loss of $98,921 for the year ended October 31, 2016. The increase in comprehensive loss attributable to shareholders of the Company for the year ended October 30, 2017 was mainly attributed to the following factors:

During the current period, the Company realized an impairment loss of $1,624,694 on the fish Lake Valley mineral property. The impairment resulted from the Company recognizing the fair value of the consideration to be received under the option agreement entered into with First Division.

Consulting and management fees increased by $1,228,900; professional fees increased by $112,714; travel and office expense increased by $194,575; regulatory and filing increased by $78,588; and investor relations & communications increased by $272,334. Merger specific related costs were $457,023 during the year ended October 31, 2017. These increases were all related to the acquisition of Li3 described above.

Share based payment expense of $740,070 in the year ended October 31, 2017 is compared to $275,346 for the year ended October 31, 2016. This is as a result of granting 2,280,000 stock options at an weighted average exercise price of $0.73 compared to the issuance of 1,325,000 stock options at a weighted average price of $0.27 in the comparative period.

During the year ended October 31, 2017, the Company realized a recovery on the sale of exploration and evaluation assets of $95,700 (2016 - $nil).

During the year ended October 31, 2017 the company incurred a loss on the sale of marketable securities of $32,407 and recognized an unrealized loss on marketable securities of $77,020 (2016 - $120,000). The Company received 12,000,000 common shares of Commander Resources Ltd. during the year ended October 31, 2016 as compensation for mineral properties sold. During the year ended October 31, 2017 the Company sold 2,724,000 shares and also recognized an additional reduction of value of$65,520 as the market value at year end was $371,040. The Company also received 85,000 shares of Golden Predator Mining Corp as consideration for the sale of certain of its property interest in the Yukon properties. The Company sold 35,000 of these shares and also recognized a decline in value of $11,500 on the shares as the market value at year end was $32,500.

During the year ended October 31, 2016, the Company recognized a $488,129 gain related to the disposition of the Company's Mexican subsidiaries.

For three months ended October 31, 2017 compared to three months ended October 31, 2016

The Company incurred a total comprehensive loss of $2,240,945 during the three months ended October 31, 2017, an increase in the comprehensive loss of $2,259,666 when compared to the comprehensive gain of $18,721 for the three months ended October 31, 2016. The change was impacted by the following principle factors:

Consulting and management fees increased by $100,511; professional fees decreased by $17,823; travel and office expense increased by $167,470; regulatory and filing increased by $27,957; and investor relations & communications increased by $147,731. Merger specific related costs were $466,478 during the three months ended October 31, 2017. These increases were all related to the acquisition of Li3 described above.

During the three months ended October 31, 2017, the Company realized a recovery on the sale of exploration and evaluation assets of $105,696 (2016 - $nil).

During the three months ended October 31, 2017, the Company recognized an impairment loss of on its mineral properties of $1,624,694 (2016 - $nil).

During the three months ended October 31, 2016 the Company recognized a $488,129 gain related to the sale of the Company's Mexican subsidiaries.

Summary of quarterly results

The following table provides summary financial data for the Company's most recent eight quarters derived from the Company's unaudited condensed consolidated interim financial statements prepared in accordance with IAS 34.

	Quarter ended	Revenue	Exploration expenditures	Net loss	Net comprehensive loss	Basic and diluted gain (loss) per common share
Q4/17	October 31, 2017	$ -	$ -	$ (2,252,999)	$ (2,317,730)	$ (0.06)
Q3/17	July 31, 2017	-	-	(873,010)	(873,010)	(0.03)
Q2/17	April 30, 2017	-	-	(1,092,708)	(1,092,708)	(0.05)
Q1/17	January 31, 2017	-	-	(773,066)	(773,066)	(0.04)
Q4/16	October 31, 2016	-	196	20,668	18,722	0.00
Q3/16	July 31, 2016	-	5,715	(44,701)	(45,066)	(0.01)
Q2/16	April 30, 2016	-	10,155	(48,577)	(49,222)	(0.01)
Q1/16	January 31, 2016	-	6,376	(23,043)	(23,353)	(0.00)

As at	Quarter ended	Total Assets	Exploration Assets
Q4/17	October 31, 2017	$ 19,817,025	$ 120,504
Q3/17	July 31, 2017	$ 6,401,439	$ 1,745,198
Q2/17	April 30, 2017	4,468,085	1,677,904
Q1/17	January 31, 2017	3,295,784	4
Q4/16	October 31, 2016	2,521,123	4
Q3/16	July 31, 2016	738,841	248,329
Q2/16	April 30, 2016	765,869	248,329
Q1/16	January 31, 2016	831,522	248,329

The primary factors affecting the magnitude and variations of the Company's losses are as follows:

In Q4/17 expenditures by the Company over the last eight quarters increased due to the Company completing an equity financing, entering into a mineral property asset sale agreement and working towards completion of the Li3 transaction as well as incurring an impairment charge on its mineral property. As a result of these activities, the Company experienced increases in the following expense categories: consulting and management fees increased by $1,196,530; professional fees increased by $101,211; travel and office expense increased by $361,717; regulatory and filing increased by $51,173; and investor communications increased by $272,334. The company also recognized an impairment charge of 1,624,694 on its Fish Lake Valley property. The Company recognized a non-cash share based payment expense of $320,412 pursuant to the issuance of options and had unrealized loss on investments of $54,970.

Additionally, in Q4/17, the aforementioned increase in expenditures were offset by the following increases recognized in other income: Recovery on the sale of exploration and evaluation assets of $95,700 related to the sale of the Company's Yukon mineral property claims.

In Q4/16 the Company had a $488,129 gain related to the sale of the Company's Mexican subsidiaries. This gain was combined with share based payment expense of $275,346 and an unrealized loss on investments of $120,000 where there were no similar expense in previous 6 quarters.

As the Company is in the exploration stage it has no revenues. Audit, filing and legal fees in in Q3 and Q4 2017 are up due to the costs associated with the acquisition of Li3. Q3 and Q4 2016 include the cost of an auditor review of the pro-forma consolidated financial statements in connection acquisition of Li3.

SUBSEQUENT EVENTS

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.

Subsequent to October 31, 2017, the Company issued 533,000 common shares pursuant to the exercise of 433,000 warrants for proceeds of $346,400 and 100,000 options for proceeds of $23,500.

OUTSTANDING SHARE DATA

As at February 28, 2018, there are:

- 55,187,131 (October 31, 2017: 54,654,131) common shares outstanding;
- There were 2,955,000 stock options issued and outstanding (October 31, 2017–3,055,000);
- There were 842,786 warrants outstanding (July 31, 2017 – 2,422,286).

During the year ended October 31, 2017, 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.

During 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.

During 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.

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.

On July 11, 2017, in connection with definitive agreement and plan of merger with Li3 Energy Inc., *t*he Company issued 1,685,568 common shares and 842,786 common share purchase warrants with a fair value of $1,281,032 and $397,305 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. 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.

On October 21, 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 147,000 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.

Subsequent to October 31, 2017, the Company issued 533,000 common shares pursuant to the exercise of 433,000 warrants for proceeds of $346,400 and 100,000 options for proceeds of 23,500.

RELATED PARTY TRANSACTIONS

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

i. The Company entered into a consulting service agreement with Jeremy Poirier and Nico Consulting Ltd. on December 1, 2016. Mr. Poirier is the Chief Executive Officer of the Company. Pursuant to this consulting agreement, Mr. Poirier is compensated at a rate of $10,000 per month. During the year ended October, 2017, Nico Consulting Ltd. charged total consulting fees of $111,500 (2016 - $1,500) for management services.

   As of October 31, 2017, the Company has included in its accounts payable and accrued liabilities $11,958 (2016 - $nil) due to Mr. Poirier for recoverable expenses.

ii. The Company entered into a consulting service agreement with Ann Fehr and Fehr & Associates on December 1, 2016. Mrs. Fehr is the Chief Financial Officer of the Company. Pursuant to this consulting agreement, Mrs. Fehr is compensated at a rate of $100 per hour. Fehr & Associates also provides book-keeping services to the Company for $2,000 per month. During the year ended October 31, 2017, Fehr & Associates charged total consulting fees of $70,769 (2016 - $10,400) for management, administration and accounting services of which $24,000 (2016 - $ 4,000) was related to book-keeping services.

   As of October 31, 2017, the Company has included in its accounts payable and accrued liabilities $15,991 (2016 - $2,730) due to Fehr & Associates.

iii. The Company entered into a consulting service agreement with Benjamin Asuncion and PI Holdings Ltd. on January 1, 2017. Mr. Asuncion is the Vice President, Business Development of the Company. Pursuant to this consulting agreement, Mr. Asuncion is compensated at a rate of $8,500 per month. During the year ended October 31, 2017, PI Holdings Ltd. charged total consulting fees of $85,000 (2016 - $nil) for management services.

   As of October 31, 2017, the Company has included in its accounts payable and accrued liabilities $nil (2016 - $nil) due to PI Holdings Ltd.

iv. During the year ended October 31, 2017, the Company entered into a consulting agreement with Chris Hasek-Watt, a former director of the Company. Mr. Hasek-Watt was compensated $1,750 for these consulting services.

v. As of October 31, 2017, the Company has included in its accounts payable and accrued liabilities $1,058 (2016 - $nil) due to Luis Saenz, a director of the Company, for recoverable expenses.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements for the year ended October 31, 2017.

PROPOSED TRANSACTIONS

The Company does not currently have any proposed transactions approved by the Board of Directors. All current transactions are fully disclosed in the consolidated financial statements for the year ended October 31, 2017.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the consolidated financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying consolidated financial statements.

FINANCIAL INSTRUMENTS

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

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.

[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.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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.

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.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

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.

RISKS AND UNCERTAINTIES

The Company is in the mineral exploration and development business and is exposed to a number of operational, financial, regulatory and other risks and uncertainties that are typical in the natural resource industry and common to other companies in the exploration and development stage. These risks may not be the only risks faced by the Company. Additional risks and uncertainties not presently known by the Company or which are presently considered immaterial could adversely impact the Company's business, results of operations, and financial performance in future periods.

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 October 31, 2017. 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.

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 year ended October 31, 2017, that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

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, Don Hains, PGeo, 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.

Government Laws, Regulation & Permitting
Mining and exploration activities of the Company are subject to both domestic and foreign laws and regulations governing prospecting, development, production, taxes, labour standards, occupational health, mine safety, waste disposal, toxic substances, the environment and other matters. Although the Company believes that all exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given

that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a substantial adverse impact on the Company.

The operations of the Company will require licenses and permits from various governmental authorities to carry out exploration and development at its projects. There can be no assurance that the Company will be able to obtain the necessary licenses and permits on acceptable terms, in a timely manner or at all. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities.

Additional Financings
If the Company's exploration programs are successful, additional funds will be required in order to complete the development of its properties. There is no assurance that the Company will be successful in raising sufficient funds to meet its obligations or to complete all of the currently proposed exploration programs. If the Company does not raise the necessary capital to meet its obligations under current contractual obligations, the Company may have to forfeit its interest in properties or prospects earned or assumed under such contracts.

Key Management and Competition
The success of the Company will be largely dependent upon the performance of its key officers, consultants and employees. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Company's success.

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself with respect to the discovery and acquisition of interests in mineral properties, the recruitment and retention of qualified employees and other persons to carry out its mineral exploration activities. Competition in the mining industry could adversely affect the Company's prospects for mineral exploration in the future.

Title to Properties
Acquisition of rights to the mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has investigated the title to all of the properties for which it holds concessions or other mineral leases or licenses or in respect of which it has a right to earn an interest, the Company cannot give any assurance that title to such properties will not be challenged or impugned.

Commodity Prices
Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The prices of mineral commodities have fluctuated widely in recent years. Current and future price declines could cause commercial production to be impracticable.

Conflicts of Interest
The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with the laws of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Risks associated with foreign operations
The Company is currently working to having active projects in Chile and the USA. Accordingly, the Company is subject to all of the risks normally associated with the exploration, development and production of mineral properties in these jurisdiction. The Company's operations could be adversely impacted by political instability, foreign policies, differing business environments and changes in government regulations relating to foreign investment, corporate organization

and governance, commerce, taxation, trade and the mining industry. The economies in foreign jurisdictions may differ in many respects, including the level of government intervention, level of development, maturity of the legal system and control of foreign exchange. Any changes in foreign regulations or shifts in political conditions are beyond the Company's control and there is no assurance that current and future mineral operations will not be adversely impacted by foreign political, social or economic changes.

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.

APPROVAL

The Company's Board of Directors has approved the Company's consolidated financial statements for the year ended October 31, 2017. The Company's Board of Directors has also approved the disclosures contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it and is available on www.sedar.com and the Company's website www.bearingresources.ca.