

Condensed Consolidated Financial Statements

For the Quarter ended April 30, 2015

(Expressed in Canadian dollars, except where indicated)

Bearing Resources Ltd.

Condensed Consolidated Statement of Financial Position

As at April 30, 2015 and October 31, 2014

(Expressed in Canadian dollars, except where indicated)

	April 30, 2015 $	October 31, 2014 $
Assets		
Current assets		
Cash and cash equivalents	638,497	728,975
Accounts receivable and prepaid expenses	11,622	4,819
Investments	7,201	7,201
	657,320	740,995
Non-current assets		
Reclamation bonds and deposits	21,854	21,867
Mineral property interests (note 4)	248,329	593,386
	927,503	1,356,248
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	20,134	17,491
	20,134	17,491
Shareholders' Equity		
Common shares	8,677,789	8,677,789
Contributed surplus	5,023,092	5,023,092
Accumulated other comprehensive income ("AOCI")	3,028	5,286
Deficit	(12,796,540)	(12,367,410)
	907,369	1,338,757
	927,503	1,356,248

Contingencies (note 9)
Subsequent event (note 10**)**
Approved by the Board of Directors

"*Kirk Shaw*" "*Eduard Epshtein*"

_____ _____

Director Director

The accompanying notes form an integral part of these financial statements.

Bearing Resources Ltd.

Condensed Consolidated Statement of Loss and Comprehensive Loss

For the three and six months ended April 30, 2015 and 2014

(Expressed in Canadian dollars, except where indicated)

Expenses	Three Months Ended April 30, 2015	Three Months Ended April 30, 2014	Six Months Ended April 30, 2015	Six Months Ended April 30, 2014
	$	$	$	$
Exploration expenses				
Expenditures (note 3)	(26,442)	3,303	(8,584)	7,642
Write-downs of mineral property interests (note 4)	345,057	-	345,057	-
	318,615	3,303	336,473	7,642
Corporate and other costs				
Audit, filing and legal fees	20,703	17,838	26,265	29,619
Consulting and labour	32,337	32,297	64,001	74,880
Depreciation and amortization	-	763	-	5,993
Finance income	(2,173)	(3,062)	(4,627)	(5,756)
Other costs	4,274	3,327	(3,642)	(1,945)
Rent and office costs	5,167	5,989	10,660	23,876
Share-based payment expense (note 6)	-	-	-	(32,432)
Unrealized loss on held-for-trading investment	-	(5,400)	-	(5,400)
	60,308	51,752	92,657	88,835
Loss for the period	378,923	55,055	429,130	96,477
Other comprehensive income				
Items that may be reclassified subsequently to loss for the period				
Foreign currency translation adjustment	1,825	(111)	2,258	(854)
	1,825	(111)	2,258	(854)
Comprehensive loss for the period	380,748	54,944	431,388	95,623
Basic and diluted loss per share ($ per share)	$0.01	$0.00	$0.02	$0.00
Weighted average shares outstanding (000's)	25,889,648	25,889,648	25,889,648	25,889,648

Bearing Resources Ltd.

Condensed Consolidated Statement of Shareholders' Equity

For the six months ended April 30, 2015 and 2014

(Expressed in Canadian dollars, except where indicated)

	Common shares					
	No. of shares	Amount	Contributed Surplus	AOCI	Deficit	Shareholders' equity
	#	$	$	$	$	$
Balance – November 1, 2013	25,889,648	8,677,789	5,007,069	4,511	(12,111,358)	1,578,011
Share-based payments	-	-	(32,432)	-	-	(32,432)
Comprehensive income (loss)	-	-	-	854	(96,477)	(95,623)
Balance – April 30, 2014	25,889,648	8,677,789	4,974,637	5,365	(12,207,835)	1,449,956
Balance – November 1, 2014	25,889,648	8,677,789	5,023,092	5,286	(12,367,410)	1,338,757
Comprehensive income (loss)	-	-	-	(2,258)	(429,130)	(431,388)
Balance – April 30, 2015	25,889,648	8,677,789	5,023,092	3,028	(12,796,540)	907,369

Bearing Resources Ltd.

Condensed Consolidated Statement of Cash Flow

For the three and six months ended April 30, 2015 and 2014

(Expressed in Canadian dollars, except where indicated)

	Three Months Ended April 30, 2015 $	Three Months Ended April 30, 2014 $	Six Months Ended April 30, 2015 $	Six Months Ended April 30, 2014 $
Cash flows from operating activities				
Loss for the period	(378,923)	(55,055)	(429,130)	(96,477)
Items not affecting cash				
Depreciation and amortization	-	763	-	5,993
Mineral property write-down (note 4)	345,057	-	345,057	-
Share-based payment expense	-	-	-	(32,432)
Unrealized loss on held-for-trading investment	-	(5,400)	-	(5,400)
	(33,866)	(59,692)	(84,073)	(128,316)
Change in non-cash operating working capital				
Decrease (increase) in accounts receivable & prepaids	(9,464)	(6,333)	(6,790)	2,919
Increase (decrease) in accounts payable & accruals	5,868	(2,103)	2,643	(14,712)
	(37,462)	(68,128)	(88,220)	(140,109)
Cash flows from financing activities				
Share issuances, net	-	-	-	-
	-	-	-	-
Cash flows from investing activities				
Receipts from capital asset dispositions	-	-	-	9,110
	-	-	-	9,110
Effect of exchange rate changes on cash and equivalents	(1,825)	52	(2,258)	175
(Decrease) in cash and cash equivalents	(39,287)	(68,076)	(90,478)	(130,824)
Cash and cash equivalents - Beginning of period	677,784	886,183	728,975	948,931
Cash and cash equivalents - End of period	638,497	818,107	638,497	818,107

The accompanying notes form an integral part of these financial statements.

1 Nature of operations

Bearing Resources Ltd. (the "Company" or "Bearing") is an exploration stage company (note 11) that is engaged in the exploration and development of mineral properties in Mexico and Canada. The Company's registered office is Suite 2600, Oceanic Plaza, 1066 West Hastings Street, Vancouver, British Columbia, Canada.

Bearing was incorporated on January 13, 2011 as 0900353 B.C. LTD. On March 25, 2011, Levon Resources Ltd. ("Levon") acquired Valley High Ventures Ltd. ("Valley High"), the predecessor corporation to the Company, by way of a court-approved plan of arrangement (the "Arrangement").

2 Significant accounting policies

Basis of presentation

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

Effective November 1, 2014, the Company adopted IFRIC 21, Accounting for Levies imposed by Governments. IFRIC 21 clarifies that the obligating event giving rise to a liability to pay a levy is the activity described in the relevant legislation that triggers payment of the levy. IFRIC 21 did not result in any changes to the Company's financial statements.

New accounting pronouncements

Unless otherwise noted, the following revised standards and amendments are effective for annual periods of the Company beginning on or after November 1, 2015 with earlier application permitted, except where indicated.

(i) The completed version of IFRS 9, *Financial Instruments*, was issued in July 2014. The completed standard provides revised guidance on the classification and measurement of financial assets. It also introduces a new expected credit loss model for calculating impairment for financial assets. The new hedging guidance that was issued in November 2013 is incorporated into this new final standard. This final version of IFRS 9 will be effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently assessing the effect of this standard.

(ii) In May 2014, IFRS 15, Revenue from Contracts with Customers was issued which establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. IFRS 15 will be effective for annual periods beginning on or after January 1, 2017, with early adoption permitted. The Company is currently assessing the effect of this standard.

3 Exploration costs

Exploration costs are comprised of exploration and evaluation expenses on the following properties or property groups. For an understanding of the properties, reference should be made to note 4. Costs related to Mt. Polley are included under the "Other" heading on the following table:

	Expensed exploration cost for the three months ended April 30, 2015				
$	**OctDome**	**Yukon**	**Mexico**	**Other**	**Total**
General & administration	3,578		(30,020)	-	(26,442)
	3,578	-	(30,020)	-	(26,442)

	Expensed exploration cost for the three months ended April 30, 2014				
$	**OctDome**	**Yukon**	**Mexico**	**Other**	**Total**
General & administration	1,200	-	2,103	-	3,303
	1,200	-	2,103	-	3,303

	Expensed exploration cost for the six months ended April 30, 2015				
$	**OctDome**	**Yukon**	**Mexico**	**Other**	**Total**
General & administration	4,674	-	(13,758)	-	(9,084)
Geology & geochemistry	500	-	-	-	500
	5,174	-	(13,758)	-	(8,584)

	Expensed exploration cost for the six months ended April 30, 2014				
$	**OctDome**	**Yukon**	**Mexico**	**Other**	**Total**
Drilling	314	-	-	-	314
General & administration	1,200	-	6,128	-	7,328
	1,514	-	6,128	-	7,642

4 Mineral property interests

Under the Company's accounting policy property acquisition costs are capitalized.

$	**OctDome**	**Mt Polley**	**Other**	**Total**
October 31, 2013	555,057	13,325	25,004	593,386
Acquisition costs	-	-	-	-
October 31, 2014	555,057	13,325	25,004	593,386
Writedowns	(345,057)	-	-	(345,057)
April 30, 2015	210,000	13,325	25,004	248,329

4 Mineral property interests (continued)

Canadian Properties:

The **October Dome gold property** is located northwest of Likely, British Columbia, Canada. A portion of the property is subject to a 2% Net Smelter Royalty ("NSR"), with each 0.5% purchasable for $500,000. A further 667 hectares are subject to a 1.5% NSR royalty. In April 2015, the Company wrote down certain acquisition costs associated as impairment is indicated by the terms of the proposed Commander transaction (note 11). The amount of the write-down has been estimated based on the value of the cash and shares proposed to be received.

The **Mt. Polley copper-gold properties** are located adjacent to Imperial Metals Corporation's ("Imperial") Mt. Polley open-pit copper gold mine, northeast of Williams Lake, British Columbia, Canada. The Company has a 90% interest in a portion of the Lloyd claims and a 100% interest in the remaining Lloyd claims, subject to a 1.5% NSR royalty. The Company also has a 100% interest in the Nordik, Buc, and Calm claims subject to a 2% NSR royalty. The NSR royalty on each claim group with the exception of the Buc claims can be purchased for $500,000 for each one-half percent.

The Mt. Polley properties previously included an additional area adjacent to Imperial's Boundary Zone that was sold to Imperial over which the Company retained a royalty interest. The royalty is $2.50 per tonne for the first 400,000 tonnes of material milled and $1.25 per tonne for all tonnes milled in excess of 400,000 tonnes. The royalty in excess of 400,000 tonnes can be reduced to $0.62 per tonne for a payment of $1,000,000. The Company is entitled to 90% of the aforementioned royalties. Three royalty payments were received in 2012.

In the **Yukon**, the Company's portfolio includes the Flume (subject to a 2.5% NSR), HY (subject to a 2% NSR), Jay, VM, VBA and Big properties. It also has royalties on properties owned by Aben Resources Ltd. ("Aben") (a 2% NSR on the VF property) and Precipitate Gold Corporation ("Precipitate") (a 2% NSR on the Jay East Property). In July 2013, the Company wrote down acquisition costs on its Yukon properties (excluding Flume).

5 Share stock options

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 in accordance with the Plan.

	Six months ended April 30, 2015		Year ended October 31, 2014	
	Number of shares	Weighted average exercise price $	Number of shares	Weighted average exercise price $
Outstanding - October 31	1,300,000	0.09	1,690,000	0.15
Granted	-	-	800,000	0.05
Forfeited	-	-	-	-
Expired	-	-	(1,190,000)	(0.15)
Outstanding – at period end	1,300,000	0.09	1,300,000	0.09

5 Share stock options (continued)

As of April 30, 2015, the following stock options were outstanding:

Number of options Outstanding	Number of options vested and exercisable	Exercise price $	Expiry Date
500,000	500,000	0.15	July 12, 2016
800,000	800,000	0.05	August 1, 2019
1,300,000	1,300,000		

For the three months ended April 30, 2015 total share-based compensation expense was nil (2014: ($32,432)). For the six months ended April 30, 2015 total share-based compensation expenses was nil (2014: ($32,432))

The following assumptions were used in the Black-Scholes pricing model to calculate compensation expense for options granted during the year ended October 31, 2014:

	Options
Risk-free interest rate	0.95% to 1.92%
Expected life	2.0 to 3.5 years
Expected volatility	100-120%
Expected dividend	nil

6 Related party transactions

The Company considers the Officers of the Company to be key management personnel.

$	Three Months Ended April 30, 2015	Three Months Ended April 30, 2014	Six Months Ended April 30, 2015	Six Months Ended April 30, 2014
Short-term employee benefits	27,932	27,916	55,853	65,820
Share-based payment expense	-	-	-	-
Total key management personnel	27,932	27,916	55,853	65,820

7 Geographic segmented information

The Company operates in a single operating segment, mineral exploration. The following table provides geographic information about the Company's assets

.

$	Canada	Total
April 30, 2015		
Non-current assets	270,183	270,183
October 31, 2014		
Non-current assets	615,253	615,253

8 Financial instruments

Financial instruments include cash and any contracts that give rise to a financial asset to one party and a financial liability or equity instrument to another party. Financial instruments disclosure requires information about the classification and fair value of financial instruments, including their classification within a hierarchy that prioritizes the inputs to fair value measurements. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

At April 30, 2015, the Company's held-for-trading investments in Aben, have been measured at fair value on a recurring basis and are classified as as Level 1.

Fair Values
As at April 30, 2015, the Company's carrying values of cash and cash equivalents, accounts receivable, reclamation bonds and deposits, accounts payable and accrued liabilities approximate their fair values due to their short terms to maturity. The Company has no financial assets or liabilities classified as held-for-trading or available-for-sale, other than the Aben.

Credit Risk
Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and accounts receivable. The Company deposits cash and cash equivalents with high credit quality financial institutions as determined by rating agencies. Accounts receivable are primarily from governments.

Interest Rate Risk
The Company is exposed to interest rate risk on its cash and cash equivalents held at April 30, 2015. A 100 basis point (1%) increase or decrease in the interest rate in 2015 would have resulted in approximately an $3,419 change in the Company's reported loss for the six months ended April 30, 2015 based on its closing balance during the fiscal year.

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 endeavoring 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.

Currency Risk
As at April 30, 2015 the Company has financial instrument exposure in Canadian dollars, Mexican pesos and United States dollars. The Company therefore has exposure to United States dollars as the functional currencies of the Company and its Mexican subsidiaries are Canadian dollars and Mexican pesos respectively.

9 Contingencies

As part of the Arrangement, Bearing agreed to indemnify Levon from any tax liabilities associated with the transfer of the assets to Bearing from Valley High. At this time, the Company does not believe that any significant liabilities will arise as a result of this indemnification.

10 Subsequent event

Reorganization

On May 5, 2015, the Company announced its proposal to complete a corporate reorganization (the "Reorganization") that will transform it from a mineral exploration company to a film, television and digital media company. The Reorganization will include the acquisition by the Company of all of the shares of Odyssey Media Inc. ("Odyssey") and the concurrent disposition of the Company's mineral properties in exchange for shares of Commander Resources Inc. ("Commander").

Bearing has entered into letters of intent with Odyssey and Commander whereby (i) Bearing will acquire all of the issued and outstanding shares of Odyssey (the "Odyssey Transaction") in exchange for shares of Bearing, and (ii) transfer all of its mineral properties to Commander in exchange for shares of Commander (the "Commander Transaction") which it will then distribute to its shareholders of record prior to closing the Odyssey Transaction (the "BRZ Shareholders").

Odyssey is a Vancouver based private company involved in the production and sale of motion pictures. Commander is a TSX-V listed Canadian focused exploration company with a portfolio of base and precious metals projects across Canada and equity positions in a number of Canadian junior exploration companies.

The letter of intent between Bearing and Odyssey ("Odyssey LOI") is intended to govern the conduct of Bearing and Odyssey in respect of the proposed Odyssey Transaction and a proposed concurrent financing by Odyssey (the "Odyssey Financing"). The Odyssey LOI provides for an exclusive dealing period (the "Exclusivity Period") commencing on signing and ending on the earlier of the date of closing of the binding definitive agreement (the "Odyssey Agreement") and May 29, 2015 (subsequently extended to June 30**,** 2015**)**, unless otherwise extended by both parties.

Conditions of closing will include:

(i) Bearing will consolidate its issued and outstanding shares at such ratio as will result in there being 6,000,000 shares outstanding (provided that such number may be increased by up to 850,000 additional shares in the event Bearing receives refunds of its Mexican tax claims);
(ii) Bearing will dispose of all of its mineral property interests and subsidiaries in a manner acceptable to Odyssey acting reasonably (and BRZ's Shareholders and the Exchange, if applicable), which is anticipated to be by way of the Commander Transaction;
(iii) Odyssey will raise at least $2,400,000 pursuant to the Odyssey Financing (through the sale of common shares of Odyssey at $0.10 per share);
(iv) upon the closing date of the Odyssey Transaction (the "Closing Date"), certain directors and officers of Bearing will resign and individuals nominated by Odyssey will be appointed; and
(v) Bearing will change its name to such name as may be approved by Odyssey.

As consideration for Odyssey, Bearing will issue to the Odyssey shareholders, one Bearing Share for each common share of Odyssey outstanding after the Odyssey Financing (the "Acquisition Shares"); and, issued and outstanding options and warrants of Odyssey will be exchanged for options and warrants of Bearing on an equal basis.

10 Subsequent event (continued)

The letter of intent between Bearing and Commander (the "Commander LOI") sets out the proposed terms of the transfer of Bearing's mineral assets to Commander. Under the terms of the Commander LOI, Bearing will transfer its Canadian mineral properties to its wholly owned subsidiary BRZ Mex Holdings Ltd. (the "Canadian Subsidiary") which also holds (indirectly) title to Bearing's Mexican mineral properties. Bearing will then transfer all of the shares of the Canadian Subsidiary to Commander in exchange for 13,000,000 common shares of Commander and $15,000 in cash. Closing is conditional on the following:

(i) The parties entering into a definitive agreement;
(ii) Receipt of BRZ Shareholder approval;
(iii) Receipt of regulatory approval; and
(iv) Completion of the transfer of Bearing's Canadian mineral assets from Bearing to the Canadian Subsidiary

Upon completion of the Commander Transaction, the Company intends to distribute all of the Commander shares which it receives to the BRZ Shareholders. In accordance with the Exchange policies, Bearing's common shares are currently halted from trading and will remain so until the Company meets the sponsorship requirements or completes the Reorganization.

For full details of the Reorganization reference should be made to the Company's news release dated May 5, 2015.