



Bearing Lithium Corp.

Condensed Consolidated Interim Financial Statements

For the Nine Months Ended July 31, 2017

(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 and nine months ended July 31, 2017 and 2016 have not been reviewed or audited by the Company's independent auditors.

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

<b>As at</b>	<b>Note</b>	<b>July 31, 2017 (unaudited) \$</b>	<b>October 31, 2016 \$</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		1,989,657	1,856,756
Accounts receivable		11,448	18,032
Prepaid expense		50,982	24,337
Investment in marketable securities	3	499,470	600,001
		<b>2,551,557</b>	<b>2,499,126</b>
<b>Non-current assets</b>			
Reclamation bond		21,993	21,993
Exploration and evaluation assets	4	1,745,198	4
		<b>4,318,748</b>	<b>2,521,123</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		123,293	45,779
Deposits received	6	43,750	-
		<b>167,043</b>	<b>45,779</b>
<b>SHAREHOLDERS' EQUITY</b>			
Common shares	8	13,601,393	9,677,738
Contributed surplus	8	6,262,438	5,770,948
Deficit		(15,712,126)	(12,973,342)
<b>Total shareholders' equity</b>		<b>4,151,705</b>	<b>2,475,344</b>
<b>Total liabilities and shareholders' equity</b>		<b>4,318,748</b>	<b>2,521,123</b>

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

Subsequent Events (Note 11)

These consolidated financial statements were approved for issuance by the Board of Directors on September 29, 2017 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)

		Three Months Ended July 31, 2017 \$	Three Months Ended July 31, 2016 \$	Nine Months Ended July 31, 2017 \$	Nine Months Ended July 31, 2016 \$
<b>Exploration costs</b>					
Expenditures		-	5,715	-	22,246
<b>Operating expenses</b>					
Consulting	7	328,323	3,000	992,274	3,000
Investor communications		27,095	-	124,767	-
Management		74,213	9,689	195,333	29,789
Merger related costs	5	170,439	-	466,478	-
Office and general		28,040	4,033	53,603	11,088
Professional fees		97,139	21,481	168,365	37,809
Regulatory and filing		16,243	3,728	62,929	12,298
Share-based payment expense	8	56,947	-	419,658	-
Travel		21,986	-	156,356	-
		(820,425)	(41,931)	(2,639,763)	(93,984)
<b>Other income</b>					
Foreign exchange gain (loss)		3,268	2,906	(4,908)	(200)
Interest income		3,712	38	10,103	109
Recovery on exploration and evaluation asset	6	-	-	10,000	-
Loss on disposal of marketable securities		(9,950)	-	(6,356)	-
Unrealized loss on investment	5	(49,615)	-	(107,860)	-
		(52,585)	2,944	(99,021)	(91)
<b>Net loss for the period</b>		<b>(873,010)</b>	<b>(44,702)</b>	<b>(2,738,784)</b>	<b>(116,321)</b>
<b>Other comprehensive income</b>					
<b>Items that may be reclassified subsequently to loss for the period</b>					
Foreign currency translation adjustment		-	(365)	-	(1,321)
<b>Comprehensive loss</b>		<b>(873,010)</b>	<b>(45,067)</b>	<b>(2,738,784)</b>	<b>(117,642)</b>
<b>Basic and diluted loss per common share</b>		<b>(0.03)</b>	<b>(0.01)</b>	<b>(0.12)</b>	<b>(0.02)</b>
<b>Weighted average number of common shares outstanding</b>		<b>26,660,786</b>	<b>6,472,418</b>	<b>23,417,545</b>	<b>6,472,418</b>

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 nine months ended July 31, 2017 and 2016

(Unaudited - Expressed in Canadian dollars)

	Common Shares		Contributed Surplus	AOCI	Deficit	Shareholders' equity
	No. of shares	Amount				
	#	\$				
<b>Balance, October 31, 2015</b>	<b>6,472,418</b>	<b>8,677,789</b>	<b>5,023,092</b>	<b>3,267</b>	<b>(12,877,689)</b>	<b>826,459</b>
Comprehensive loss for the period				(1,321)	(116,321)	(117,642)
<b>Balance, July 31, 2016</b>	<b>6,472,418</b>	<b>8,677,789</b>	<b>5,023,092</b>	<b>1,946</b>	<b>(12,994,010)</b>	<b>708,817</b>
Issued for cash pursuant to private placement	12,000,000	1,104,000	456,000	-	-	1,560,000
Share issuance costs	-	(87,541)	-	-	-	(87,541)
Finders warrants	-	(16,510)	16,510	-	-	-
Share-based payment expense	-	-	275,346	-	-	275,346
Disposition of Mexican subsidiaries	-	-	-	(1,946)	-	(1,946)
Net income for the period	-	-	-	-	20,668	20,668
<b>Balance, October 31, 2016</b>	<b>18,472,418</b>	<b>9,677,738</b>	<b>5,770,948</b>	<b>-</b>	<b>(12,973,342)</b>	<b>2,475,344</b>
Issued for cash pursuant to private placement <i>[note 8]</i>	2,865,000	888,433	257,567	-	-	1,146,000
Share issuance costs <i>[note 8]</i>	-	(68,178)	-	-	-	(68,178)
Finders warrants <i>[note 8]</i>	-	(42,617)	42,617	-	-	-
Share-based payment expense <i>[note 8]</i>	-	-	419,658	-	-	419,658
Options exercised <i>[note 8]</i>	250,000	106,563	(42,563)	-	-	64,000
Warrants exercised <i>[note 8]</i>	4,776,136	1,379,823	(185,789)	-	-	1,194,034
Shares issued for mineral claims <i>[note 4 and 8]</i>	1,473,990	1,659,631	-	-	-	1,659,631
Escrow shares issued for acquisition <i>[note 5 and 8]</i>	1,685,568	-	-	-	-	2,082,691
Net loss for the period	-	-	-	-	(2,738,784)	(2,738,784)
<b>Balance, July 31, 2017</b>	<b>29,523,112</b>	<b>13,601,393</b>	<b>6,262,438</b>	<b>-</b>	<b>(15,712,126)</b>	<b>6,234,396</b>

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

**Bearing Lithium Corp.**

Condensed Consolidated Interim Statement of Cash Flows

**For the nine months ended July 31, 2017 and 2016**

(Unaudited - Expressed in Canadian dollars)

	2017 \$	2016 \$
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	(2,738,784)	(116,321)
Add items not affecting cash:		
Loss on sale of marketable securities	6,356	-
Share-based payment expense	419,658	-
Unrealized loss on investments	107,860	-
Unrealized foreign exchange	-	200
Changes in non-cash working capital items relating to operations:		
Accounts receivable	6,584	(2,683)
Prepaid expenses and other	(26,645)	-
Accounts payable and accrued liabilities	77,514	7,605
<b>Cash used in operating activities</b>	<b>(2,147,457)</b>	<b>(111,199)</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds from sale of marketable securities	30,065	-
Purchase of mineral property interest	(85,563)	-
<b>Cash used in investing activities</b>	<b>(55,498)</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of common shares, net	1,077,822	-
Proceeds from options exercised	64,000	-
Proceeds from warrants exercised	1,194,034	-
<b>Cash provided by financing activities</b>	<b>2,335,856</b>	<b>-</b>
Effect of exchange rate changes on cash	-	(1,521)
Increase (decrease) in cash	132,901	(112,720)
Cash, beginning of the period	1,856,756	573,816
<b>Cash, end of the period</b>	<b>1,989,657</b>	<b>461,096</b>

*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 nine months ended July 31, 2017 and 2016

(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. The Company's head office is 14th Floor, 1111 West Georgia, Vancouver, British Columbia.

### 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 nine months ended July 31, 2017, were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on September 29, 2017. 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, 2016.

### 3. INVESTMENT IN MARKETABLE SECURITIES

		July 31, 2017	October 31, 2016
	Number of shares		
<b>Commander Resources Ltd.</b>			
Fair value at inception	12,000,000	\$ 720,000	\$ 720,000
Disposal	(607,000)	(36,420)	-
Adjusted cost base	11,393,000	683,580	720,000
Unrealized loss		(227,860)	(120,000)
Fair value, end of the period		455,720	600,000
<b>Golden Predator Mining Corp.</b>			
Fair value at agreement date [note 6]	35,000	21,700	-
Unrealized gain		22,050	-
		43,750	-
<b>Rise Gold Corp.</b>			
Fair value, beginning of period	15,000	1	1
Disposal	(15,000)	(1)	-
Fair value, end of the period	-	-	-
		\$ 499,470	\$ 600,001

## Bearing Lithium Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended July 31, 2017 and 2016

(Unaudited - Expressed in Canadian Dollars)

### 4. MINERAL PROPERTY INTERESTS

	Yukon	Fish Lake Valley Nevada	Total
Balance, October 31, 2016	\$ 4	\$ -	\$ 4
Asset Purchase Agreement for claims located in Esmeralda County, Nevada		1,745,194	1,745,194
<b>Balance, July 31, 2017</b>	<b>\$ 4</b>	<b>\$ 1,745,194</b>	<b>\$ 1,745,198</b>

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 will pay US \$60,000 (CDN \$81,900) in cash and issue 1,400,000 common shares of the Company with a fair value of \$1,596,000 [Note 8]. On April 5, 2017, the Quit Claim deed transferring title of claims was signed.

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 a cash fee of \$3,663.

### 5. DEFERRED CHARGES

On January 27, 2017, the Company entered into a definitive agreement and plan of merger with Li3 Energy Inc. ("Li3"). Pursuant to the agreement, a newly-formed wholly owned subsidiary of the Company will merge with Li3, with Li3 surviving the merger as a wholly owned subsidiary of the Company. At the effective time of the merger, each common share of Li3 will be converted into the right to receive common shares of the Company for an aggregate of 16,000,000 shares. As a result Li3 shareholders will receive approximately 43% of the Company's issued common shares. Option and warrant holders of Li3 will also receive the right to receive options and warrants of the Company on a one to one basis (note 11).

In connection with the agreement with Li3, the Company entered into settlement agreements (the "Settlement Agreements") with four holders of the convertible notes of Li3 having an aggregate principal balance owing of USD525,000. The Settlement Agreements, which were subsequently amended and restated on July 10, 2017, are subject to the closing of the Merger. Pursuant to the Settlement Agreements, Bearing will repay the principal amount due, and all accrued interest (shares issued and held under escrow July 11, 2017). Bearing will also pay the legal expenses of the convertible note holders' up to a maximum of USD15,000 and pay USD30,000 to compensate the convertible note holders' representative. Pursuant to the Settlement Agreements, Bearing has issued and held in escrow the following to the note holders on July 11, 2017:

- (i) 1,315,113 units (the "Initial Units"), with each unit consisting of one common share and ½ of one share purchase warrant (an "Initial Warrant") issued at a deemed price of \$0.40 per Initial Unit (\$0.40 per share) with each whole Initial Warrant exercisable into one common share at an exercise price of \$0.80. This Initial Unit issuance settled a total debt of USD389,375; and
- (ii) 370,455 units (the "Subsequent Units"), with each unit consisting of one common share and ½ of one share purchase warrant (a "Subsequent Warrant") issued at a deemed price of \$0.71 per Subsequent Unit (\$0.71 per share) with each whole Subsequent Warrant exercisable into one common share at an exercise price \$0.88. The differing price from the Initial Units and Warrants is due to the fact that one of the note holders elected to exchange their debt for Bearing securities at a later date, rather than receive a cash payment, and as a result was subject to the higher price. This Subsequent Unit issuance settled a total debt of USD194,688.



## Bearing Lithium Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended July 31, 2017 and 2016

(Unaudited - Expressed in Canadian Dollars)

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### 5. DEFERRED CHARGES (CONTINUED)

As a result of the foregoing, the total debt under the Li3 convertible notes, including accrued and unpaid interest, to be settled through the issuance of the Bearing Units is USD584,063. The Initial and Subsequent Units are being held in escrow and will be released concurrently with the closing of the Merger. If the Merger does not complete, the Initial and Subsequent Units will be cancelled. Therefore, the fair value of the common shares and fair value of the Initial Warrants and Subsequent Warrants will be measured and recorded when released from escrow.

In addition, Li3 has paid to the four note holders a 22% bonus (the "Bonus Payment") pursuant to the Settlement Agreements through the issuance of 14,584,062 common shares, which shares were issued in July 13, 2017. The number of Li3 shares received by the noteholders represents the equivalent value that would have been received had they been issued Bearing shares in accordance with the original debt agreements after applying foreign exchange rate of 1.351, a deemed market price of \$0.40 and an exchange ratio of 34 (Li3 shares to every one Bearing share).

### 6. DEPOSITS RECEIVED

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 nine months ended July 31, 2017, the Company received \$10,000 (non-refundable) and 35,000 common shares, measured at a fair value of \$0.62. The non-refundable cash payment has been recognized as a recovery against the exploration and evaluation assets. Upon completion of the Li3 transaction [Note 5], the shares received will become non-refundable and will be recognized as a recovery against the exploration and evaluation assets.

Subsequent to July 31, 2017 the Company received \$10,000 and 50,000 shares related to the transaction.

## Bearing Lithium Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended July 31, 2017 and 2016

(Unaudited - Expressed in Canadian Dollars)

### 7. 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 July 31, 2017	Three Months ended July 31, 2016	Nine Months Ended July 31, 2017	Nine Months Ended July 31, 2016
Management	\$ 74,213	\$ 9,250	\$ 205,333	\$ 32,188
Consulting	-	-	1,750	-
	<b>\$ 74,213</b>	<b>\$ 9,250</b>	<b>\$ 207,083</b>	<b>\$ 32,188</b>

As at July 31, 2017, included in accounts payable and accrued liabilities is \$23,713 (2016 - \$nil) owing to related parties and \$19,530 is included in prepaid expenses for accrued management and expense reimbursements. The amount is non-interest bearing and has no terms of repayments.

### 8. SHARE CAPITAL

#### Common shares

During the nine months ended July 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.

On November 15, 2016, the Company issued 50,000 common shares pursuant to the exercise of stock options at \$0.20 per share for proceeds of \$10,000. Previously recognized grant date fair value of \$1,001 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 [note 4].

On March 23, 2017, the Company issued 200,000 common shares pursuant to the exercise of stock options at \$0.27 per share for proceeds of \$54,000. Previously recognized grant date fair value of \$41,562 was reclassified from contributed surplus to common shares.

During the nine months ended July 31, 2017, the Company issued 4,776,136 common shares pursuant to the exercise of warrants at \$0.25 per share for proceeds of \$1,194,034. Previously recognized grant date fair value of \$185,789 was reclassified from contributed surplus to common shares.

## Bearing Lithium Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended July 31, 2017 and 2016

(Unaudited - Expressed in Canadian Dollars)

### 8. SHARE CAPITAL (CONTINUED)

#### Escrow

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 held in escrow. These shares will be released pursuant to the completion of the merger transaction (completed September 29, 2017).

#### Warrants

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

	Number	Weighted Average Exercise Price
<b>Balance, October 31, 2016</b>	<b>12,482,615</b>	<b>\$ 0.25</b>
Private placement of equity units	1,432,500	0.80
Brokers' warrants issued as finders' fees	147,000	0.80
Escrow warrants*	842,786	0.82
Exercised	(4,776,136)	(0.25)
<b>Balance, July 31, 2017</b>	<b>10,128,765</b>	<b>\$ 0.38</b>

\*On July 11, 2017, 842,786 warrants were issued and held in escrow in connection with Li3 Energy Inc. plan of merger [note 5].

Date of Expiry	Exercise Price	Number of warrants outstanding
October 21, 2017	\$0.25	7,706,479
December 16, 2017	\$0.80	1,579,500
July 11, 2018	\$0.80	657,558
January 11, 2019	\$0.88	185,228
<b>Balance, July 31, 2017</b>	<b>\$0.38</b>	<b>10,128,765</b>

The fair value of \$42,617 for the 147,000 broker warrants, issued in connection with the December 16, 2016 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.

As of July 31, 2017, the weighted average remaining life for outstanding warrants was 0.32 years.

## Bearing Lithium Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended July 31, 2017 and 2016

(Unaudited - Expressed in Canadian Dollars)

### 8. 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 \$
<b>Balance, October 31, 2015</b>	<b>325,000</b>	<b>0.36</b>
Forfeited	(25,000)	0.20
Expired	(125,000)	0.60
Granted	1,325,000	0.27
<b>Balance, October 31, 2016</b>	<b>1,500,000</b>	<b>0.26</b>
Granted	800,000	0.60
Exercised	(250,000)	0.26
<b>Balance, July 31, 2017</b>	<b>2,050,000</b>	<b>0.46</b>

Date of Expiry	Exercise Price	Number of options outstanding	Number of options exercisable
August 1, 2019	\$0.20	125,000	125,000
October 24, 2021	\$0.27	1,125,000	1,125,000
December 2, 2021	\$0.50	125,000	125,000
January 4, 2022	\$0.55	125,000	125,000
January 5, 2022	\$0.58	225,000	225,000
January 6, 2022	\$0.59	50,000	50,000
January 9, 2022	\$0.62	125,000	125,000
May 25, 2022	\$0.83	150,000	-
<b>Balance, July 31, 2017</b>	<b>\$0.46</b>	<b>2,050,000</b>	<b>1,900,000</b>

As of July 31, 2017, the weighted average remaining life for outstanding options was 4.2 years.

The fair value of the stock options issued during the nine months ended July 31, 2017 of \$419,658 (2016 - \$nil) were calculated using the Black-Scholes Option Pricing Model with the following weighted average assumptions: stock price \$0.63, exercise price \$0.60, term of 5 year, volatility of 168.64%, dividend yield of 0% and a risk-free interest rate of 1.04%.

## Bearing Lithium Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended July 31, 2017 and 2016

(Unaudited - Expressed in Canadian Dollars)

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### 9. 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. The Company's investment in the shares of Rise Gold Corp. are classified as a level 3 financial instrument. There are no level 2 financial instruments.

### 10. SEGMENTED INFORMATION

The Company operates in two reportable operating segments, being mineral exploration and development in Canada (Yukon) and United States of America (Nevada).

### 11. SUBSEQUENT EVENTS

- (i) Subsequent to July 31, 2017, the Company issued 1,515,244 common shares pursuant to the exercise of 1,515,244 warrants for proceeds of \$378,811.
- (ii) On September 29, 2017 the transaction with Li3 completed and the Company issued 16,000,000 shares for distribution to Li3 shareholders (note 5).