Management Discussion & Analysis
for the three and nine months ended July 31, 2016

Dated: September 27, 2016

(Expressed in Canadian Dollars)

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 Resources Ltd ("Bearing" or the "Company") for the nine months ended July 31, 2016. This MD&A should be read in conjunction with the unaudited condensed consolidated interim consolidated financial statements for the nine months ended July 31, 2106 and the audited consolidated financial statements of the company for the year ended October 31, 2015, prepared in accordance with international financial reporting standards ("IFRS") as issued by the international accounting standards board ("IASB"). This MD&A complements and supplements, but does not form part of the company's consolidated financial statements.

This MD&A contains forward-looking statements. Statements regarding the adequacy of cash resources to carry out the company's exploration programs or the need for future financing are forward-looking statements. All forward-looking statements, including those not specifically identified herein, are made subject to cautionary language on page 8. 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 27, 2016.

## PROFILE AND CORPORATE UPDATE

Bearing Resources Ltd. ("Bearing" or the "Company") is a Canadian based company which has been focused on exploration for precious and base metals in North America. On March 14, 2016 it terminated a proposed corporate reorganization (the "Reorganization") that would have changed the company's business from mineral exploration into a film, television and digital media company. The Reorganization would have included the reverse takeover of the Company by Odyssey Media Inc. ("Odyssey") and the concurrent disposition of the Company's mineral properties in exchange for shares of Commander Resources Inc. ("Commander").

On September 23, 2016 Commander Resources Ltd. ("Commander") acquired all of the Company's mineral assets in Mexico and Canada with the exception of four 100% owned properties (HY-Jay, VBA, VM and Big), all in the Yukon,, in exchange for 12 million common shares of Commander and a cash payment of $15,000.

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 condensed consolidated interim 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.

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).

## EXPLORATION AND PROJECT UPDATE

| Exploration Analysis ($) | QUARTER | | | | | | | | YTD | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Q414 | Q115 | Q215 | Q315 | Q415 | Q116 | Q216 | Q316 | 2015 | 2016 |
| Property investigation | - | - | - | - | - | - | 8,848 | 2,350 | - | 11,198 |
| Drilling | - | - | - | - | - | - | - | - | - | - |
| General & administration | 6,570 | 17,358 | (26,442) | 8,191 | 2,038 | 6,376 | 1,307 | 3,365 | (893) | 11,047 |
| Geology & geochemistry | - | 500 | - | - | - | - | - | - | 500 | |
| **Subtotal** | **6,570** | **17,858** | **(26,442)** | **8,191** | **2,038** | **6,376** | **10,155** | **5,715** | **(393)** | **22,246** |
| Write-downs | - | - | 345,057 | - | - | - | - | - | 345,057 | - |
| | **6,570** | **17,858** | **318,615** | **8,191** | **2,038** | **6,376** | **10,155** | **5,715** | **344,664** | **22,246** |
| **Split Project / Region:** | | | | | | | | | | |
| Mexico | 5,443 | 16,262 | (30,020) | 8,191 | 1,696 | 6,376 | 1,307 | 3,365 | (5,567) | 11,047 |
| October Dome | 1,127 | 1,596 | 348,635 | - | 342 | - | - | - | 350,231 | - |
| Other | - | - | - | - | - | - | 8,848 | 2,350 | - | 11,198 |
| **Total exploration & acquisition** | **6,570** | **17,858** | **318,615** | **8,191** | **2,038** | **6,376** | **10,155** | **5,715** | **344,664** | **22,246** |

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.

### Mexico

### Pedro Property, Durango

The wholly owned Pedro claims are located approximately 100 kilometres from the city of Torreon, and are bisected by a paved highway and power lines. Pedro is comprised of a number of targets including the HP Breccia prospect, a gold soil anomaly extending over a 1,800 x 600m area that coincides with extensive silicified sedimentary breccias and conglomerate, and the Las Lajas gold prospect.

In July 2014, Newmont de Mexico, S.A de C.V terminated an option agreement over the Pedro claims after having paid US$50,000 and drilled 1,744m. For full details of the drill program reference should be made to the Company's news release dated July 3, 2014.

### Canada

### British Columbia Properties

### October Dome

The 100% owned October Dome gold property, is located in the "Quesnel Trough" in central British Columbia, near the town of Likely. The October Dome property is located 10km north of Imperial Metals Corporation's ("Imperial") Mt. Polley porphyry copper gold mine property and 7 km to the southeast of Barkerville Gold Mines Ltd.'s QR skarn gold mine property. The October Dome claims are subject to net smelter return ("NSR") royalties of between 1.5% and 2%. The October Dome target is defined by a grid area of some 4.0 km by 1.1 km that has been surveyed by magnetic and Induced Polarization ("IP") surveys and soil geochemistry.

On May 5, 2015, the Company wrote down the property by $345,057 as a result of an impairment indicator based on the value of the proposed Commander transaction (section 1).

### Mt.Polley

The Mt. Polley properties are located adjacent to Imperial's Mt. Polley open-pit copper gold mine, which is approximately 100 km northeast of Williams Lake, British Columbia, Canada. The claims are subject to a NSR of up to 2%. The Mt. Polley properties had previously included an additional area (~37 hectares) adjacent to Imperial's Boundary Zone that was sold to Imperial and over which the Company retains a royalty. The royalty is $2.50 per tonne for the first 400,000 tonnes of material milled and the $1.25 per tonne for all tonnes milled in excess of 400,000 tonnes. The royalty per tonne in excess of 400,000 tonnes milled can be reduced to $0.62 per tonne by Imperial making a payment of $1 million. The Company is entitled to 90% of the royalty payments. Three royalty payments were received Q1 2012.

### Yukon Properties
The Yukon properties include the Flume, HY, Jay, VM, VBA and Big properties. In addition, the Company has two separate royalties on properties owned by Aben Resources Ltd. and owned by Precipitate Gold Corporation.

### Flume Property
In May 2013, Ryan Gold Corp ("RGC") terminated its option on the Flume property, after undertaking over $1.5 million in expenditures (including a nine diamond drill hole (2,307m) program in November 2012). The results included the highlight hole F12-006 which included 2m of 5.76 g/t Au. For full details of the drill results, reference should be made to RGC's news release dated November 6, 2012. In December 2014, Bearing excised its underlying option to acquire the Flume property, the final payment was waived subject to an additional 0.5% NSR on the property. The Flume property is now subject to a 2.5% NSR.

### HY Property
The Company has a 100% interest in the HY claims, subject to a 2% NSR.

## 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 a President and Chief Executive Officer and holds incentive stock options.

## OUTLOOK

The company is actively evaluating mineral property opportunities in the exploration stage of development. The Company is revising its business plan and expects to either directly or indirectly advance its current mineral property portfolio in addition to growing the company through acquisitions.

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.

## LIQUIDITY AND CAPITAL RESOURCES

The Company's condensed consolidated interim financial statements for the nine months ended July 31, 2016, 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, 2016, the Company had a working capital of $438,531 (October 31, 2015 – $556,188). The Company had a deficit of $12,994,010 as at July 31, 2016 (October 31, 2015 – $12,877,689).

Cash outflow for the nine months from operating activities was $111,199 (2015: $139,986) principally comprised of public company compliance costs, office costs and administrative labour. Costs are lower than the previous year as a result of continuing cost reduction initiatives. There were no cash flows from financing activities (2015: $0). The Company believes it has sufficient cash and cash equivalents 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. The remaining balance of $25,000 relates to the Flume Property.

### Commitments
Bearing provided Levon with an indemnification in respect of the tax payable on disposition of Bearing Resources Ltd., 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 three months ended July 31, 2016 compared to three months ended July 31, 2015*

During the three months ended July 31, 2016, the Company incurred a net loss of $44,701 (July 31, 2015 – $45,125). The higher loss in the three months ended July 31, 2016 was primarily related to increased operational activities related to the AGM and the Commander transaction. In addition, the Company has increased efforts related to business planning.

Audit, filing and legal fees increased by $8,944, to $25,209 for the three months ended July 31, 2016, from $16,265 for the three months ended July 31, 2015, due to the increased legal activities related to the annual general meeting, property sales and general business planning.

Consulting and labour decreased by $7,209, to $12,689 for the three months ended July 31, 2016, from $19,898 for the three months ended July 31, 2015, mainly due to cost cutting measures during the period ended July 31, 2016.

The realized loss on disposition of shares of $1,570 in the three months ended July 31, 2105 is compared to nil for the three months ended July 31, 2016. There were no share sales during the three months ended July 31, 2016

*For nine months ended July 31, 2016 compared to nine months ended July 31, 2015*

During the nine months ended July 31, 2016, the Company incurred a net loss of $116,321 (July 31, 2015 – $474,256). The lower loss in the nine months ended July 31, 2016, was primarily related to the write down of mineral property interests during the nine months ended July 31, 2015.

The write down of mineral property interests of $345,057 in the nine months ended July 31, 2105 is compared to nil for the nine months ended July 31, 2016. There was no write down of property during the three months ended July 31, 2016.

Audit, filing and legal fees increased by $7,578, to $50,108 for the nine months ended July 31, 2016, from $42,530 for the nine months ended July 31, 2015, due to the increased legal activities related to the annual general meeting, property sales and a general increase in business activity.

Consulting and labour decreased by $51,110, to $32,789 for the nine months ended July 31, 2016, from $83,899 for the nine months ended July 31, 2015, mainly due to cost cutting measures during the period ended July 31, 2016.

The realized loss on disposition of shares of $1,570 in the nine months ended July 31, 2105 is compared to nil for the nine months ended July 31, 2016. There were no share sales during the three months ended July 31, 2016

## Summary of quarterly results

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

| | Quarter ended | Revenue | Exploration expenditures | Net loss | Net loss and comprehensive loss | Basic and diluted loss per common share |
|---|---|---|---|---|---|---|
| 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) |
| Q3/15 | July 31, 2015 | - | 8,191 | (45,126) | (44,358) | (0.01) |
| Q2/15 | April 30, 2015 | - | (26,442) | (378,923) | (380,748) | (0.06) |
| Q1/15 | January 31, 2015 | - | 17,858 | (50,207) | (50,640) | (0.00) |
| Q4/14 | October 31, 2014 | - | 6,570 | (98,472) | (98,238) | (0.02) |

| As at | Quarter ended | Total Assets | Exploration Assets | Working capital |
|---|---|---|---|---|
| Q3/16 | July 31, 2016 | $ 738,841 | $ 248,329 | $ 438,531 |
| Q2/16 | April 30, 2016 | 765,869 | 248,329 | 483,634 |
| Q1/16 | January 31, 2016 | 831,522 | 248,329 | 539,239 |
| Q4/15 | October 31, 2015 | 848,878 | 248,329 | 556,188 |
| Q3/15 | July 31, 2015 | 882,507 | 248,329 | 592,782 |
| Q2/15 | April 30, 2015 | 927,503 | 248,329 | 637,186 |
| Q1/15 | January 31, 2015 | 1,302,383 | 593,386 | 672,813 |
| Q4/14 | October 31, 2014 | 1,356,248 | 593,386 | 723,504 |

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

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.

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. Audit, filing and legal fees in in Q2 and Q3 2014 are up slightly due to the costs associated with the Company's annual general meeting. Q3 and Q4 2015 include the cost of an auditor review of the 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.

Q2 2014 costs decreased as the President and CEO started working part-time effective January 1, 2014, effective May 1, 2015, the President and CEO agreed to pay on "as needed basis" which has further reduced the consulting and labour costs in Q3 2015.

Rent and office costs include insurance and communication costs. Share-based compensation expenses in Q4 2014 related to the stock option grant on August 1, 2014.

## OUTSTANDING SHARE DATA

As at September 27, 2016, there are:

- 6,472,418 (October 31, 2015: 6,472,418) common shares outstanding;
- There were 200,000 stock options outstanding (July 31, 2016 – 200,000)
- There were no warrants outstanding (October 31, 2015 – Nil)

## SUBSEQUENT EVENTS

On September 23, 2016 Commander Resources Ltd. ("Commander") acquired all of the Company's mineral assets in Mexico and Canada with the exception of four 100% owned properties (HY-Jay, VBA, VM and Big), all in the Yukon,, in exchange for 12 million common shares of Commander and a cash payment of $15,000.

## RELATED PARTY TRANSACTIONS

The Company considers the Robert Cameron, CEO, Ann Fehr, CFO and Damian Towns, former CFO to be key management personnel.

| $ | Three Months Ended July 31, 2016 | Three Months Ended July 31, 2015 | Nine Months Ended July 31, 2016 | Nine Months Ended July 31, 2015 |
|---|---|---|---|---|
| Short-term employee benefits | 9,250 | 17,716 | 32,188 | 73,569 |
| Share-based payment expense | - | - | - | - |
| Total key management personnel | 9,250 | 17,716 | 32,188 | 73,569 |

There were no balances payable to or receivable from related parties at July 31, 2016.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements for the nine months ended July 31, 2016.

## 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, 2016.

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the condensed 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 interim financial statements.

## RISKS, CRITICAL ACCOUNTING ESTIMATES & POLICIES

For a full version of the critical accounting estimates and policies, reference should be made to the Company's audited financial statements for the year ended October 31, 2015.

### 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 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 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, 2016, that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

### Other Risks

Reference should be made to the Company's risks and critical accounting policies and practices section of the October 31, 2015 Management Discussion and Analysis for a complete discussion on the risk factors associated with Government Laws, Regulation & Permitting; Additional Financing; Key Management and Competition; Title to Properties; Commodity Prices and Conflicts of Interest amongst other things.

## CRITICAL ACCOUNTING POLICIES

### Estimates, risks and uncertainties

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported and disclosed in the financial statements and the accompanying notes. Actual results could differ from those estimates.

In applying its accounting policy for costs incurred during the exploration phase the Company must determine whether the criteria for capitalization have been met. The most difficult and subjective estimate is whether a project will generate probable future economic benefits. Management considers all appropriate facts and circumstances in making this assessment including historical experience, expected market demand, costs and future economic conditions.

Realization of the Company's assets and liabilities is subject to risks and uncertainties, including reserve and resource estimation, future base and precious metal prices, estimated costs of future production, changes in government legislation and regulations, estimated deferred income taxes, the availability of financing, and various operational factors.

If, after deferred acquisition costs are capitalized, information becomes available suggesting the recovery of such costs is unlikely, the relevant capitalized amount is written off in the consolidated statement of loss and comprehensive loss in the period when the information becomes available. Management believes that the estimates involving its exploration and evaluation assets and expenditures are reasonable.

### Exploration and evaluation costs

Exploration and evaluation costs include costs to acquire rights to explore, geological studies, exploratory drilling and sampling and directly attributable administrative costs. Exploration and evaluation costs relating to non-specific projects or properties or those incurred before the Company has obtained legal rights to explore an area are expensed in the period incurred. Property acquisition costs are capitalized.

Exploration and evaluation costs, other than property acquisition costs, are recognized as mineral property interests on the statement of financial position when management has established that a resource exists and that the costs can be economically recovered. Once the technical feasibility and commercial viability of the extraction of resources from a particular mineral property has been determined, exploration and evaluation assets are reclassified to mine properties within property, plant and equipment. Proceeds from the sale of properties or cash proceeds received from option payments are recorded as a reduction of the related mineral property interest.

### Other accounting policies

Reference should be made to the risks, and critical accounting policies and practices section of the October 31, 2015 Management Discussion and Analysis for other accounting policies including but not limited to Foreign currency translation; Income taxes; Loss per share; Financial Instruments and Future accounting pronouncements.

## 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, 2016. 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 the Company's website and www.sedar.com.



www.bearingresources.ca

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