



Bearing Lithium Corp.

Condensed Consolidated Interim Financial Statements

For the Three Months Ended January 31, 2018

(Unaudited - Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed consolidated interim financial statements of Bearing Lithium Corp. (the "Company") have been prepared by and are the responsibility of management. These condensed consolidated interim financial statements for the three months ended January 31, 2018 and 2017 have not been reviewed or audited by the Company's independent auditors.

Bearing Lithium Corp.Condensed Consolidated Interim Statement of Financial Position
(Expressed in Canadian dollars)

As at	Note	January 31, 2018 (unaudited) \$	October 31, 2017 (audited) \$
ASSETS			
Current assets			
Cash		1,617,949	2,601,164
Accounts receivable		85,602	89,775
Prepaid expense		43,829	217,669
Investment in marketable securities	3	283,210	403,540
		2,030,590	3,312,148
Non-current assets			
Reclamation bond		21,993	21,993
Exploration and evaluation assets	4	120,504	120,504
Investment in MSB SA	5	16,362,380	16,362,380
		18,535,467	19,817,025
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	6	321,965	410,440
Due to Minera Salar Blanco SpA	5	-	791,725
		321,965	1,202,165
SHAREHOLDERS' EQUITY			
Common shares	7	30,679,709	30,204,541
Contributed surplus	7	7,160,545	6,440,175
Accumulated other comprehensive Income		(52,341)	(64,731)
Deficit		(19,574,411)	(17,965,125)
Total shareholders' equity		18,213,502	18,614,860
Total liabilities and shareholders' equity		18,535,467	19,817,025

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

These consolidated financial statements were approved for issuance by the Board of Directors on April 2, 2018 and signed on its behalf by:

/s/ Patrick Cussen
Director

/s/ Jeremy Poirier
Director

Bearing Lithium Corp.Condensed Consolidated Interim Statement of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian dollars)

For the three months ended January 31	Note	2018	2017
		\$	\$
Operating expenses			
Consulting	6	535,497	276,764
Investor communications		12,727	5,628
Management	6	98,919	36,700
Office and general		15,388	13,775
Professional fees		48,671	89,096
Regulatory and filing		31,436	14,560
Share-based payment expense	7	825,638	362,711
Travel		28,248	46,782
		(1,596,524)	(846,016)
Other income (loss)			
Foreign exchange gain		(8,745)	668
Interest income		1,313	2,282
Recovery on exploration and evaluation asset		-	10,000
Loss on disposal of marketable securities	3	(63,720)	-
Unrealized gain on investment		58,390	60,000
		(12,762)	72,950
Net loss for the period		(1,609,286)	(773,066)
Other comprehensive expense			
Items that may be reclassified subsequently to loss for the period			
Foreign currency translation adjustment		12,390	-
Comprehensive loss		(1,596,896)	(773,066)
Basic and diluted loss per common share		(0.03)	(0.04)
Weighted average number of common shares outstanding		54,990,889	20,363,716

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

Bearing Lithium Corp.

Condensed Consolidated Interim Statement of Shareholders' Equity

For the three months ended January 31, 2018 and 2017

(Unaudited - Expressed in Canadian dollars)

	Common Shares		Contributed Surplus	AOCI	Deficit	Shareholders' equity
	No. of shares	Amount				
	#	\$				
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	2,865,000	888,433	257,567	-	-	1,146,000
Share issuance costs	-	(110,795)	42,617	-	-	(68,178)
Share-based payment expense	-	-	362,711	-	-	362,711
Options exercised	50,000	20,390	(10,390)	-	-	10,000
Net loss for the period	-	-	-	-	(773,066)	(773,066)
Balance, January 31, 2017	21,387,418	10,475,766	6,423,453	-	(13,746,408)	3,152,811
Share-based payment expense	-	-	377,359	-	-	377,359
Warrants exercised	12,482,615	3,606,219	(485,565)	-	-	3,120,654
Shares issued for acquisition of mineral claims	1,473,990	1,659,631	-	-	-	1,659,631
Shares issued on acquisition of Li3	18,635,108	14,162,682	246,421	-	-	14,409,103
Foreign currency translation adjustment	-	-	-	(64,731)	-	(64,731)
Net loss for the period	-	-	-	-	(4,218,717)	(4,218,717)
Balance, October 31, 2017	54,654,131	30,204,541	6,440,175	(64,731)	(17,965,125)	18,614,860
Share-based payment expense	-	-	825,638	-	-	825,638
Options exercised	100,000	34,893	(11,393)	-	-	23,500
Warrants exercised	433,000	440,275	(93,875)	-	-	346,400
Foreign currency translation adjustment	-	-	-	12,390	-	12,390
Net loss for the period	-	-	-	-	(1,609,286)	(1,609,286)
Balance, January 31, 2018	55,187,131	30,679,709	7,160,545	(52,341)	(19,574,411)	18,213,502

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

Bearing Lithium Corp.
 Statements of Cash Flow
For the three months ended January 31, 2018 and 2017
 (Unaudited - Expressed in Canadian dollars)

	2018 \$	2017 \$
OPERATING ACTIVITIES		
Net loss for the period	(1,609,286)	(773,066)
Add items not affecting cash:		
Share-based payment expense	825,638	362,711
Unrealized gain on investment	(58,390)	(60,000)
Unrealized foreign exchange	3,940	-
Loss on sale of marketable securities	63,720	-
Changes in non-cash working capital items relating to operations:		
Accounts receivable	4,173	2,378
Prepaid expenses and other	173,840	(4,002)
Accounts payable and accrued liabilities	(867,810)	29,944
Cash used in operating activities	(1,464,175)	(442,035)
FINANCING ACTIVITIES		
Issuance of common shares	-	1,092,222
Proceeds from warrants exercised	346,400	
Proceeds from options exercised	23,500	10,000
Cash provided by financing activities	369,900	1,102,222
INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	115,000	-
	115,000	-
Effect of exchange rate changes on cash	(3,940)	-
Increase (decrease) in cash	(983,215)	660,187
Cash, beginning of the period	2,601,164	1,856,756
Cash, end of the period	1,617,949	2,516,943

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

Bearing Lithium Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended January 31, 2018 and 2017

(Unaudited - Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

Business Description

Bearing Lithium Corp. (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. As part of this acquisition, the Company acquired 17.67% of MSB SA [note 5].

2. BASIS OF PREPARATION

Statement of compliance

These condensed consolidated interim financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standards ("IAS") 34 – Interim Financial Reporting. The accounting policies followed in these condensed consolidated interim financial statements are consistent with those of the previous financial year.

The condensed consolidated interim financial statements of the Company for the three months ended January 31, 2018, were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on April 2, 2018. These condensed consolidated interim financial statements do not contain disclosures required under IFRS and should be read in conjunction with the Company's annual consolidated financial statements and the notes thereto for the year ended October 31, 2017.

3. INVESTMENT IN MARKETABLE SECURITIES

	January 31, 2018	October 31, 2017
Commander Resources Ltd.		
Adjusted cost base	\$ 406,440	\$ 556,560
Unrealized loss	(135,480)	(185,520)
Fair value, end of the period	270,960	371,040
Golden Predator Mining Corp.		
Fair value at agreement date	\$ 15,400	\$ 44,000
Unrealized gain	(3,150)	(11,500)
	12,250	32,500
	\$ 283,210	\$ 403,540

During the three months ended January 31, 2018, the Company disposed 32,500 shares of Golden Predator Mining Corp and 2,502,000 shares of Commander Resources Ltd for net proceeds of \$115,000; as a result, a loss of \$63,720 was recognized in the statement of loss and comprehensive loss.

Bearing Lithium Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended January 31, 2018 and 2017

(Unaudited - Expressed in Canadian Dollars)

4. MINERAL PROPERTY INTERESTS

	Fish Lake Valley	Yukon	Total
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 and January 31, 2018	\$ 120,500	\$ 4	\$ 120,504

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 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.

On September 25, 2017 the Company entered into an option agreement with First Division Ventures Inc. ("First Division") to acquire a 100% interest in certain mining claims. To exercise the Option, First Division was required to make a cash payment for an initial amount of \$20,000 (received subsequent to January 31, 2018) and issue 20,000 common shares to Bearing (received subsequent to January 31, 2018), 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. The Company retains a 3% NSR. The NSR is not subject to a buy-back or repurchase right.

During the year ended October 31, 2017 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 was recognized in accordance with Level 3 of the fair value hierarchy.

5. 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 Lithium Power International Limited, a Chilean corporation ("LPI"), Minera Salar Blanco SpA, also a Chilean Corporation who each own 50% and 32.33% respectively.

Pursuant to the original Minera Li Shareholders Agreement, LPI agreed to provide funding for Li3's share of the development of the Maricunga Project until construction permits are in place. To continue developing the property from the permit stage into a producing mine, Li3 will need to fund its 17.7% share of the development costs or risk dilution of its 17.7% ownership interest. The required funding will be determined based on an annual business plan with an itemized project budget.

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.

Bearing Lithium Corp.

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6. 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:

	Three months ended January 31,	
	2018	2017
Management and Consulting	\$ 79,000	\$ 33,950
Share based payments	175,177	-
	\$ 254,177	\$ 33,950

As at January 31, 2018, included in accounts payable and accrued liabilities is \$17,735 (2017 - \$27,077) owing to related parties for accrued management, consulting and expense reimbursements.

7. SHARE CAPITAL

Common shares

During the three months ended January 31, 2018, the Company issued 100,000 common shares pursuant to the exercise of stock options at \$0.23 per share for proceeds of \$23,500. Previously recognized grant date fair value of \$11,392 was reclassified from contributed surplus to common shares.

During the three months ended January 31, 2018, the Company issued 433,000 common shares pursuant to the exercise of share purchase warrants at \$0.80 per share for proceeds of \$346,400. Previously recognized grant date fair value of \$93,875 was reclassified from contributed surplus to common shares.

Warrants

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

	Number	Weighted Average Exercise Price
Balance, October 31, 2017	2,422,286	\$ 0.80
Warrants exercised	(433,000)	0.80
Expired	(1,500)	0.80
Balance, January 31, 2018	1,987,786	\$ 0.80

Date of Expiry	Number	Exercise Price
March 12, 2018 ⁽¹⁾	1,145,000	\$ 0.80
July 11, 2018	657,558	0.80
December 10, 2018	185,228	0.88
Total warrants issued and exercisable	1,987,786	\$ 0.80

⁽¹⁾ These warrants expired unexercised on March 12, 2018

As of January 31, 2018, the weighted average remaining life for outstanding warrants was 1.69 years.

Bearing Lithium Corp.

Notes to the Condensed Consolidated Interim Financial Statements

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(Unaudited - Expressed in Canadian Dollars)

7. SHARE CAPITAL (CONTINUED)

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.

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

	Number	Weighted Average Exercise Price \$
Balance, October 31, 2016	1,500,000	0.26
Exercised	(725,000)	0.25
Granted	2,130,000	0.73
Balance, October 31, 2017	2,905,000	0.61
Granted	150,000	0.76
Exercised	(100,000)	0.23
Cancelled	(50,000)	0.26
Balance, January 31, 2018	2,905,000	0.63

Date of Expiry	Exercise Price	Number of Options Issued and Exercisable
August 1, 2019	\$0.20	25,000
October 24 to 30, 2021	\$0.26	600,000
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
October 10, 2021	\$0.86	50,000
October 6 to 10, 2021	\$0.80	1,280,000
Oct 31, 2021	\$0.76	150,000
Balance, January 31, 2018		2,905,000

As of January 31, 2018, the weighted average remaining life for outstanding options was 3.76 years.

During the three months ended January 31, 2018, the Company recorded share-based payments of \$825,638 (2017 - \$362,711) for options granted during the period and options granted in a prior period that vested this period. Options granted during the period were measured using the Black-Scholes Option Pricing Model with the following weighted-average assumptions:

	2018	2017
Share price	0.76	0.59
Exercise price	0.76	0.54
Expected life	4 years	5 years
Annualized volatility	168.69%	169.14%
Expected dividend yield	0%	0%
Risk-free interest rate	1.62%	1.08%
Fair value per option	\$0.69	\$0.56

Bearing Lithium Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended January 31, 2018 and 2017

(Unaudited - Expressed in Canadian Dollars)

8. 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 are based on Level 1 inputs. There are no level 2 or level 3 financial instruments.