Bearing Lithium Corp.
Management Discussion & Analysis
For the nine months ended July 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. ("Bearing" or the "Company") for the nine months ended July 31, 2017. This MD&A should be read in conjunction with the unaudited condensed interim financial statements for the nine months ended July 31, 2017 and the audited consolidated financial statements of the company for the year ended October 31, 2016, 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 condensed consolidated interim 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 9-12. 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 September 29, 2017.

BUSINESS OVERVIEW

Bearing Lithium Corp. ("Bearing" or the "Company") is a Canadian based mineral exploration and development company, focused primarily on lithium. Bearing Lithium Corp.

Bearing owns an undivided 17.7% interest in the advanced-stage Maricunga project located in Chile. The Maricunga lithium brine project represents one of the highest-grade undeveloped lithium salars in the Americas. Over US$30 million has been invested in the project to date and all future expenditures through to the delivery of a Definitive Feasibility Study (DFS) are fully-funded by its joint venture partners. A Pre-Feasibility Study (PFS) is anticipated in Q4/17 and a Definitive Feasibility Study (DFS) is anticipated in H1/18.

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).

Effective August 22, 2016, the Company consolidated its issued and outstanding common shares and stock options on the basis of one post-consolidation common share for every four pre-consolidation common shares. As a result of the share consolidations, the number of shares and options presented in the MD&A and audited consolidated financial statements and the exercise price for each option, the calculated weighted average number of common shares issued and outstanding for the purpose of loss per share calculation are based on the post-consolidation shares for all years presented.

HIGHLIGHTS

- On September 29, 2017 the Company completed the acquisition of Li3 Energy Inc. ("Li3") and now owns 17.7% of the Maricunga project and issued 16,000,000 shares to the shareholders of Li3.

- On September 28, 2017 the Company received 50,000 common shares of Golden Predator Mining Corp. ("Golden") and $10,000 in connection with the mineral rights option agreement

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

- 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.

- 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 issued 1,400,000 common shares of the Company with a fair value of $1,596,000.

- Pursuant to the initial non-binding LOI with Li3 Energy Inc. ("Li3") dated November 23, 2016, 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 plus interest and penalties. 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. 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. On July 11, 2017, the Company issued the following units held in escrow:

    (i) 1,315,113 units with each unit consisting of one common share and ½ of one share purchase warrant issued at a deemed price of $0.40 per unit with each whole Initial warrant exercisable into one common share at an exercise price of $0.80. This issuance will settle total debt of USD389,375; and
    (ii) 370,455 units with each unit consisting of one common share and ½ of one share purchase warrant issued at a deemed price of $0.71 per unit with each whole 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 issuance will settle total debt of USD194,688.

- On January 27, 2017, the Company entered into an agreement and plan of merger with 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.

- On January 3, 2017, the Company entered into a property purchase agreement with 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 a specified schedule. The transaction is subject to the closing of the Li3 transaction.

NI 43-101 QUALIFIED PERSONS

Robert Cameron, 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. Mr. Cameron is not independent of the Company, as he is the former President and Chief Executive Officer and holds incentive stock options.

OUTLOOK

Bearing is an exploration and development company working to close the pending transaction with Li3 in the next quarter. The Li3 Definitive Agreement will enable 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. When the transaction completes, the Company plans to focus on working with its partners to advance the pre-production lithium project in Chile.

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 as the Company has elected to reduce its exploration activities in an effort to preserve its cash and maintain its treasury. 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.

Subsequent to year end Golden Predator Mining Corp. ("Golden Predator") has 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. 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. The transaction is subject to completion of the Li3 transaction.

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.

Chile Pending Transaction

Bearing has entered into a definitive agreement to acquire Li3 Energy Inc and its interest in the Maricunga Project (the "Li3 Definitive Agreement"). 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. On September 29, 2017, the Company completed the transaction with Li3 Energy Inc. and issued 16,000,000 shares to Li3 shareholders.

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$30 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 2017. Drilling by the Joint Venture has recently 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

<u>Properties sold during the year ended October 31, 2016</u>

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.

Pending mineral rights sale transaction during the nine months ended July 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 (issued)
(ii) 50,000 common shares 8 months after date of execution; 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, the shares received will become non-refundable and will be recognized as a recovery against the exploration and evaluation asset.

Subsequent to July 31, 2017, the company received 50,000 common shares of Golden and $10,000.

LIQUIDITY AND CAPITAL RESOURCES

The Company's condensed consolidated interim financial statements for the nine months ended July 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 July 31, 2017, the Company had a working capital of $2,384,514 (October 31, 2016– $2,453,347). The Company had a deficit of $15,712,126 as at July 31, 2017 (October 31, 2016 – $12,973,342).

For the nine months ended July 31, 2017, cash outflow from operating activities was $2,147,457 (2016 - $111,199) principally comprised of consulting fees, audit and legal fees, management fees, 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. Financing activities cash outflow was $55,498 (2016 - $nil) as a result of $85,563 paid towards the acquisition and $30,065 received for the sale of marketable securities. There were $2,335,856 cash inflows from financing activities (2016 - $nil). 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) have been written down to $1 each.

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.

RESULTS OF OPERATIONS AND SELECT FINANCIAL DATA

For nine months ended July 31, 2017 compared to nine months ended July 31, 2016

During the nine months ended July 31, 2017, the Company incurred a net loss of $2,738,784 (2016 – $116,321). The higher loss in the nine months ended July 31, 2017 was primarily related to increased operational activities related to the Company seeking and acquiring of new mineral property assets, completing an equity financing, entering into a mineral property asset sale agreement and working towards completion of the Li3 transaction.

Consulting and management fees increased by $1,154,818; professional fees increased by $130,556; travel and office expense increased by $198,871; regulatory and filing increased by $50,631; and investor relations & communications increased by $124,767. Merger specific related costs were $466,478 during the nine months ended July 31, 2017. These increases were all related to the described transactions above where there was no similar transaction in the same period last year.

The company also recognized a one-time non-cash share based payment expense of $419,658 pursuant to the issuance of 800,000 options where no similar issuance occurred during the same period last year.

During the nine months ended July 31, 2017, the company realized a recovery on the sale of exploration and evaluation assets of $10,000 (2016 - $nil), and recorded an unrealized loss on marketable securities of $107,860 (2016 - $nil), and a loss on disposal of marketable securities of $6,356 (2016-$nil) as the Company had no such asset sales or marketable securities in the comparative period.

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

During the three months ended July 31, 2017, the Company incurred a net loss of $873,010 (2016 – $44,702). The higher loss in the three months ended July 31, 2017 was primarily related to increased operational activities related to the Company seeking and acquiring new mineral property assets and working towards completion of the Li3 transaction.

Consulting and management fees increased by $389,847; professional fees increased by $75,658; travel and office expense increased by $45,993; regulatory and filing increased by $12,515; and investor relations & communications increased by $27,095. Merger specific related costs were $170,439 during the three months ended July 31, 2017. These increases were all related to the described transactions above where there was no similar transaction in the same period last year.

During the three months ended July 31, 2017, the company recorded an unrealized loss on marketable securities of $49,615 (2016 - $nil) and a loss on the disposal of marketable securities of $9,950 (2016-$nil), as the Company has no such asset sales or marketable securities in the comparative period.

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 gain (loss)	Net comprehensive gain (loss)	Basic and diluted gain (loss) per common share
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)
Q4/15	October 31, 2015	-	2,038	(36,023)	(36,552)	(0.01)

As at	Quarter ended	Total Assets	Exploration Assets
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
Q4/15	October 31, 2015	848,878	248,329

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

In Q3/17 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 a result of these activities, the Company experienced increases in the following expense categories: consulting and management fees increased by $1,154,818; professional fees increased by $130,556; travel and office expense increased by $198,071; regulatory and filing increased by $50,631; and investor communications increased by $124,767. The company also recognized non-cash share based payment expense of $419,658 pursuant to the issuance of 800,000 options. The trend of increased spending continued during Q3/17 as the company continued to work towards completion of the Li3 transactions and acquired a mineral property interest.

Additionally, in Q3/17, the aforementioned increase in expenditures were offset by the following increases recognized in other income: $10,000 recovery on its exploration and evaluation assets related to the sale of the Company's Yukon mineral property claims; and an unrealized loss on investments of $107,860.

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.

In Q2 2015, the Company received approximately $37,000 in refund from value added taxes in Mexico and also wrote down the OctDome property by $345,057 as a result of impairment indicators arising from the proposed transaction with Commander. The expenditures in Q3 2015 and Q1 2016 relate principally to the payment of mining rights to maintain our claims in Mexico. In Q2 2016 the Company evaluated an exploration opportunity that did not culminate in a deal occurring.

As the Company is in the exploration stage it has no revenues. Q4 2015 include the cost of an auditor review of the condensed consolidated interim financial statements in connection with the subsequently terminated transaction with Odyssey. Expenditures in Q4 2015 and Q1 2016 were principally associated with maintaining the company in good standing. Included in Q2 2016 were legal costs associated with a property acquisition that didn't transpire.

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 Company completed the Li3 Energy Inc. transaction and issued 16,000,000 shares to Li3 Energy Inc.

OUTSTANDING SHARE DATA

As at September 29, 2017, there are:

- 30,040,956 (July 31, 2017: 29,523,112) common shares outstanding, of which, 1,685,568 are held in escrow;
- There were 2,050,000 stock options issued and outstanding (July 31, 2017–2,050,000)
- There were 8,613,521 warrants outstanding (July 31, 2017 – 10,128,765), of which, 842,786 are held in escrow

During the nine months ended July 31, 2017, the company issues 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.

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

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.

Subsequent to July 31, 2017, the Company issued 517,844 common shares pursuant to the exercise of 517,844 warrants for proceeds of $129,461.

On May 25, 2017, in connection with the appointment of Timothy Heenan to the Board of Directors, the Company granted 150,000 incentive stock options at an exercise price of $0.83 exercisable for a period of five years.

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:

	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	-
	$ 74,213	**$ 9,250**	**$ 207,083**	**$ 32,188**

During the nine months ended July 31, 2017, Nico Consulting Inc., a Company controlled by the Chief Executive Officer Jeremy Poirier, was paid $81,500 (2016 - $Nil) for management services. As of July 31, 2017, there was $nil (2016 - $nil owing to Nico Consulting Inc. and $10,500 included in prepaid expenses for accrued management and expense reimbursements.

During the nine months ended July 31, 2017, PI Holdings Ltd., a Company controlled by the VP of Business Development Ben Asuncion, was paid $59,500 (2016 - $Nil) for management services. As of July 31, 2017, there was $nil (2016 - $nil) owing to PI Holdings Ltd. and $9,030 included in prepaid expenses for accrued management and expense reimbursements.

During the nine months ended July 31, 2017, Fehr and Associates, a Company controlled by the Chief Financial Officer Ann Fehr, was paid $64,333 (2016 - $nil) for management, bookkeeping and corporate secretary services. As of July 31, 2017, there was $23,713 (2016 - $nil) included in accounts payable and accrued liabilities.

During the nine months ended July 31, 2017, Chris Hasek-Watt, a director of the Company, was paid $1,750 (2016 - $nil) for consulting services. As of July 31, 2017, there was $nil (2016 - $nil) included in accounts payable and accrued liabilities.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements for the nine months ended July 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 condensed consolidated interim financial statements for the nine months ended July 31, 2017.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the condensed consolidated interim 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 condensed consolidated interim 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 and are summarized as follows:

		Level 1		Level 2		Level 3
July 31, 2017						
Held for trade	$	2,489,127	$	-	$	-
Loans and receivables		5,184		-		-
Other financial liabilities	$	(126,630)	$	-	$	-
		Level 1		Level 2		Level 3
October 31, 2016						
Held for trade	$	2,456,756	$	-	$	1
Loans and receivables		12,849		-		-
Other financial liabilities	$	(26,779)	$	-	$	-

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.

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 July 31, 2016. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective to ensure that information required to be disclosed in reports filed or submitted by the Company under Canadian securities legislation.

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management in its opinion has designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of condensed consolidated interim financial statements for external purposes. However, a material weakness exists in the design of internal control over financial reporting caused by a lack of adequate segregation of duties in the financial close process. The Chief Financial Officer is responsible for preparing, authorizing, and reviewing information that is key to the preparation of financial reports. He is also responsible for preparing and reviewing the resulting financial reports. This weakness has the potential to result in material misstatements in the Company's condensed consolidated interim financial statements. Management has concluded, and the audit committee has agreed that taking into account the present stage of the Company's development, the Company does not have sufficient size and scale to warrant the hiring of additional staff to correct the weakness at this time.

The Canadian Securities Administrators do not require any certification on the effectiveness of these controls at this time. There have been no changes in the Company's internal control over financial reporting during the period ended July 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, Robert Cameron, PGeo, former President and Chief Executive Officer of the Company, 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 condensed consolidated interim financial statements for the nine months ended July 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.