

## ARRANGEMENT AGREEMENT

**THIS ARRANGEMENT AGREEMENT** is dated as of the 23rd day of May, 2018.

**BETWEEN:**

**BEARING LITHIUM CORP.**, a corporation existing under the *Business Corporations Act* (British Columbia)

(“**Bearing**”)

**AND:**

**LIONS BAY MINING CORP.**, a corporation incorporated under the *Business Corporations Act* (British Columbia)

(“**Lions Bay**”)

**WHEREAS:**

A. Bearing is the registered and beneficial owner of one issued and outstanding Lions Bay Shares, being all of the issued and outstanding Lions Bay Shares as of the date hereof;

B. Bearing and Lions Bay wish to proceed with a corporate restructuring by way of a statutory arrangement under the BCBCA, pursuant to which Bearing and Lions Bay will participate in a series of transactions whereby, among other things, Bearing will acquire 5,509,999 Lions Bay Shares (the “**Consideration Shares**”) in exchange for the Transferred Assets (as defined herein) and shall distribute 2,755,000 of the Consideration Shares (the “**Spin-Out Shares**”) to the holders of Bearing Common Shares such that the holders of Bearing Common Shares (other than Dissenting Shareholders) will become holders of the Spin-Out Shares and Bearing will continue to hold 2,755,000 Lions Bay Shares;

C. Bearing proposes to convene a meeting of the Shareholders to consider an Arrangement pursuant to Part 9, Division 5 of the BCBCA, on the terms and conditions set forth in the Plan of Arrangement attached as Exhibit A hereto; and

D. Each of the parties to this Agreement has agreed to participate in and support the Arrangement.

**NOW THEREFORE**, in consideration of the premises and the respective covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, the parties hereto hereby covenant and agree as follows:

**ARTICLE 1**  
**DEFINITIONS, INTERPRETATION AND EXHIBIT**

**1.1 Definitions.** In this Agreement including the Recitals, unless there is something in the subject matter or context inconsistent therewith, the following capitalized words and terms will have the following meanings:

- (a) “**Agreement**” means this arrangement agreement, including the exhibits attached hereto as the same may be supplemented or amended from time to time;
- (b) “**Arrangement**” means the arrangement pursuant to the Arrangement Provisions as contemplated by the provisions of this Agreement and the Plan of Arrangement;
- (c) “**Arrangement Provisions**” means Part 9, Division 5 of the BCBCA;
- (d) “**Arrangement Resolution**” means the special resolution of the Shareholders to approve the Arrangement, as required by the Interim Order and the BCBCA;
- (e) “**Asset Purchase and Assignment Agreement**” means the asset purchase and assignment agreement to be entered into between Bearing and Lions Bay pursuant to which the Transferred Assets will be transferred from Bearing to Lions Bay in exchange for the Consideration Shares;
- (f) “**BCBCA**” means the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended;
- (g) “**Board of Directors**” means the current and existing board of directors of Bearing;
- (h) “**Business Day**” means a day which is not a Saturday, Sunday or statutory holiday in Vancouver, British Columbia;
- (i) “**Class A Shares**” means the renamed and redesignated Common Shares as described in Section 3.1(b) of the Plan of Arrangement;
- (j) “**Common Shares**” means the common shares without par value which Bearing is authorized to issue as the same are constituted on the date hereof;
- (k) “**Constating Documents**” means the Articles and related Notice of Articles under the BCBCA of Bearing or Lions Bay, as applicable;
- (l) “**Court**” means the Supreme Court of British Columbia;
- (m) “**CSE**” means the Canadian Securities Exchange;
- (n) “**Dissent Rights**” means the right of a registered Shareholder to dissent from the Arrangement Resolution in accordance with the provisions of the BCBCA, as

modified by the Interim Order, and to be paid the fair value of the Common Shares in respect of which the holder dissents;

- (o) “**Effective Date**” means the date on which the New Common Shares are listed on the TSXV;
- (p) “**Final Order**” means the final order of the Court approving the Arrangement;
- (q) “**Information Circular**” means the management information circular of Bearing, including all schedules thereto, to be sent to the Shareholders in connection with the Meeting, together with any amendments or supplements thereto;
- (r) “**Interim Order**” means the interim order of the Court providing advice and directions in connection with the Meeting and the Arrangement;
- (s) “**Lions Bay Shares**” means the no par value shares which Lions Bay is authorized to issue as the same are constituted on the date hereof;
- (t) “**Meeting**” means the annual and special meeting of the Shareholders and any adjournment(s) or postponement(s) thereof to be held to, among other things, consider and, if deemed advisable, approve the Arrangement;
- (u) “**New Common Shares**” means the new class of common shares without par value which Bearing will create and issue as described in Section 3.1(b) of the Plan of Arrangement and for which the Class A Shares are, in part, to be exchanged under the Plan of Arrangement and which, immediately after completion of the transactions comprising the Plan of Arrangement, will be identical in every relevant respect to the Common Shares;
- (v) “**Options**” means share purchase options issued pursuant to the Stock Option Plan which are outstanding on the Effective Date;
- (w) “**party**” means either Bearing or Lions Bay and “**parties**” means, collectively, Bearing and Lions Bay;
- (x) “**Person**” means and includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, a trustee, executor, administrator or other legal representative and the Crown or any agency or instrumentality thereof;
- (y) “**Plan of Arrangement**” means the plan of arrangement attached to this Agreement as Exhibit A, as the same may be amended from time to time;
- (z) “**Registrar**” means the Registrar of Companies under the BCBCA;
- (aa) “**Replacement Option**” means an option to acquire a New Common Share to be issued by Bearing to a holder of an Option pursuant to Section 3.1(d) of the Plan of Arrangement;

- (bb) **“Replacement Warrant”** means a common share purchase warrant to acquire a New Common Share to be issued by Bearing to a holder of a Warrant pursuant to Section 3.1(e) of the Plan of Arrangement;
- (cc) **“Stock Option Plan”** means the existing stock option plan of Bearing, as updated and amended from time to time.
- (dd) **“Shareholder”** means a holder of Common Shares;
- (ee) **“Spin-Out Shares”** has the meaning set out in Recital B;
- (ff) **“Transferred Assets”** means the assets of Bearing set out in Schedule B hereto; and
- (gg) **“TSXV”** means the TSX Venture Exchange Inc.; and
- (hh) **“Warrants”** means common share purchase warrants issued by Bearing which are outstanding on the Effective Date.

**1.2 Currency.** All amounts of money which are referred to in this Agreement are expressed in lawful money of Canada unless otherwise specified.

**1.3 Interpretation Not Affected by Headings.** The division of this Agreement into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of the provisions of this Agreement. The terms “this Agreement”, “hereof”, “herein”, “hereunder” and similar expressions refer to this Agreement and the exhibits hereto as a whole and not to any particular article, section, subsection, paragraph or subparagraph hereof and include any agreement or instrument supplementary or ancillary hereto.

**1.4 Number and Gender.** In this Agreement, unless the context otherwise requires, words importing the singular will include the plural and vice versa and words importing the use of either gender will include both genders and neuter and words importing persons will include firms and corporations.

**1.5 Date for any Action.** In the event that any date on which any action is required to be taken hereunder by Bearing or Lions Bay is not a Business Day in the place where the action is required to be taken, such action will be required to be taken on the next succeeding day which is a Business Day in such place.

**1.6 Meaning.** Words and phrases used herein and defined in the BCBCA will have the same meaning herein as in the BCBCA unless the context otherwise requires.

**1.7 Exhibits.** Attached hereto and deemed to be incorporated into and form part of this Agreement as Exhibit A is the Plan of Arrangement.

## **ARTICLE 2 ARRANGEMENT**

**2.1 Arrangement.** The parties agree to effect the Arrangement pursuant to the Arrangement Provisions on the terms and subject to the conditions contained in this Agreement and the Plan of Arrangement.

**2.2 Effective Date of Arrangement.** The Arrangement will become effective on the Effective Date as set out in the Plan of Arrangement.

**2.3 Commitment to Effect.** Subject to termination of this Agreement pursuant to Article 6, the parties will each use all reasonable efforts and do all things reasonably required to cause the conditions described in Section 5.1 to be complied with prior to the Effective Date. Without limiting the generality of the foregoing, the parties will proceed forthwith to apply for the Interim Order and Bearing will call the Meeting and mail the Information Circular to the Shareholders.

**2.4 Filing of Final Order.** Subject to the rights of termination contained in Article 6 upon the Shareholders approving the Arrangement by special resolution in accordance with the provisions of the Interim Order and the BCBCA, Bearing obtaining the Final Order and the other conditions contained in Article 5 being complied with or waived, Bearing on its behalf and on behalf of Lions Bay will file with the Registrar:

- (a) the records and information required by the Registrar pursuant to the Arrangement Provisions; and
- (b) a copy of the Final Order.

## **ARTICLE 3 REPRESENTATIONS AND WARRANTIES**

**3.1 Representations and Warranties.** Each of the parties hereby represents and warrants to the other party that:

- (a) it is a corporation duly incorporated and validly subsisting under the laws of its jurisdiction of incorporation, and has full capacity and authority to enter into this Agreement and to perform its covenants and obligations hereunder;
- (b) it has taken all corporate actions necessary to authorize the execution and delivery of this Agreement and to consummate the transactions contemplated herein and this Agreement has been duly executed and delivered by it;
- (c) neither the execution and delivery of this Agreement nor the performance of any of its covenants and obligations hereunder will constitute a material default under, or be in any material contravention or breach of (i) any provision of its Constating Documents or other governing corporate documents, (ii) any judgment, decree, order, law, statute, rule or regulation applicable to it, or (iii) any agreement or instrument to which it is a party or by which it is bound; and

- (d) no dissolution, winding up, bankruptcy, liquidation or similar proceedings has been commenced or are pending or proposed in respect of it.

#### **ARTICLE 4 COVENANTS**

**4.1 Covenants.** Each of the parties covenants with the other that it will do and perform all such acts and things, and execute and deliver all such agreements, assurances, notices and other documents and instruments, as may reasonably be required to facilitate the carrying out of the intent and purpose of this Agreement.

**4.2 Interim Order and Final Order.** The parties acknowledge that Bearing will apply to and obtain from the Court, pursuant to the Arrangement Provisions, the Interim Order providing for, among other things, the calling and holding of the Meeting for the purpose of considering and, if deemed advisable, approving and adopting the Arrangement Resolution. The parties each covenant and agree that if the approval of the Arrangement by the Shareholders as set out in Section 5.1(b) is obtained, Bearing will thereafter (subject to the exercise of any discretionary authority granted to Bearing's directors) take the necessary actions to submit the Arrangement to the Court for approval and apply for the Final Order and, subject to compliance with any of the other conditions provided for in Article 5 and to the rights of termination contained in Article 6, file the material described in Section 2.4 with the Registrar.

#### **ARTICLE 5 CONDITIONS**

**5.1 Conditions Precedent.** The respective obligations of the parties to complete the transactions contemplated by this Agreement will be subject to the satisfaction of the following conditions:

- (a) the Interim Order will have been granted in form and substance satisfactory to Bearing;
- (b) the Arrangement Resolution, with or without amendment, will have been approved and adopted at the Meeting by the Shareholders in accordance with the Arrangement Provisions, the Constating Documents of Bearing, the Interim Order and the requirements of any applicable regulatory authorities;
- (c) the Final Order will have been obtained in form and substance satisfactory to each of Bearing and Lions Bay;
- (d) the Asset Purchase and Assignment Agreement will have been executed and Bearing shall received the Consideration Shares;
- (e) the TSXV will have conditionally approved the Arrangement, including the delisting of the Common Shares and, in substitution therefor, the listing of the New Common Shares, as of the Effective Date, subject to compliance with the requirements of the TSXV;

- (f) all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders required or necessary or desirable for the completion of the transactions provided for in this Agreement and the Plan of Arrangement will have been obtained or received from the Persons, authorities or bodies having jurisdiction in the circumstances each in form acceptable to Bearing and Lions Bay;
- (g) there will not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement and the Plan of Arrangement;
- (h) no law, regulation or policy will have been proposed, enacted, promulgated or applied which interferes or is inconsistent with the completion of the Arrangement and Plan of Arrangement, including any material change to the income tax laws of Canada, which would reasonably be expected to have a material adverse effect on any of Bearing, the Shareholders or Lions Bay if the Arrangement is completed;
- (i) notices of dissent pursuant to Article 5 of the Plan of Arrangement will not have been delivered by Shareholders holding greater than 5% of the outstanding Common Shares; and
- (j) this Agreement will not have been terminated under Article 6.

Except for the conditions set forth in Sections 5.1(a), (b), (c), (e), and (i), which may not be waived, any of the other conditions in this Section 5.1 may be waived by either Bearing or Lions Bay at its discretion.

**5.2 Pre-Closing.** Unless this Agreement is terminated earlier pursuant to the provisions hereof, the parties will meet at the offices of McCullough O'Connor Irwin LLP, Suite 2600, 1066 West Hastings Street, Vancouver, British Columbia V6E3X1, at 9:00 a.m. on the Business Day immediately preceding the Effective Date, or at such other location or at such other time or on such other date as they may mutually agree, and each of them will deliver to the other of them:

- (a) the documents required to be delivered by it hereunder to complete the transactions contemplated hereby, provided that each such document required to be dated the Effective Date will be dated as of, or become effective on, the Effective Date and will be held in escrow to be released upon the occurrence of the Effective Date; and
- (b) written confirmation as to the satisfaction or waiver by it of the conditions in its favour contained in this Agreement.

**5.3 Merger of Conditions.** The conditions set out in Section 5.1 will be conclusively deemed to have been satisfied, waived or released upon the occurrence of the Effective Date.

**5.4 Merger of Representations, Warranties and Covenants.** The representations and warranties in Section 3.1 will be conclusively deemed to be correct as of the Effective Date and the covenants in Section 4.1 will be conclusively deemed to have been complied with in all respects as of the Effective Date, and each will accordingly merge in and not survive the effectiveness of the Arrangement.

## **ARTICLE 6 AMENDMENT AND TERMINATION**

**6.1 Amendment.** Subject to any mandatory applicable restrictions under the Arrangement Provisions or the Final Order, this Agreement, including the Plan of Arrangement, may at any time and from time to time before or after the holding of the Meeting, but prior to the Effective Date, be amended by the written agreement of the parties hereto without, subject to applicable law, further notice to or authorization on the part of the Shareholders.

**6.2 Termination.** Subject to Section 6.3, this Agreement may at any time before or after the holding of the Meeting, and before or after the granting of the Final Order, but in each case prior to the Effective Date, be terminated by direction of the Board of Directors of Bearing without further action on the part of the Shareholders and nothing expressed or implied herein or in the Plan of Arrangement will be construed as fettering the absolute discretion by the Board of Directors of Bearing to elect to terminate this Agreement and discontinue efforts to effect the Arrangement for whatever reasons it may consider appropriate.

**6.3 Cessation of Right.** The right of Bearing or Lions Bay or any other party to amend or terminate the Plan of Arrangement pursuant to Section 6.1 and Section 6.2 will be extinguished upon the occurrence of the Effective Date.

## **ARTICLE 7 GENERAL**

**7.1 Notices.** All notices which may or are required to be given pursuant to any provision of this Agreement will be given or made in writing and will be delivered or sent by electronic mail, addressed as follows:

in the case of Bearing:

1400 - 1111 West Georgia Street  
Vancouver, British Columbia  
V6E 4M3

Attention:       Jeremy Poirier  
Email:           jpoirier@bearinglithium.com

in the case of Lions Bay:

1400 - 1111 West Georgia Street  
Vancouver, British Columbia  
V6E 4M3



Attention: Jeremy Poirier  
Email: jpoirier@bearinglithium.com

in each case with a copy to:

McCullough O'Connor Irwin LLP  
Suite 2600 - 1066 West Hastings Street  
Vancouver, British Columbia  
V6E 3X1

Attention: Lisa Stewart  
Email: lstewart@moisolicitors.com

**7.2 Assignment.** Neither of the parties may assign its rights or obligations under this Agreement or the Arrangement without the prior written consent of the other.

**7.3 Binding Effect.** This Agreement and the Arrangement will be binding upon and will enure to the benefit of the parties and their respective successors and permitted assigns.

**7.4 Waiver.** Any waiver or release of the provisions of this Agreement, to be effective, must be in writing and executed by the party granting such waiver or release.

**7.5 Governing Law.** This Agreement will be governed by and be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

**7.6 Counterparts.** This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument.

**7.7 Expenses.** All expenses incurred by a party in connection with this Agreement, the Arrangement and the transactions contemplated hereby and thereby will be borne by the party that incurred the expense or as otherwise mutually agreed by the parties.

**7.8 Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties.

**7.9 Time of Essence.** Time is of the essence of this Agreement.

*(Remainder of page left intentionally blank. Signature page follows.)*

**IN WITNESS WHEREOF** the parties have executed this Agreement as of the date first above written.

**BEARING LITHIUM CORP.**

By: “Jeremy Poirier”  
Authorized Signatory

**LIONS BAY MINING CORP.**

By: “Jeremy Poirier”  
Authorized Signatory

## EXHIBIT A

### TO THE ARRANGEMENT AGREEMENT DATED AS OF THE 23rd DAY OF MAY, 2018 BETWEEN BEARING LITHIUM CORP. AND LIONS BAY MINING CORP.

#### PLAN OF ARRANGEMENT UNDER PART 9, DIVISION 5 OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)

#### ARTICLE 1 DEFINITIONS AND INTERPRETATION

**1.1 Definitions.** In this plan of arrangement, unless there is something in the subject matter or context inconsistent therewith, the following capitalized words and terms will have the following meanings:

- (a) “**Arrangement**” means the arrangement pursuant to the Arrangement Provisions on the terms and conditions set out herein;
- (b) “**Arrangement Agreement**” means the arrangement agreement dated as of May 22, 2018 between Bearing and Lions Bay, as may be supplemented or amended from time to time;
- (c) “**Arrangement Provisions**” means Part 9, Division 5 of the BCBCA;
- (d) “**BCBCA**” means the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended;
- (e) “**Bearing**” means Bearing Lithium Corp., a corporation incorporated under the BCBCA;
- (f) “**Board of Directors**” means the current and existing board of directors of Bearing;
- (g) “**Business Day**” means a day which is not a Saturday, Sunday or statutory holiday in Vancouver, British Columbia;
- (h) “**Class A Shares**” means the renamed and redesignated Common Shares as described in Section 3.1(b) of this Plan of Arrangement;
- (i) “**Common Shares**” means the voting common shares without par value which Bearing is authorized to issue as the same are constituted on the date hereof;
- (j) “**Court**” means the Supreme Court of British Columbia;
- (k) “**CSE**” means the Canadian Securities Exchange;

- (l) “**Depository**” means Computershare Investor Services Inc., or such other depository as Bearing may determine;
- (m) “**Dissent Procedures**” means the rules pertaining to the exercise of Dissent Rights as set forth in Division 2 of Part 8 of the BCBCA and Article 5 of this Plan of Arrangement;
- (n) “**Dissent Rights**” means the rights of dissent granted in favour of registered holders of Common Shares in accordance with Article 5 of this Plan of Arrangement;
- (o) “**Dissent Share**” has the meaning given in Section 3.1(a) of this Plan of Arrangement;
- (p) “**Dissenting Shareholder**” means a registered holder of Common Shares who dissents in respect of the Arrangement in strict compliance with the Dissent Procedures and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights;
- (q) “**Distribution Record Date**” means the close of business on the Business Day immediately preceding the Effective Date for the purpose of determining the Shareholders entitled to receive New Common Shares and Spin-Out Shares pursuant to this Plan of Arrangement or such other date as the Board of Directors may select;
- (a) “**Effective Date**” means the date on which the New Common Shares are listed on the TSXV;
- (r) “**Effective Time**” means 12:01 a.m. on the Effective Date or such other time on the Effective Date as agreed to in writing by Bearing and Lions Bay;
- (s) “**Final Order**” means the final order of the Court approving the Arrangement;
- (t) “**Interim Order**” means the interim order of the Court providing advice and directions in connection with the Meeting and the Arrangement;
- (u) “**Letter of Transmittal**” means the letter of transmittal in respect of the Arrangement to be sent to Shareholders together with the Information Circular;
- (v) “**Lions Bay**” means Lions Bay Mining Corp., a company incorporated under the BCBCA;
- (w) “**Lions Bay Shareholder**” means a holder of Lions Bay Shares;
- (x) “**Lions Bay Shares**” means the no par value shares which Lions Bay is authorized to issue as the same are constituted on the date hereof;

- (y) “**Meeting**” means the annual and special meeting of the Shareholders and any adjournments thereof to be held to, among other things, consider and, if deemed advisable, approve the Arrangement;
- (z) “**New Common Shares**” means a new class of voting common shares without par value which Bearing will create and issue as described in Section 3.1(b) of this Plan of Arrangement and for which the Class A Shares are, in part, to be exchanged under the Plan of Arrangement and which, immediately after completion of the transactions comprising the Plan of Arrangement, will be identical in every relevant respect to the Common Shares;
- (aa) “**Options**” means share purchase options issued pursuant to the Stock Option Plan which are outstanding on the Effective Date;
- (bb) “**Plan of Arrangement**” means this plan of arrangement, as the same may be amended from time to time;
- (cc) “**Registrar**” means the Registrar of Companies under the BCBCA;
- (dd) “**Replacement Option**” means an option to acquire a New Common Share to be issued by Bearing to a holder of an Option pursuant to Section 3.1(d) of this Plan of Arrangement.
- (ee) “**Replacement Warrant**” means a common share purchase warrant to acquire a New Common Share to be issued by Bearing to a holder of a Warrant pursuant to Section 3.1(e) of this Plan of Arrangement;
- (ff) “**Shareholders**” means holders of Common Shares;
- (gg) “**Spin-Out Shares**” means 2,755,000 Lions Bay Shares currently held by Bearing;
- (hh) “**Stock Option Plan**” means the existing stock option plan of Bearing as updated and amended from time to time.
- (ii) “**Tax Act**” means the *Income Tax Act* (Canada), R.S.C. 1985 (5th Supp.) c.1, as amended;
- (jj) “**Transfer Agent**” means Computershare Investor Services Inc. at its principal office in Vancouver, British Columbia; and
- (kk) “**TSXV**” means the TSX Venture Exchange Inc.; and
- (ll) “**Warrant**” means common share purchase warrants issued by Bearing which are outstanding on the Effective Date.

**1.2 Interpretation Not Affected by Headings.** The division of this Plan of Arrangement into articles, sections, subsections, paragraphs and subparagraphs and the insertion

of headings are for convenience of reference only and will not affect the construction or interpretation of this Plan of Arrangement. Unless otherwise specifically indicated, the terms “this Plan of Arrangement”, “hereof”, “hereunder” and similar expressions refer to this Plan of Arrangement as a whole and not to any particular article, section, subsection, paragraph or subparagraph and include any agreement or instrument supplementary or ancillary hereto.

**1.3 Number and Gender.** Unless the context otherwise requires, words importing the singular number only will include the plural and vice versa, words importing the use of either gender will include both genders and neuter and words importing persons will include firms and corporations.

**1.4 Meaning.** Words and phrases used herein and defined in the BCBCA will have the same meaning herein as in the BCBCA, unless the context otherwise requires.

**1.5 Date for any Action.** If any date on which any action is required to be taken under this Plan of Arrangement is not a Business Day, such action will be required to be taken on the next succeeding Business Day.

**1.6 Governing Law.** This Plan of Arrangement will be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

## **ARTICLE 2 ARRANGEMENT AGREEMENT**

**2.1 Arrangement Agreement.** This Plan of Arrangement is made pursuant and subject to the provisions of the Arrangement Agreement.

**2.2 Arrangement Effectiveness.** The Arrangement and this Plan of Arrangement will become final and conclusively binding on Bearing, the Shareholders (including Dissenting Shareholders), the holders of Options and Lions Bay Shareholders at the Effective Time without any further act or formality as required on the part of any person, except as expressly provided herein.

## **ARTICLE 3 THE ARRANGEMENT**

**3.1 The Arrangement.** Commencing at the Effective Time, the following will occur and be deemed to occur in the following chronological order without further act or formality notwithstanding anything contained in the provisions attaching to any of the securities of Bearing or Lions Bay, but subject to the provisions of Article 5:

- (a) each Common Share outstanding in respect of which a Dissenting Shareholder has validly exercised his, her or its Dissent Rights (each, a “**Dissent Share**”) will be directly transferred and assigned by such Dissenting Shareholder to Bearing, without any further act or formality and free and clear of any liens, charges and encumbrances of any nature whatsoever, and will be cancelled and cease to be outstanding and such Dissenting Shareholders will cease to have any rights as

Shareholders other than the right to be paid the fair value for their Common Shares by Bearing;

- (b) the authorized share structure of Bearing will be altered by:
  - (i) renaming and redesignating all of the issued and unissued Common Shares as “Class A common shares without par value” and varying the special rights and restrictions attached to those shares to provide the holders thereof with two votes in respect of each share held, being the “Class A Shares”; and
  - (ii) creating a new class consisting of an unlimited number of “common shares without par value” with terms and special rights and restrictions identical to those of the Common Shares immediately prior to the Effective Time, being the “New Common Shares”;
- (c) Bearing’s Notice of Articles will be amended to reflect the alterations in Section 3.1(b);
- (d) each Option then outstanding to acquire one Common Share will be exchanged for one Replacement Option to acquire one New Common Share having the same exercise price, expiry date, vesting conditions and other terms and conditions as the Option;
- (e) each Warrant then outstanding to acquire one Common Share will be exchanged for one Replacement Warrant to acquire one New Common Share having the same exercise price, expiry date, vesting conditions and other terms and conditions as the Warrant;
- (f) each issued and outstanding Class A Share outstanding on the Distribution Record Date will be exchanged for:
  - (i) one New Common Share; and
  - (ii) 0.049921 of a Spin-Out Share,

and the holders of the Class A Shares will be removed from the central securities register of Bearing as the holders of such and will be added to the central securities register of Bearing as the holders of the number of New Common Shares that they have received on the exchange set forth in this Section 3.1(d), and the Spin-Out Shares transferred to the then holders of the Class A Shares will be registered in the name of the former holders of the Class A Shares and Bearing will provide Lions Bay and its registrar and transfer agent notice to make the appropriate entries in the central securities register of Lions Bay;

- (g) all of the issued Class A Shares will be cancelled with the appropriate entries being made in the central securities register of Bearing, and the aggregate paid-up capital (as that term is used for purposes of the Tax Act) of the New Common

Shares will be equal to that of the Common Shares immediately prior to the Effective Time less the fair market value of the Spin-Out Shares distributed pursuant to Section 3.1(d);

- (h) the Class A Shares, none of which will be issued or outstanding once the steps in Section 3.1(e) to Section 3.1(g) are completed, will be cancelled and the authorized share structure of Bearing will be changed by eliminating the Class A Shares;
- (i) the Notice of Articles of Bearing will be amended to reflect the alterations in Section 3.1(h).

**3.2 No Fractional Shares or Options.** Notwithstanding any other provision of this Arrangement, while each Shareholder's fractional shares will be combined, no fractional Class A Shares or Spin-Out Shares will be distributed to the Shareholders and, as a result, all fractional amounts arising under this Plan of Arrangement will be rounded down to the next whole number without any compensation therefor. Any Class A Shares or Spin-Out Shares not distributed as a result of so rounding down will be cancelled by Bearing and Lions Bay, as applicable.

**3.3 Distribution Record Date.** In Section 3.1(e), the reference to a Shareholder will mean a person who is a Shareholder on the Distribution Record Date, subject to the provisions of Article 5.

**3.4 Deemed Time for Redemption.** In addition to the chronological order in which the transactions and events set out in Section 3.1 will occur and will be deemed to occur, the time on the Effective Date for the exchange of Class A Shares for New Common Shares and Spin-Out Shares set out in Section 3.1(e) will occur and will be deemed to occur immediately after the time of listing of the New Common Shares on the TSXV and the listing of the Lions Bay Shares on the CSE on the Effective Date.

**3.5 Deemed Fully Paid and Non-Assessable Shares.** All New Common Shares and Class A Shares issued pursuant hereto will be deemed to be validly issued and outstanding as fully paid and non-assessable shares for all purposes of the BCBCA.

**3.6 Supplementary Actions.** Notwithstanding that the transactions and events set out in Section 3.1 will occur and will be deemed to occur in the chronological order therein set out without any act or formality, each of Bearing and Lions Bay will be required to make, do and execute or cause and procure to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required to give effect to, or further document or evidence, any of the transactions or events set out in Section 3.1, including, without limitation, any resolutions of directors authorizing the issue, transfer or redemption of shares, any share transfer powers evidencing the transfer of shares and any receipt therefor, any necessary additions to or deletions from share registers, and agreements for stock options.

**3.7 Withholding.** Each of Bearing, Lions Bay and the Depositary will be entitled to deduct and withhold from any cash payment or any issue, transfer or distribution of New Common Shares, Spin-Out Shares or the Replacement Options made pursuant to this Plan of



Arrangement such amounts as may be required to be deducted and withheld pursuant to the Tax Act or any other applicable law, and any amount so deducted and withheld will be deemed for all purposes of this Plan of Arrangement to be paid, issued, transferred or distributed to the person entitled thereto under the Plan of Arrangement. Without limiting the generality of the foregoing, any New Common Shares or Spin-Out Shares so deducted and withheld may be sold on behalf of the person entitled to receive them for the purpose of generating cash proceeds, net of brokerage fees and other reasonable expenses, sufficient to satisfy all remittance obligations relating to the required deduction and withholding, and any cash remaining after such remittance will be paid to the person forthwith.

**3.8 No Liens.** Any exchange or transfer of securities pursuant to this Plan of Arrangement will be free and clear of any liens, restrictions, adverse claims or other claims of third parties of any kind.

#### **ARTICLE 4 CERTIFICATES**

**4.1 Class A Shares.** Recognizing that the Common Shares will be renamed and redesignated as Class A Shares pursuant to Section 3.1(b) and that the Class A Shares will be exchanged for New Common Shares pursuant to Section 3.1(e), Bearing will not issue replacement share certificates representing the Class A Shares.

**4.2 Spin-Out Shares Share Certificates.** As soon as practicable following the Effective Date, Lions Bay will deliver or cause to be delivered to the Depository certificates representing the Spin-Out Shares required to be issued to registered holders of Common Shares as at immediately prior to the Effective Time in accordance with the provisions of Section 3.1(e) of this Plan of Arrangement, which certificates will be held by the Depository as agent and nominee for such holders for distribution thereto in accordance with the provisions of Section 6.1.

**4.3 New Common Share Certificates.** As soon as practicable following the Effective Date, Bearing will deliver or cause to be delivered to the Depository certificates representing the New Common Shares required to be issued to registered holders of Common Shares as at immediately prior to the Effective Time in accordance with the provisions of Section 3.1(e) of this Plan of Arrangement, which certificates will be held by the Depository as agent and nominee for such holders for distribution thereto in accordance with the provisions of Section 6.1.

**4.4 Interim Period.** Any Common Shares traded after the Distribution Record Date will represent New Common Shares as of the Effective Date and will not carry any rights to receive Spin-Out Shares.

**4.5 Option Certificate.** The term of expiry, conditions to and manner of exercise and other terms and conditions of the Replacement Options shall be the same as the terms and conditions of the Options for which they are exchanged and any certificate previously evidencing the Option shall thereafter evidence and be deemed to evidence such Replacement Option.

**4.6 Warrant Certificate.** The term of expiry, conditions to and manner of exercise and other terms and conditions of the Replacement Warrants shall be the same as the terms and conditions of the Warrants for which they are exchanged and any certificate previously evidencing the Replacement Warrant shall thereafter evidence and be deemed to evidence such Replacement Warrant.

## **ARTICLE 5 RIGHTS OF DISSENT**

**5.1 Dissent Right.** Registered holders of Common Shares may exercise Dissent Rights with respect to their Common Shares in connection with the Arrangement pursuant to the Interim Order and in the manner set forth in the Dissent Procedures, as they may be amended by the Interim Order, Final Order or any other order of the Court, and provided that such dissenting Shareholder delivers a written notice of dissent to Bearing at least two Business Days before the day of the Meeting or any adjournment or postponement thereof.

**5.2 Dealing with Dissenting Shares.** Shareholders who duly exercise Dissent Rights with respect to their Dissenting Shares and who:

- (a) are ultimately entitled to be paid fair value for their Dissenting Shares will be deemed to have transferred their Dissenting Shares to Bearing for cancellation as of the Effective Time pursuant to Section 3.1(a); or
- (b) for any reason are ultimately not entitled to be paid for their Dissenting Shares, will be deemed to have participated in the Arrangement on the same basis as a non-dissenting Shareholder and will receive New Common Shares and Spin-Out Shares on the same basis as every other non-dissenting Shareholder;

but in no case will Bearing be required to recognize such persons as holding Common Shares on or after the Effective Date.

**5.3 Reservation of Spin-Out Shares.** If a Shareholder exercises Dissent Rights, Bearing will, on the Effective Date, set aside and not distribute that portion of the Spin-Out Shares which is attributable to the Common Shares for which Dissent Rights have been exercised. If the dissenting Shareholder is ultimately not entitled to be paid for their Dissenting Shares, Bearing will distribute to such Shareholder his, her or its pro rata portion of the Spin-Out Shares. If a Shareholder duly complies with the Dissent Procedures and is ultimately entitled to be paid for their Dissenting Shares, then Bearing will retain the portion of the Spin-Out Shares attributable to such Shareholder and such shares will be dealt with as determined by the Board of Directors in its discretion.

## **ARTICLE 6 DELIVERY OF SHARES**

**6.1 Delivery of Shares.**

- (a) Upon surrender to the Depository for cancellation of a certificate that immediately before the Effective Time represented one or more outstanding Common Shares,

together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, the holder of such surrendered certificate will be entitled to receive in exchange therefor, and the Depositary will deliver to such holder following the Effective Time, a certificate representing the New Common Shares and a certificate representing the Spin-Out Shares that such holder is entitled to receive in accordance with Section 3.1(e).

- (b) After the Effective Time and until surrendered for cancellation as contemplated by Section 6.1(a), each certificate that immediately prior to the Effective time represented one or more Common Shares will be deemed at all times to represent only the right to receive in exchange therefor a certificate representing the New Common Shares and a certificate representing the Spin-Out Shares that such holder is entitled to receive in accordance with Section 3.1(e).

**6.2 Lost Certificates.** If any certificate that immediately prior to the Effective Time represented one or more outstanding Common Shares that were exchanged for New Common Shares and Spin-Out Shares in accordance with Section 3.1(e), will have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depositary will deliver in exchange for such lost, stolen or destroyed certificate, the New Common Shares and Spin-Out Shares that such holder is entitled to receive in accordance with Section 3.1(e). When authorizing such delivery of New Common Shares and Spin-Out Shares that such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the holder to whom such securities are to be delivered will, as a condition precedent to the delivery of such New Common Shares and Spin-Out Shares or give a bond satisfactory to Bearing, Lions Bay and the Depositary in such amount as Bearing, Lions Bay and the Depositary may direct, or otherwise indemnify Bearing, Lions Bay and the Depositary in a manner satisfactory to Bearing, Lions Bay and the Depositary, against any claim that may be made against Bearing, Lions Bay or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed and will otherwise take such actions as may be required by the articles of Bearing.

**6.3 Distributions with Respect to Unsurrendered Certificates.** No dividend or other distribution declared or made after the Effective Time with respect to New Common Shares or Spin-Out Shares with a record date after the Effective Time will be delivered to the holder of any unsurrendered certificate that, immediately prior to the Effective Time, represented outstanding Common Shares unless and until the holder of such certificate will have complied with the provisions of Section 6.1 or Section 6.2, as applicable. Subject to applicable law and to Section 3.7, at the time of such compliance, there will, in addition to the delivery of the New Common Shares and Spin-Out Shares to which such holder is thereby entitled, be delivered to such holder, without interest, the amount of the dividend or other distribution with a record date after the Effective Time theretofore paid with respect to such New Common Shares and/or Spin-Out Shares, as applicable.

**6.4 Limitation and Proscription.** To the extent that a former Shareholder will not have complied with the provisions of Section 6.1 or Section 6.2, as applicable, on or before the date that is six years after the Effective Date (the “**Final Proscription Date**”), then the New

Common Shares and Spin-Out Shares that such former Shareholder was entitled to receive will be automatically cancelled without any repayment of capital in respect thereof and the New Common Shares and Spin-Out Shares to which such Shareholder was entitled, will be delivered to Lions Bay (in the case of the Lions Bay Shares) or Bearing (in the case of the New Common Shares) by the Depositary and certificates representing such New Common Shares and Spin-Out Shares will be cancelled by Bearing and Lions Bay, as applicable, and the interest of the former Shareholder in such New Common Shares and Spin-Out Shares or to which it was entitled will be terminated as of such Final Proscription Date.

**6.5 Paramountcy.** From and after the Effective Time: (i) this Plan of Arrangement will take precedence and priority over any and all Common Shares or Options issued prior to the Effective Time; and (ii) the rights and obligations of the registered holders of Common Shares and of Bearing, Lions Bay, the Depositary and any transfer agent or other depositary therefor, will be solely as provided for in this Plan of Arrangement.

## **ARTICLE 7 AMENDMENTS & WITHDRAWAL**

**7.1 Amendments.** Bearing, in its sole discretion, reserves the right to amend, modify and/or supplement this Plan of Arrangement from time to time at any time prior to the Effective Time provided that any such amendment, modification or supplement must be contained in a written document that is filed with the Court and, if made following the Meeting, approved by the Court.

**7.2 Amendments Made Prior to or at the Meeting.** Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Bearing at any time prior to or at the Meeting with or without any prior notice or communication, and if so proposed and accepted by the Shareholders voting at the Meeting, will become part of this Plan of Arrangement for all purposes.

**7.3 Amendments Made After the Meeting.** Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Bearing after the Meeting but prior to the Effective Time and any such amendment, modification or supplement which is approved by the Court following the Meeting will be effective and will become part of the Plan of Arrangement for all purposes. Notwithstanding the foregoing, any amendment, modification or supplement to this Plan of Arrangement may be made following the granting of the Final Order unilaterally by Bearing, provided that it concerns a matter which, in the reasonable opinion of Bearing, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any holder of New Common Shares or Spin-Out Shares.

**7.4 Withdrawal.** Notwithstanding any prior approvals by the Court or by Shareholders, the Board of Directors may decide not to proceed with the Arrangement and to revoke the Arrangement Resolution at any time prior to the Effective Time, without further approval of the Court or the Shareholders.

## **EXHIBIT B**

### **TO THE ARRANGEMENT AGREEMENT DATED AS OF THE 23rd DAY OF MAY, 2018 BETWEEN BEARING LITHIUM CORP. AND LIONS BAY MINING CORP.**

#### **Transferred Assets**

1. The FLV Lode Mining Claims located in Esmeralda County, Nevada and commonly referred to as the “Fish Lake Claims”.
2. The Amended and Restated Option Agreement dated May 2, 2018 entered into between Bearing and First Division Ventures Inc. relating to the Fish Lake Claims.
3. The mineral claims located in the Upper Hyland River area of eastern Yukon Territory and commonly referred to as the “Hy and Jay Property”.
4. The Mineral Property Purchase Agreement dated December 23, 2016 entered into between Bearing and Golden Predator Mining Corp.
5. The mineral claims located in the Yukon Territory commonly referred to as the “VM” and “VBA” properties.