BEARING LITHIUM CORP.

ANNUAL GENERAL AND SPECIAL MEETING

TO BE HELD ON JUNE 28, 2018

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

AND

INFORMATION CIRCULAR

MAY 28, 2018

Dear Shareholders,

The directors of Bearing Lithium Corp. (the "**Company**") invite you to attend the annual general and special meeting (the "**Meeting**") of the holders of common shares of the Company (the "**Shareholders**") to be held at Suite 2600 - 1066 West Hastings Street, Vancouver, British Columbia V6E 3X1 at 10:00 a.m. (Vancouver time) on Thursday, June 28, 2018.

At the Meeting, Shareholders will be asked to, among other things, pass a special resolution approving a statutory arrangement (the "**Arrangement**") involving, among other things, the distribution of common shares (the "**Lions Bay Shares**") of Lions Bay Mining Corp. ("**Lions Bay**"), currently a wholly-owned subsidiary of the Company, to the Shareholders on the basis of 0.049921 of a Lions Bay Shares for each common share of the Company (each, a "**Common Share**") held.

Prior to the completion of the Arrangement, the Company will transfer to Lions Bay its 50% interest in 81 lode claims (the "**Fish Lake Project**") located in Fish Lake Valley, central-western Nevada as well as the Company's interest in four additional mineral properties located in the Yukon, Canada. The board of directors of the Company (the "**Board**") believes that the creation of two separate public companies, one a TSX Venture Exchange-listed exploration company focused on South America, in particular, the advanced-stage Maricunga project located in Chile and the other a Canadian Securities Exchange-listed exploration company focused on North America, in particular the Fish Lake Project, will enhance their respective business operations and provide Shareholders with additional investment choices and flexibility.

After careful consideration, the Board has unanimously determined that the Arrangement is fair to Shareholders and is in the best interests of the Company. A description of the various factors considered by the Board in arriving at this determination is contained in the enclosed management information circular of the Company dated May 28, 2018. **The Board has unanimously approved the Arrangement and recommends that Shareholders vote in favour of the special resolution approving the Arrangement.**

To be effective, the Arrangement must be approved by a special resolution passed by at least two-thirds of the votes cast by Shareholders present in person or represented by proxy at the Meeting. Shareholders are entitled to one vote for each Common Share held.

Your vote is important regardless of how many Common Shares you own. If you are a registered holder of Common Shares, we encourage you to take the time now to complete, sign, date and return the enclosed form of proxy in the return envelope addressed to Computershare Investor Services Inc. to be received no later than 10:00 a.m. (Vancouver time) on June 26, 2018 to ensure that your Common Shares are voted at the Meeting in accordance with your instructions, whether or not you are able to attend in person. If you hold your Common Shares through a broker or other intermediary, you should follow the instructions provided by your broker or other intermediary to vote your Common Shares.

On behalf of the Company, we would like to thank all of our Shareholders for their ongoing support.

Yours very truly,

ON BEHALF OF THE BOARD

"Jeremy Poirier"
Jeremy Poirier
President and Chief Executive Officer

BEARING LITHIUM CORP.
1400 - 111 West Georgia Street
Vancouver, British Columbia
V6E 4M3

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the "**Meeting**") of the shareholders (the "**Shareholders**") of Bearing Lithium Corp. (the "**Company**") will be held at Suite 2600 - 1066 West Hastings Street, Vancouver, British Columbia V6E 3X1 on Thursday, June 28, 2018 at 10:00 a.m. (Vancouver time) for the following purposes:

1. to receive and consider the audited financial statements of the Company for the years ended October 31, 2017 and October 31, 2016, together with the auditor's reports thereon;

2. to fix the number of directors at six;

3. to elect directors for the ensuing year;

4. to appoint Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, as auditor of the Company for the ensuing year and to authorize the directors to determine and approve the remuneration to be paid to the auditor;

5. to consider and, if thought fit, pass, with or without variation, a special resolution to approve an arrangement under Division 5 of Part 9 of the *Business Corporations Act* (British Columbia), the full text of which is set forth in Schedule "D" to the accompanying management information circular (the "**Circular**") of the Company dated May 28, 2018, which involves, among other things, the distribution of common shares of Lions Bay Mining Corp. to the Shareholders, all as more particularly described in the Circular;

6. to confirm the Company's stock option plan as required annually by the policies of the TSX Venture Exchange; and

7. to act upon such other matters as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

The Circular provides additional information relating to the matters to be addressed at the Meeting and is deemed to form part of this Notice.

The board of directors of the Company (the "**Board**") has set May 14, 2018 as the record date for determining the Shareholders entitled to receive notice of and vote at the Meeting or any adjournment(s) or postponement(s) thereof.

All Shareholders are entitled to attend and vote at the Meeting in person or by proxy. The Board requests that all Shareholders who will not be attending the Meeting in person read, date and sign the accompanying proxy and deliver it to Computershare Investor Services Inc. ("**Computershare**"). If a Shareholder does not deliver a proxy to Computershare, Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, by 10:00 a.m. (Vancouver time) on June 26, 2018 (or prior to 48 hours, excluding Saturdays, Sundays and holidays, before any adjournment of the meeting at which the proxy is to be used) then the Shareholder will not be entitled to vote at the Meeting by proxy. Only Shareholders of record at the close of business on May 14, 2018 will be entitled to vote at the Meeting.

DATED at Vancouver, British Columbia, the 28th day of May, 2018.

ON BEHALF OF THE BOARD

"Jeremy Poirier"
Jeremy Poirier
President and Chief Executive Officer

TABLE OF CONTENTS

BEARING LITHIUM CORP.
1400 - 111 West Georgia Street
Vancouver, British Columbia
V6E 4M3

INFORMATION CIRCULAR

(as at May 28, 2018 except as otherwise indicated)

NOTICE TO READERS

This Circular is provided in connection with the solicitation of proxies by the management ("**Management**") of the Company. The form of proxy which accompanies this Circular (the "**Proxy**") is for use at the annual general and special meeting of the shareholders of the Company (the "**Shareholders**") to be held on Thursday, June 28, 2018 (the "**Meeting**"), at the time and place set out in the accompanying notice of Meeting (the "**Notice of Meeting**"). The Company will bear the cost of this solicitation. The solicitation will be made by mail, but may also be made by telephone.

All capitalized terms used in this Circular (including the Schedules hereto) but not otherwise defined herein have the meanings set forth under the heading "*Glossary of Terms*". Except where otherwise expressly noted, information in this Circular is given as of May 28, 2018.

No person has been authorized to give any information or to make any representation in connection with the Arrangement and any other matters described herein other than those contained in this Circular and, if given or made, any such information or representation should not be considered to have been authorized by the Company or Lions Bay.

This Circular does not constitute the solicitation of an offer to purchase, or the making of an offer to sell, any securities or the solicitation by proxy by any person in any jurisdiction in which such solicitation or offer is not authorized or in which the person making such solicitation or offer is not qualified to do so or to any person to whom it is unlawful to make such solicitation or offer

In considering whether to vote for the approval of the Arrangement, Shareholders should be aware that there are various risks, including those described under the heading "*Risk Factors*" in this Circular. Shareholders should carefully consider these risk factors, together with the other information included in this Circular, before deciding whether to approve the Arrangement.

Information contained in this Circular should not be construed as legal, tax or financial advice and Shareholders are urged to consult their own professional advisors in connection therewith.

Descriptions in the body of this Circular of the terms of the Arrangement Agreement and the Plan of Arrangement are merely summaries of the terms of those documents. Shareholders should refer to the full text of the Arrangement Agreement and the Plan of Arrangement for complete details of those documents. The full text of the Arrangement Agreement is attached to this Circular as Schedule "E" and the Plan of Arrangement is attached as Exhibit "A" to the Arrangement Agreement.

INFORMATION FOR UNITED STATES SHAREHOLDERS

The securities to be distributed to Shareholders pursuant to the Arrangement described in this Circular have not been and will not be registered under the 1933 Act or any U.S. state securities laws, and are being issued in reliance on the exemption from registration under the 1933 Act set forth in Section 3(a)(10) thereof. Section 3(a)(10) of the 1933 Act provides an exemption from registration under the 1933 Act for offers and sales of securities issued in exchange for one or more outstanding securities where the terms and conditions of the issuance and exchange of such securities have been approved by a court authorized to grant such approval after a hearing upon the fairness of the terms and conditions of the issuance and exchange at which all persons to whom the securities will be issued have the right to appear. The Court is authorized to conduct a hearing at which the fairness of the terms and

conditions of the Arrangement will be considered. The Court issued the Interim Order on May 28, 2018 and, subject to the approval of the Arrangement by the Shareholders at the Meeting on June 28, 2018, it is expected that the hearing on the Arrangement will be held by the Court on July 4, 2018 at 9:45 a.m. (Vancouver time) at the Law Courts, 800 Smithe Street, Vancouver, British Columbia. All Shareholders are entitled to appear and be heard at this hearing. The Final Order will constitute a basis for the exemption from the registration requirements of the 1933 Act provided by Section 3(a)(10) thereof with respect to the securities to be issued pursuant to the Arrangement. Prior to the hearing on the Final Order, the Court will be informed of this effect of the Final Order. See "*The Arrangement – Court Approval of the Arrangement*" in this Circular.

The solicitation of proxies for the Meeting made pursuant to this Circular is not subject to the requirements applicable to proxy statements under the 1934 Act by virtue of an exemption applicable to foreign private issuers (as defined in Rule 3b-4 under the 1934 Act). The securities to be issued to Shareholders pursuant to the Arrangement described in this Circular will not be listed for trading on any United States stock exchange or registered under the 1934 Act. Accordingly, the solicitations and transactions contemplated in this Circular are made in the United States for securities of a Canadian issuer in accordance with Canadian corporate and securities laws, and this Circular has been prepared solely in accordance with disclosure requirements applicable in Canada. Shareholders in the United States should be aware that such requirements are different from those of the United States applicable to registration statements under the 1933 Act and proxy statements under the 1934 Act.

The financial statements and pro forma and historical carve-out financial information included in this Circular have been prepared based upon IFRS and are subject to Canadian auditing standards and auditor independence standards and thus are not comparable in all respects to financial statements prepared in accordance with United States GAAP and subject to standards of the Public Company Accounting Oversight Board. Likewise, information concerning the operations of the Company and Lions Bay contained herein have been prepared based on IFRS disclosure standards, which are not comparable in all respects to United States disclosure standards.

The enforcement by investors of civil liabilities under the United States securities laws may be adversely affected by the fact that the Company and Lions Bay and certain of their respective subsidiaries are organized under the laws of jurisdictions outside the United States, that certain of their officers and directors are residents of countries other than the United States, that the experts named in this Circular are residents of countries other than the United States and that a significant portion of the assets of the Company and Lions Bay and their respective subsidiaries and substantially all of the assets of certain such persons are located outside the United States. As a result, it may be difficult or impossible for Shareholders in the United States to effect service of process within the United States upon the Company and Lions Bay, their respective officers or directors or the experts named herein, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States. In addition, Shareholders in the United States should not assume that the courts of Canada: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States.

In addition, when used in respect of the projects in which the Company and Lions Bay has an interest, the terms "mineral reserve" and "mineral resource" have been reported in accordance with Canadian reporting standards. Canadian reporting requirements for disclosure of mineral properties are governed by NI 43-101. U.S. reporting requirements are governed by Guide 7. The information included or incorporated by reference in this Circular includes estimates of the "mineral reserve" and "mineral resource" reported in accordance with NI 43-101. The reporting standards under NI 43-101 and Guide 7 are materially different. For example, under Guide 7, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made, which is not the case under NI 43-101. Consequently, the definitions of "proven mineral reserve" and "probable mineral reserve" under NI 43-101 differ in certain material respects from the standards of the SEC. In addition, the Company and Lions Bay also report estimates of "mineral resource" in accordance with NI 43-101. While the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are recognized by NI 43-101, they are not recognized under the standards of the SEC. As a result, U.S. companies are generally not permitted to report estimates of "mineral resource" of any category in documents filed with the SEC.

As such, certain information included in this Circular concerning descriptions of mineralization and estimates of "mineral reserve" and "mineral resource" reported in accordance with Canadian standards is not comparable to similar information made public by United States companies subject to the reporting and disclosure requirements of the SEC. Readers are cautioned not to assume that all or any part of a "measured mineral resource" or "indicated mineral resource" estimate will ever be converted into a "mineral reserve". Readers should also not assume that all or any part of a "mineral resource" will ever be upgraded to a higher category. In particular, an "inferred mineral resource" has a great amount of uncertainty as to its existence and as to its economic and legal feasibility and, under NI 43-101, an "inferred mineral resource" estimate may not form the basis of feasibility or other economic studies. Readers are, therefore, further cautioned not to assume that all or any part of an "inferred mineral resource" exists or is, or will ever be, economically or legally mineable.

The securities to be distributed to Shareholders pursuant to the Arrangement will generally be freely transferable under U.S. federal securities laws, except by persons who are "affiliates" (as such term is understood under U.S. securities laws) of the Company and Lions Bay after the Effective Date, or were "affiliates" of the Company and Lions Bay within 90 days prior to the Effective Date. Persons who may be deemed to be "affiliates" of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract, or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer. Any resale of such securities by such an affiliate (or former affiliate) may be subject to the registration requirements of the 1933 Act, absent an exemption therefrom. See "*Certain Securities Law Matters – United States Securities Laws*".

NONE OF THE ARRANGEMENT, THIS CIRCULAR OR THE SECURITIES ISSUABLE PURSUANT TO THE ARRANGEMENT HAVE BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITY IN ANY STATE OF THE UNITED STATES, NOR HAS ANY OF THE FOREGOING AUTHORITIES OR ANY CANADIAN SECURITIES COMMISSION PASSED UPON OR ENDORSED THE MERITS OF THE ARRANGEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

FORWARD LOOKING STATEMENTS

This Circular includes and incorporates statements that are prospective in nature that constitute forward-looking information and/or forward-looking statements within the meaning of applicable securities laws (collectively, "**forward-looking statements**"). Forward-looking statements include, but are not limited to, statements concerning the completion and proposed terms of, and matters relating to, the anticipated election of the Company's proposed directors, the acquisition by Lions Bay of the North America Assets, the completion by Lions Bay of the Lions Bay Private Placement and the expected timing related thereto, the Arrangement and the expected timing related thereto, the tax treatment of the Arrangement, the treatment of both the New Common Shares and the Lions Bay Shares as qualified investments for the purposes of a Registered Plan, the expected operations, financial results and condition of the Company and Lions Bay following the Arrangement, each company's future objectives and strategies to achieve those objectives, the future prospects of each company as an independent company, the intention to list the Lions Bay Shares on the CSE, Lions Bay seeking to be a "mineral resources company" under the policies of the CSE, the continued listing of the Company on the TSX-V, any market created for either company's shares, the estimated cash flow, capitalization and adequacy thereof for each company following the Arrangement, the expected benefits of the Arrangement to, and resulting treatment of, shareholders of each company, holders of options of each company, and each company, the anticipated effects of the Arrangement, the estimated costs of the Arrangement, the satisfaction of the conditions to consummate the Arrangement, as well as other statements with respect to management's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans" or "continue", or similar expressions suggesting future outcomes or events.

Forward-looking statements reflect Management's current beliefs, expectations and assumptions and are based on information currently available to Management, Management's historical experience, perception of trends and current business conditions, expected future developments and other factors which management considers appropriate. With respect to the forward-looking statements included in or incorporated into this Circular, Management has made certain assumptions with respect to, among other things, the anticipated approval of the

Arrangement by Shareholders and the Court, the anticipated receipt of any required regulatory approvals and consents (including the final approval of the TSX-V and the CSE), the expectation that each of the Company and Lions Bay will comply with the terms and conditions of the Arrangement Agreement, the expectation that no event, change or other circumstance will occur that could give rise to the termination of the Arrangement Agreement, the belief that the assumptions underlying the Lions Bay Carve-Out Financial Statements are reasonable, the expectation that no Court approval, if obtained, will be set aside or modified, the expectation that the Court will determine that the Arrangement is procedurally and substantively fair and that such determination will form the basis for an exemption from the registration requirements of the 1933 Act pursuant to Section 3(a)(10) of the 1933 Act, that no unforeseen changes in the legislative and operating framework for the respective businesses of Lions Bay and the Company will occur, the belief that separation of the South America Assets and North America Assets will enable investors to more accurately compare and evaluate each company, the belief that each company will benefit from pursuing independent growth and capital allocation strategies, that each company will meet its future objectives and priorities, that each company will have access to adequate capital to fund its future projects and plans, that each company's future projects and plans will proceed as anticipated, as well as assumptions concerning general economic and industry growth rates, commodity prices, currency exchange and interest rates and competitive intensity.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the future circumstances, outcomes or results anticipated or implied by such forward-looking statements will occur or that plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve known and unknown risks and uncertainties and other factors that could cause actual results to differ materially from those contemplated by such statements. Factors that could cause such differences include, but are not limited to: conditions precedent or approvals required for the Arrangement not being obtained; the potential benefits of the Arrangement not being realized; the risk of tax liabilities as a result of the Arrangement, and general business and economic uncertainties and adverse market conditions; the potential for the combined trading prices of the New Common Shares and the Lions Bay Shares after the Arrangement being less than the trading price of Common Shares immediately prior to the Arrangement; there being no established market for the New Common Shares or the Lions Bay Shares; the Company's ability to delay or amend the implementation of all or part of the Arrangement or to proceed with the Arrangement even if certain consents and approvals are not obtained on a timely basis; the reduced diversity of the Company and Lions Bay as separate companies; the costs related to the Arrangement that must be paid even if the Arrangement is not completed; obtaining approvals and consents, or satisfying other requirements, necessary or desirable to permit or facilitate completion of the Arrangement; global financial markets, general economic conditions, competitive business environments, and other factors may negatively impact the Company's and Lions Bay's financial condition; future factors that may arise making it inadvisable to proceed with, or advisable to delay, all or part of the Arrangement; and the potential inability or unwillingness of current Shareholders to hold New Common Shares and/or Lions Bay Shares following the Arrangement. For a further description of these and other factors that could cause actual results to differ materially from the forward-looking statements included in or incorporated into this Circular, see the risk factors discussed under the heading "*Risk Factors*", as well as the risk factors included in the Company's management discussion and analysis for the year ended October 31, 2017 and for the interim period ended April 30, 2018 and as described from time to time in the reports and disclosure documents filed by the Company with Canadian securities regulatory authorities, which are available under the Company's profile on SEDAR at www.sedar.com. This list is not exhaustive of the factors that may impact the Company's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on the Company's forward-looking statements. As a result of the foregoing and other factors, there can be no assurance that actual results will be consistent with these forward-looking statements.

All forward-looking statements included in or incorporated by reference into this Circular are qualified by these cautionary statements. The forward-looking statements contained herein are made as of the date of this Circular and, except as required by applicable law, neither the Company nor Lions Bay undertakes any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Readers are cautioned that the actual results achieved will vary from the information provided herein and that such variations may be material. Consequently, there are no representations by the Company or Lions Bay that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference and form part of this Circular. Copies of these documents may be obtained by accessing the SEDAR website at www.sedar.com under the profile of the Company. In addition, copies of the following documents may also be obtained on request without charge from the Company's CEO at jpoirier@bearinglithium.com:

(a) the unaudited condensed consolidated interim financial statements of the Company for the six months ended April 30, 2018, together with the notes thereto;

(b) management's discussion and analysis for the six months ended April 30, 2018;

(c) the audited consolidated financial statements of the Company for the years ended October 31, 2017 and 2016, together with the notes thereto and the auditor's report thereon; and

(d) management's discussion and analysis for the year ended October 31, 2017.

GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Circular, including the summary hereof and the Schedules to the Circular.

"**1933 Act**" means the *United States Securities Act of 1933*, as amended, and all rules and regulations thereunder.

"**ACB**" has the meaning given to it under the heading "*Material Income Tax Considerations - Holders Resident in Canada*".

"**allowable capital loss**" has the meaning given to it under the heading "*Material Income Tax Considerations - Holders Resident in Canada - Taxation of Capital Gains and Losses*".

"**Arrangement**" means the arrangement of the Company under Section 288 of the BCBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the Plan of Arrangement or the Arrangement Agreement or made at the direction of the Court in the Final Order and acceptable to the Company.

"**Arrangement Agreement**" means the arrangement agreement dated May 23, 2018 between the Company and Lions Bay, a copy of which is attached as Schedule "E", as it may be amended or modified from time to time.

"**Arrangement Resolution**" means the special resolution to be considered by the Shareholders at the Meeting to approve the Arrangement, and which shall be in, or substantially in, the form set out at Schedule "D".

"**Audit Committee**" has the meaning given to it under the heading "*Audit Committee*".

"**Bearing Options**" means share purchase options issued by the Company pursuant to the Stock Option Plan which are outstanding on the Effective Date.

"**Bearing Warrants**" means the common share purchase warrants issued by the Company which are outstanding on the Effective Date.

"**BCBCA**" means the *Business Corporations Act (British Columbia)*, as amended.

"**Beneficial Shareholder**" has the meaning given under the heading "*Appointment and Revocation of Proxy - Advice to Beneficial Holders of Common Shares*".

"**Board**" means the board of directors of the Company, as currently constituted.

"**Broadridge**" has the meaning given under the heading "*Appointment and Revocation of Proxy - Advice to Beneficial Holders of Common Shares*".

"**Business Day**" means a day which is not a Saturday, Sunday or statutory holiday in Vancouver, British Columbia.

"**Circular**" means this management information circular dated May 28, 2018, together with all schedules, appendices and exhibits hereto, as amended, supplemented or otherwise modified from time to time.

"**Class A Shares**" means the renamed and redesignated Common Shares as described in Section 3.1(b) of the Plan of Arrangement.

"**Common Shares**" means the common shares without par value in the capital of the Company, as constituted on the date hereof.

"**Company**" means Bearing Lithium Corp.

"**Computershare**" has the meaning given under the heading "*Appointment and Revocation of Proxy*".

"**Court**" means the British Columbia Supreme Court.

"**CSE**" means the Canadian Securities Exchange.

"**Depositary**" means Computershare Investor Services Inc., or such other depositary as the Company may determine.

"**Dissent Notice**" has the meaning given to it under the heading "*Dissent Rights*".

"**Dissent Procedures**" has the meaning given to it under the heading "*Dissent Rights*".

"**Dissent Rights**" means the right of Registered Shareholders to exercise a right of dissent under the BCBCA in strict compliance with the Dissent Procedures.

"**Dissenting Resident Holder**" has the meaning given under the heading "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Dissenting Resident Holder*".

"**Dissenting Shareholder**" mean a Registered Shareholder who exercises Dissent Rights in respect of the Arrangement in strict compliance with the BCBCA, as modified or supplemented by the Interim Order, Plan of Arrangement or any other order(s) of the Court and who has not withdrawn or have been deemed to have withdrawn such exercise of such Dissent Rights and who is ultimately entitled to be paid fair value for his, her or its the Company Shares.

"**Distribution Record Date**" means the close of business on the last trading day on the TSX-V immediately prior to the Effective Date, which Distribution Record Date is currently expected to be on or about July 10, 2018, or such other date as the Board may determine.

"**Effective Date**" means the effective date of the Arrangement, which shall be two Business Days following the date on which all of the conditions precedent to the completion of the Arrangement have been satisfied or waived in accordance with the Arrangement Agreement (other than conditions which cannot, by their terms, be satisfied until the Effective Date, but subject to satisfaction or waiver of such conditions as of the Effective Date) or such other date as may be mutually agreed by the Company and Lions Bay, and the Company and Lions Bay shall execute a certificate confirming the Effective Date.

"**Effective Time**" means 12:01 a.m. on the Effective Date, or such other time on the Effective Date as may be mutually agreed by the Company and Lions Bay.

"**First Division**" has the meaning given to it in Schedule "I" under the heading "*Description of the Business*".

"**Fish Lake Technical Report**" means the "Technical Report on the FLV Claim Block Property, Esmeralda County, Nevada, USA" with an effective date of May 15, 2018.

"**Final Order**" means the final order of the Court approving the Arrangement.

"**forward-looking statements**" has the meaning given to it under the heading "*Forward Looking Statements*".

"**Guidelines**" has the meaning given to it under the heading "*Corporate Governance Disclosure*".

"**Holder**" has the meaning given to it under the heading "*Material Income Tax Considerations - Certain Canadian Federal Income Tax Considerations*".

"**Interim Order**" means the interim order of the Court dated May 28, 2018, in respect of the Meeting and the Arrangement, a copy of which is attached as Schedule "F".

"**Intermediary**" means an intermediary with which a Beneficial Shareholder may deal, including banks, trust companies, securities dealers or brokers and trustees or administrators of self-directed trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans (each, as defined in the Tax Act) and similar plans, and their nominees.

"**Letter of Transmittal**" means the letter of transmittal sent to Shareholders with this Circular for the purpose of receiving the New Common Shares and the Lions Bay Shares.

"**Li3**" meaning Li3 Energy Inc., a subsidiary of the Company.

"**Lions Bay**" means Lions Bay Mining Corp., a wholly-owned subsidiary of the Company.

"**Lions Bay Audit Committee**" has the meaning given to it in Schedule "I" under the heading "*Lions Bay Audit Committee*".

"**Lions Bay Board**" means the board of directors of Lions Bay, as constituted on closing of the Arrangement.

"**Lions Bay Carve-out Financial Statements**" means the carve-out financial statements of Lions Bay for the six months ended April 30, 2018, attached as Schedule "J".

"**Lions Bay Charter**" has the meaning given to it in Schedule "I" under the heading "*Lions Bay Audit Committee - Audit Committee Charter*".

"**Lions Bay Options**" means share purchase options of Lions Bay to be issued pursuant to the Lions Bay Option Plan;

"**Lions Bay Option Plan**" means the stock option plan of Lions Bay.

"**Lions Bay Private Placement**" the non-brokered private placement of up to 25,000,000 Lions Bay Units.

"**Lions Bay Pro-forma Financial Statements**" means the pro forma financial statements of Lions Bay, attached as Schedule "K".

"**Lions Bay Shares**" means no par value shares in the capital of Lions Bay.

"**Lions Bay Unit**" has the meaning given to it in Schedule "I" under the heading "*Available Funds and Principal Purposes - Available Funds*".

"**Lions Bay Warrant**" has the meaning given to it in Schedule "I" under the heading "*Available Funds and Principal Purposes - Available Funds*".

"**Meeting**" means the annual and special meeting of Shareholders to be held on June 28, 2018, and any adjournment(s) or postponement(s) thereof, held in order to, among other things, consider and, if thought fit, approve the Arrangement.

"**New Common Shares**" means the new class of common shares without par value which the Company 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.

"**NI 43-101**" means National Instrument 43-101 *Standards of Disclosure for Mineral Projects*.

"**NI 52-110**" has the meaning given to it under the heading "*Audit Committee*".

"**NI 54-101**" has the meaning given under the heading "*Appointment and Revocation of Proxy - Advice to Beneficial Holders of Common Shares*".

"**NOBOs**" has the meaning given under the heading "*Appointment and Revocation of Proxy - Advice to Beneficial Holders of Common Shares*".

"**Non-resident Dissenter**" has the meaning given under the heading "*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Dissenting Non-Resident Holders*".

"**Non-resident Holder**" has the meaning given under the heading "Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada".

"**North America Assets**" has the meaning given to it in Schedule "I" under the heading "*Description of the Business*".

"**Notice of Meeting**" has the meaning given to it under the heading "*Notice to Reader*".

"**Notice of Meeting**" means the notice of annual and special meeting in respect of the Meeting.

"**OBOs**" has the meaning given under the heading "*Appointment and Revocation of Proxy - Advice to Beneficial Holders of Common Shares*".

"**Option**" has the meaning given to it in Schedule "I" under the heading "*Description of the Business*".

"**Option Agreement**" has the meaning given to it in Schedule "I" under the heading "*Description of the Business*".

"**Plan of Arrangement**" means the plan of arrangement of the Company, substantially in the form set forth in Appendix A to Schedule "E" hereto, and any amendments or variations thereto made in accordance with the Plan of Arrangement or upon the direction of the Court in the Final Order.

"**Proposed Amendments**" has the meaning given to it under the heading "*Certain Canadian Federal Income Tax Considerations*".

"**Proxy**" has the meaning given to it under the heading "*Notice to Readers*".

"**PUC**" has the meaning given to it under the heading "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Exchange of the Company Shares for New Common Shares and Lions Bay Shares*".

"**Record Date**" means the record date for notice of and voting at the Meeting, being fixed as May 14, 2018.

"**Registered Plans**" has the meaning given under the heading "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Eligibility for Investment – New Common Shares and Lions Bay Shares*".

"**Registered Shareholders**" has the meaning given under the heading "*Appointment and Revocation of Proxy*".

"**Registrar**" means the Registrar of Companies appointed pursuant to Section 400 of the BCBCA.

"**Regulations**" has the meaning given to it under the heading "*Material Income Tax Considerations - Certain Canadian Federal Income Tax Considerations*".

"**Replacement Option**" means an option to acquire a New Common Share to be issued by the Company to the holders of the Bearing Options pursuant to the Plan of Arrangement.

"**Replacement Warrant**" means a common share purchase warrant to acquire a New Common Share to be issued by the Company to the holders of the Bearing Warrants pursuant to the Plan of Arrangement.

"**Requisition**" means the requisition for the hearing of the Final Order attached as Schedule "G" hereto.

"**Resident Holder**" has the meaning given under the heading "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada*".

"**RRIF**" means a registered retirement income fund.

"**RRSP**" means a registered retirement savings plan.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators, accessible at www.sedar.com.

"**Share Exchange**" has the meaning given to it under the heading "*Material Income tax Considerations - Holders Resident in Canada*".

"**Shareholders**" has the meaning given to it under the heading "*Notice to Readers*".

"**South America Assets**" has the meaning given to it in Schedule "N" under the heading "*Description of the Business*"

"**Stock Option Plan**" has the meaning given to it under the heading "*Particulars of Matters to Be Acted Upon - Confirming Stock Option Plan*".

"**Tax Act**" means the Income Tax Act (Canada), including the regulations promulgated thereunder, as amended.

"**taxable capital gain**" has the meaning given to it under the heading "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*".

"**TFSA**" means a tax-free savings account.

"**TSX-V**" means the TSX Venture Exchange Inc.

"**VIF**" has the meaning given to it under the heading "*Appointment and Revocation of Proxy - Advice to Beneficial Holders of Common Shares*".

SUMMARY OF CIRCULAR

The following is a summary of information relating to the Company and Lions Bay and should be read together with the more detailed information and financial data and statements contained elsewhere in this Circular.

The Meeting

The Meeting will be held in Vancouver, British Columbia, at the offices of McCullough O'Connor Irwin LLP at Suite 2600, 1066 West Hastings Street, Vancouver, British Columba V6E 3X1 on June 28, 2018 at 10:00 a.m. (Vancouver time) for the purposes set forth in the Notice of Meeting. At the Meeting, Shareholders will attend to certain annual business, including the election and appointment of the directors of the Company. Shareholders will also consider and vote upon the Arrangement to be implemented pursuant to the Arrangement Resolution. See "*Particulars of Matters to be Acted Upon*".

The Companies

Bearing Lithium Corp.

The Company is a Canadian based company which is focused on exploration for precious and base metals in North and South America. Its head office is located at 1400 - 1111 West Georgia Street, Vancouver, British Columbia V6E 4M3. The Company is primarily focussed on the joint venture with Minera Salar Blanco SpA and through that, the development of the Maricunga Project.

The Common Shares are currently listed for trading on the TSX-V under the symbol "BRZ". On May 22, 2018, the date immediately preceding the announcement of the Arrangement, the closing price for the Common Shares was $0.375.

Lions Bay Mining Corp.

Lions Bay is a wholly-owned subsidiary of the Company and was incorporated on April 25, 2018, pursuant to the provisions of the BCBCA. Since incorporation, it has carried on no business other than as otherwise described in this Circular. The registered and records office is located at Suite 2600, 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1. The sole director of Lions Bay is Jeremy Poirier.

The Arrangement

The purpose of the Arrangement and the related transactions is to reorganize the Company into two separate publicly-traded companies: (a) the Company, which will be an exploration company focused on South America holding the South America Assets which include the Company's interest in the Maricunga Project; and (b) Lions Bay, which will be an exploration company focused on North America holding the North America Assets which include the Company's current interest in the Fish Lake Project. The Arrangement will result in, among other things, participating Shareholders holding, immediately following completion of the Arrangement, all of the outstanding New Common Shares in proportion to their holdings of Common Shares at the Effective Time and 6.6% of the issued and outstanding Lions Bay Shares, assuming the Lions Bay Private Placement is fully subscribed. For a summary of the steps of the Arrangement and related transactions, see the section entitled "*The Arrangement – Details of the Arrangement*".

Reasons for the Arrangement

The Board believes that the separation of the South America Assets and the North America Assets into two separate publicly-traded companies will provide a number of benefits to the Company, Lions Bay and the Shareholders, including: (a) providing Shareholders with enhanced value by creating a company focussed on the development of the South America Assets and a company focussed on the development of the North America Assets; (b) providing Shareholders with 100% ownership of the Company and 6.6% ownership of Lions Bay (assuming the Lions Bay Private Placement is fully subscribed) at the closing of the Arrangement; (c) providing each company with a sharper business focus, enabling them to pursue independent business and financing strategies best suited to their respective business plans; (d) enabling investors, analysts and other stakeholders or potential stakeholders to more accurately

compare and evaluate each company; (e) enabling each company to pursue independent growth and capital allocation strategies; (f) allowing each company to be led by experienced executives and directors who have experience in each company's respective resource sector; and (g) allowing the reorganization to occur on a tax-deferred basis for Shareholders resident in Canada who hold their Common Shares as capital property.

See further details under the section entitled "*The Arrangement – Reasons for the Arrangement*".

Recommendation of the Board

The Board, having reviewed the Plan of Arrangement and related transactions and considered among other things the reasons for the Arrangement, has unanimously determined that the Arrangement is in the best interests of the Company and the Shareholders. **The Board has unanimously approved the Arrangement and the transactions contemplated thereby, and unanimously recommends that Shareholders vote <u>FOR</u> the Arrangement Resolution.**

See further details under the section entitled "*The Arrangement – Recommendation of the Board*".

Fairness of the Arrangement

The Arrangement was determined to be fair to the Shareholders by the Board based upon the following factors, among others:

(a) the procedures by which the Arrangement will be approved, including Shareholder approval of the Arrangement Agreement and approval by the Court after a hearing at which the fairness of the Arrangement will be considered; and

(b) the opportunity for Shareholders who are opposed to the Arrangement, upon compliance with certain conditions, to exercise Dissent Rights under the BCBCA, as modified by the Interim Order.

See further details under the section entitled "*The Arrangement – Fairness of the Arrangement*".

Conditions to Closing

The Arrangement will be subject to the satisfaction or waiver, as applicable, of certain conditions, including the following:

(a) the Arrangement Resolution must be approved by at least 66⅔% of the votes cast by Shareholders present, in person or by proxy, and entitled to vote at the Meeting, in accordance with the Interim Order;

(b) the Arrangement must be approved by the Court and the Final Order obtained in form and substance satisfactory to the Company;

(c) the TSX-V must have approved the Arrangement, the transactions contemplated thereby and conditionally approved the listing of the New Common Shares on the TSX-V; and

(d) all other consents, orders and approvals that are required, necessary or desirable for the completion of the Arrangement must have been obtained or received, each in a form acceptable to the Company.

See further details under the section entitled "*The Arrangement – Conditions to the Arrangement*".

Court Approval

An arrangement under the BCBCA requires approval of the Court. Prior to mailing this Circular, the Company obtained the Interim Order, which provides for the calling and holding of the Meeting, Dissent Rights and certain other procedural matters. A copy of the Interim Order is attached as Schedule "F".

Subject to the approval of the Arrangement Resolution by Shareholders at the Meeting, the hearing for the Final Order is currently schedule to take place on July 4, 2018 at 9:45 a.m. (Vancouver time) in Vancouver, British Columbia. At the hearing, any Shareholder or other interested party who wishes to participate or be represented or present arguments or evidence may do so by serving a response to petition in compliance with the Interim Order, a copy of which is attached as Schedule "F".

See further details under the section entitled "*The Arrangement – Court Approval of the Arrangement*".

Effective Date

Upon receipt of the Final Order, the Company will announce by news release the proposed Effective Date of the Arrangement, which is expected to be on or about July 10, 2018. The record date for determining the Shareholders entitled to participate in the Arrangement will be the Distribution Record Date.

Stock Exchange Listings

The Common Shares are currently listed and traded on the TSX-V under the symbol "BRZ", and, following completion of the Arrangement, the New Common Shares will to continue to be traded on the TSX-V under the same symbol.

Lions Bay will use commercially reasonable efforts to meet the initial listing requirements for a "mineral resource company" under the policies of the CSE and to apply for the listing of the Lions Bay Shares on the CSE following completion of the Arrangement. Listing of the Lions Bay Shares on the CSE will be subject to satisfying all of the CSE's initial listing requirements.

The Company Following the Arrangement

Following completion of the Arrangement, the Company will continue to explore and develop the South America Assets and will continue to participate in the joint venture with Minera Salar Blanco SpA. The New Common Shares will continue to trade on the TSX-V under the symbol "BRZ".

See "Schedule "N" - *Bearing Lithium Corp. Following the Arrangement*" for information regarding the Company following completion of the Arrangement.

Lions Bay Following the Arrangement

Following the Arrangement, Lions Bay will be a non-listed reporting issuer and will own the North America Assets. Lions Bay intends on using commercially reasonable efforts to take the necessary steps to meet the initial listing requirements of a "mineral resource company" on the CSE and to apply to have the Lions Bay Shares listed on the CSE.

Under CSE Policy 2 - *Qualification For Listing*, an issuer applying to list as a "mineral resource company" must have title to a property that is prospective for minerals and on which there has been exploration previously conducted including "qualifying expenditures" of at least $75,000 by the issuer or predecessor during the most recent 36 months. The issuer must have obtained an independent report that meets the requirements of NI 43-101 or any successor instrument and that recommends further exploration on the property, with a budget for the first phase of at least $100,000. If the issuer does not have title to the property, it must have the means and ability to acquire an interest in the property upon completion of specific objectives or milestones within a defined period. "Qualifying expenditures" include exploration expenditures related to geological and scientific surveys to advance mineral project but do not include general and administrative, land maintenance, property acquisition or payments, staking, investor or public relations, non-domestic flight expenditures or taxes.

There is no guarantee that Lions Bay will meet the initial listing requirements for a "mineral exploration company" on the CSE or that the Lions Bay Shares will be listed on the CSE. Listing of the Lions Bay Shares on the CSE will be subject to satisfying all of the CSE's initial listing requirements.

Management of Lions Bay intends to complete the Lions Bay Private Placement prior to completion of the Arrangement. Pursuant to the Lions Bay Private Placement, Lions Bay will issue up to 2,500,000 Lions Bay Units at a price of $0.10 per unit. Each Lions Bay Unit will be comprised of one Lions Bay Share and one half of one Lions Bay Warrant. Each whole Lions Bay Warrant will be exercisable into one Lions Bay Shares at an exercise price of $0.25 for a period of 12 months from the closing of the Lions Bay Private Placement.

See "Schedule "I" - *Lions Bay Mining Corp. Following the Arrangement"* for detailed information regarding Lions Bay following completion of the Arrangement.

Selected Unaudited *Pro-Forma* Consolidated Financial Information for Lions Bay

The selected unaudited *pro-forma* financial information contained in this Circular for Lions Bay is based on the assumptions described in the notes to Lions Bay's unaudited *pro-forma* condensed statement of financial position as at April 30, 2018. See Schedule "K" for the Lions Bay Pro-forma Financial Statements.

Distribution of Share Certificates

Concurrently with the mailing of the Circular, the Company will cause Computershare to mail the Letter of Transmittal to Registered Shareholders, which will be used to exchange their certificates representing Common Shares for share certificates representing New Common Shares and Lions Bay Shares. Each Common Share will be exchanged for one New Common Share and 0.049921 of a Lions Bay Share. Until it is exchanged, each certificate representing Common Shares will, after the Effective Time, represent only the right to receive, upon surrender, New Common Shares and Lions Bay Shares. Any fractional shares issuable pursuant to the Arrangement will be rounded down to the nearest whole number without any compensation in lieu thereof.

Shareholders who fail to submit their certificates representing Common Shares together with a duly completed Letter of Transmittal and any other documents required by the Depositary on or before the sixth anniversary of the Effective Date will cease to have any right or claim against or interest of any kind or nature in the Company or Lions Bay. Accordingly, persons who tender certificates for Common Shares after the sixth anniversary of the Effective Date will not receive any New Common Shares or Lions Bay Shares, will not own any interest in the Company or Lions Bay and will not be paid any cash or other compensation in lieu thereof.

Dissent Rights

Registered Shareholders are entitled to exercise Dissent Rights by providing written notice to the Company at or before 10:00 a.m. (Vancouver time) on June 26, 2018 (or on the Business Day that is two Business Days immediately preceding any adjourned or postponed Meeting) in the manner described under the heading "*Dissent Rights*". If a Registered Shareholder exercises Dissent Rights in strict compliance with the BCBCA and Interim Order and the Arrangement is completed, such Dissenting Shareholder is entitled to be paid the "fair value" of the Common Shares with respect to which the Dissent Rights were exercised, as calculated immediately before the passing of the Arrangement Resolution. Only Registered Shareholders are entitled to exercise Dissent Rights. Shareholders should carefully read the section of this Circular entitled "*Dissent Rights*" and consult with their advisors if they wish to exercise Dissent Rights.

Canadian Securities Laws Matters

The securities of the Company and Lions Bay to be distributed to Shareholders pursuant to the Arrangement will be distributed pursuant to exemptions from the registration and prospectus requirements contained in applicable provincial securities legislation in Canada. Under applicable provincial securities laws, the New Common Shares and Lions Bay Shares may be resold in Canada without hold period restrictions, provided that the sale is not a "control distribution" as defined by applicable securities laws, no unusual effort is made to prepare the market or create a demand for the securities, no extraordinary commission or consideration is paid in respect of the sale and, if the selling securityholder is an insider or officer of the Company or Lions Bay, as applicable, such securityholder has no reasonable grounds to believe that the Company or Lions Bay, as the case may be, is in default of securities legislation.

See further details under the section entitled "*Certain Securities Law Matters – Canadian Securities Laws*".

United States Securities Law Matters

The New Common Shares and Lions Bay Shares to be distributed pursuant to the Arrangement will not be registered under the 1933 Act or the securities laws of any state of the United States and will be distributed in reliance upon the exemption from registration provided by Section 3(a)(10) of the 1933 Act and available exemptions from applicable state registration requirements. The New Common Shares and Lions Bay Shares will generally not be subject to resale restrictions under U.S. federal securities laws for persons who are not affiliates of the Company or Lions Bay following the Arrangement or within 90 days prior to the Arrangement.

See further details under the section entitled "*Certain Securities Law Matters – United States Securities Laws*".

Certain Canadian Income Tax Considerations

A summary of certain Canadian federal income tax considerations for Shareholders who participate in the Arrangement is set out under the heading "*Certain Canadian Federal Income Tax Considerations*".

Shareholders should carefully review the tax considerations applicable to them under the Arrangement and are urged to consult their own legal, tax and financial advisors in regards to their particular circumstances.

Certain United States Income Tax Considerations

Shareholders who are resident in, or citizens of, the United States are advised to consult their own tax advisors to determine the particular United States tax consequences to them of the Arrangement in light of their particular situation, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local, or other taxing jurisdiction. This Circular does not contain a description of the United States tax consequences of the Arrangement or the ownership of New Common Shares or Lions Bay Shares.

Risk Factors

Shareholders should be aware that there are various known and unknown risk factors in connection with the Arrangement and the ownership of New Common Shares and Lions Bay Shares following the completion of the Arrangement. Shareholders should carefully consider the risks identified in this Circular and in Schedules "I" and "N" under the headings "*Risk Factors*" and before deciding whether or not to approve the Arrangement Resolution.

APPOINTMENT AND REVOCATION OF PROXY

The persons named in the Proxy are directors and/or officers of the Company. A registered Shareholder (each, a "**Registered Shareholder**") who wishes to appoint some other person to serve as their representative at the Meeting may do so by striking out the printed names and inserting the desired person's name in the blank space provided. The completed Proxy should be delivered to Computershare Investor Services Inc. ("**Computershare**") by 10:00 a.m. (Vancouver time) on June 26, 2018, or prior to 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the Proxy is to be used.

The Proxy may be revoked by:

(a) signing a proxy with a later date and delivering it at the time and place noted above;

(b) signing and dating a written notice of revocation and delivering it to Computershare, or by transmitting a revocation by telephonic or electronic means, to Computershare, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the Proxy is to be used, or delivering a written notice of revocation and delivering it to the Chairman of the Meeting on the day of the Meeting or adjournment of it; or

(c) attending the Meeting or any adjournment of the Meeting and registering with the scrutineer as a shareholder present in person.

Provisions Relating to Voting of Proxies

The Common Shares represented by Proxy in the form provided to Shareholders will be voted or withheld from voting by the designated holder in accordance with the direction of the Registered Shareholder appointing him. If there is no direction by the Registered Shareholder, those Common Shares will be voted for all proposals set out in the Proxy and for the election of directors and the appointment of the auditors as set out in this Circular. The Proxy gives the person named in it the discretion to vote as such person sees fit on any amendments or variations to matters identified in the Notice of Meeting, or any other matters which may properly come before the Meeting. At the time of printing of this Circular, Management knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common shares in their own name (referred to herein as "**Beneficial Shareholders**") should note that only Proxies deposited by Registered Shareholders who appear on the records maintained by the Company's registrar and transfer agent as registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then those Common Shares will, in all likelihood, not be registered in the Shareholder's name. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co., the registration name for The Depository Trust Company, which acts as nominee for many United States brokerage firms. Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by

Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of instrument of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Proxy provided directly to Registered Shareholders by the Company. However, its purpose is limited to instructing the Registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form ("**VIF**"), mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote Common Shares directly at the Meeting. The VIFs must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

The Notice of Meeting, Circular, Proxy and VIF, as applicable, are being provided to both Registered Shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories - those who object to their identity being known to the issuers of securities which they own ("**OBOs**") and those who do not object to their identity being made known to the issuers of the securities which they own ("**NOBOs**"). Subject to the provisions of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), issuers may request and obtain a list of their NOBOs from intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. If you are a Beneficial Shareholder and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the Common Shares on your behalf.

The Company has distributed copies of the Notice of Meeting, Circular and VIF to intermediaries for distribution to NOBOs. Unless you have waived your right to receive the Notice of Meeting, Circular and VIF, intermediaries are required to deliver them to you as a NOBO of the Company and to seek your instructions on how to vote your Common Shares.

The Company's OBOs can expect to be contacted by Broadridge or their brokers or their broker's agents as set out above. The Company does not intend to pay for intermediaries to deliver the Notice of Meeting, Circular and VIF to OBOs and accordingly, if the OBO's intermediary does not assume the costs of delivery of those documents in the event that the OBO wishes to receive them, the OBO may not receive the documentation.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the Registered Shareholder and vote the Common Shares in that capacity. NI 54-101 allows a Beneficial Shareholder who is a NOBO to submit to the Company or an applicable intermediary any document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder. If such a request is received, the Company or an intermediary, as applicable, must arrange, without expenses to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Company or the intermediary receives such written instructions from the NOBO at least one business day prior to the time by which proxies are to be submitted at the Meeting, with the result that such a written request must be received by 10:00 a.m. (local time in Vancouver, British Columbia) on the day which is at least three business days prior to the Meeting. **A Beneficial Shareholder who wishes to attend the Meeting and to vote their Common Shares as proxyholder for the Registered Shareholder, should enter their own name in the blank space on the VIF or such other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

All references to Shareholders in the Notice of Meeting, Circular and the accompanying Proxy are to Registered Shareholders of the Company as set forth on the list of registered shareholders of the Company as maintained by the registrar and transfer agent of the Company, Computershare, unless specifically stated otherwise.

QUORUM

The articles of the Company provide that quorum for the transaction of business at any meeting of Shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate hold at least 5% of the issued shares entitled to be voted at the meeting.

FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended October 31, 2017, together with the auditor's report on those statements and related management's discussion and analysis, will be presented to the Shareholders at the Meeting. A copy of the Company's financial statements may be obtained from the Company's profile at www.sedar.com .

STATEMENT OF EXECUTIVE COMPENSATION

The Company filed its statement of executive compensation for each of the two most recently completed financial years (ended October 31, 2017 and 2016 respectively) on April 30, 2018. The Company's statement of executive compensation is attached as Schedule "P".

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of Common Shares. As at May 14, 2018, the Record Date, the Company had 55,087,131 Common Shares issued and outstanding. There are no other shares issued or outstanding of any other class. The Common Shares are the only shares entitled to be voted at the Meeting, and holders of Common Shares as of the Record Date are entitled to one vote for each Common Share held.

To the knowledge of the directors and executive officers of the Company, no person, firm or Company beneficially owned, directly or indirectly, or exercised control or direction over, voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the Company as at the Record Date.

ELECTION OF DIRECTORS

The directors of the Company are elected annually by the Shareholders and hold office until the next annual general meeting of the Shareholders or until their successors are elected or appointed. The management of the Company proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed. In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by the management of the Company will be voted for the nominees listed in this Circular. Management does not contemplate that any of the nominees will be unable to serve as a director.

The number of directors on the Board is currently set at four. Shareholders will be asked at the Meeting to pass an ordinary resolution to set the number of directors for the ensuing year at six.

Advance Notice Provisions

Pursuant to Article 14.12 of the Company's Articles, any additional director nominations for an annual general meeting must be received by the Company, not less than 30, nor more than 65 days prior to the date of the Meeting. As no nominations were received by May 21, 2018 being the date which is 30 days prior to the Meeting, management's nominees for election as directors set forth below shall be the only nominees eligible to stand for election at the Meeting.

The following table sets out the names, province or state and country of residence of the nominees for election as directors, the offices they hold within the Company, their principal occupations, business or employment within the five preceding years, the period or periods of time during which each director has served as a director of the Company, and the number of Common Shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date of this Circular:

Name, province or state and country of residence and positions, current and former, if any, held in the Company	Principal occupation for last five years	Served as director since	Number of common shares beneficially owned, directly or indirectly, or controlled or directed at present[(1)]
Jeremy Poirier British Columbia, Canada *President, Chief Executive Officer and Director*	President, Chief Executive Officer, and Director, Bearing Lithium Corp., August 2016 to present; President, Nico Consulting, 2004 to present; Director, Alexandra Capital Corp., August 2017 to present.	August 5, 2016	117,300
Patrick Cussen[(2)(3)] Santiago, Chile *Director*	President, Celta Consultoras Limited, 1991 to present.	January 3, 2017	549,553
William Timothy Heenan[(2)(3)] Mendosa, Argentina *Director*	Exploration Manager, Mirasol Argentina, SRL, 2003 to present.	May 25, 2017	Nil
Luis Saenz[(2)(3)] Lima, Peru *Director*	CEO of Li3 Energy Inc. since October 2009 to Sept 2018; Director, Atico Mining Corporation, May 2014 to present; Director of Business Development, Ausenco, January 2018 to present.	September 19, 2017	667,466
Sungwon Lee Kyungki-do, South Korea *Director*	Director of the Lithium Project Department, POSCO (PosLX, Posco Lithium Extraction), August 2000 to present.	November 1, 2017	Nil
Jonathon Lee New York, USA *Director*	Senior Analyst at Geologic Resource Partners from 2013 to 2015; Partner at Raging River Capital from 2015 to 2017;First Vice President at Ambac Assurance Corp from 2018 to present; President of JGL Partners from 2013 to present	Expected to be elected director at the Meeting	Nil

Notes:

(1) The information as to Common Shares beneficially owned or controlled has been provided by the directors themselves.

(2) Members of the Audit Committee.

(3) Members of the Compensation Committee.

The Company does not have an executive committee of its Board. No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company except the directors and executive officers of the Company acting solely in such capacity.

Information Regarding Management's Nominees for Election to the Board

The following biographical information about the nominees for election to the Board has been supplied by the directors:

Jeremy Poirier, Director, Chief Executive Officer and President

Mr. Poirier serves as President of Nico Consulting, a management and consulting services company. Mr. Poirier has been providing a range of investor awareness and advisory services for both public and private companies since 2004. Over the past 12 years, Mr. Poirier has acquired extensive market experience and built a strong network of investors and industry contacts. He has also served as a member on a number of boards of directors and has held officer positions at several public and private companies. Through his network and market expertise Mr. Poirier has facilitated capital raising efforts as well as successful asset acquisition and corporate development undertakings. Mr. Poirier has been a director of Pure Energy Minerals Limited since December 4, 2013 and has reviewed various lithium assets around the world. Mr. Poirier has over 8 year of experience providing corporate advisory services and investor relations to public and private companies. He has been a member of the Advisory Board at Nevada Energy Metals Inc. since April 2016.

Patrick Cussen, Director

Mr. Cussen is an industrial civil engineer with 45 years of mining industry experience. He has extensive experience in minerals and mining and specifically in marketing, sales, project exploration, project evaluation and economic assessments. Mr. Cussen was previously the Chairman of the Board of Li3. Mr. Cussen has served as the Chairman of The Center for Copper and Mining Studies for 15 years, Cesco, a Chilean think tank on mining. Mr. Cussen holds an engineering degree and a Masters of Economics from the University of Chile.

William Timothy Heenan, Director

Mr. Heenan has over 26 years of exploration experience throughout the Americas, and has worked exclusively in South and Central America since 1990. Mr Heenan has a wide range of diversified exploration experience throughout a range of geographic and geologic environments and is considered to be a highly skilled explorationist. Mr Heenan has extensive experience in design and implementation of generative to advanced exploration activities, and has been directly involved in the discovery and advancement of several high profile projects which are currently in production, and others entering into their feasibility stage.

Mr Heenan is a founder of Mirasol Resources Ltd., and a former director of Mirasol for over 12 years since its inception and listing on the Canadian Ventures Exchange. Mr. Heenan has been based in Mendoza, Argentina with Mirasol as Exploration Manager since its inception in 2003, and prior to that lived in Chile and worked for numerous mining and exploration companies in Chile for over a decade. Apart from Mr Heenan´s direct hand´s on approach to exploration, he has also become very familiar with legal, corporate and administrative matters in both Chile and Argentina, is fluent in Spanish, and has developed an extensive network of contacts throughout the mining industry. Mr. Heenan is a Canadian citizen by birth, and maintains definitive legal residency status in both Chile and Argentina.

Luis Saenz, Director and President of South American Operations

Mr. Sáenz is a finance executive with over 25 years' experience in mining finance and metals trading with a focus on Latin America. Mr. Sáenz is a Director of Atico Mining Corporation with assets in Colombia, CEO and director of Compañia Minera Quiruvilca and South America Mining Investments with assets in Peru, and was the former CEO and a Director of Li3 in Chile. Since April 2017, he has held the position of President of South American Operations for the Company. Throughout his career, Mr. Sáenz has held senior roles with Standard Bank of South Africa, Merrill Lynch and Pechiney World Trade. He holds a degree in Economics and International Affairs from Franklin & Marshall College in Lancaster, PA.

Sungwon Lee, Director

Dr. Lee is metallurgical engineer with over 25 years of experience. Dr. Lee is the Director of the Lithium Project Department at POSCO (PosLX) and has been with the company for over 17 years holding various senior roles. Dr. Sungwon holds a Ph.D. in Materials Science and Engineering from the University of Southern California, a M.Sc. in Metallurgical Engineering from the Yonsei University in Korea.

Jonathon Lee, Director

Mr. Lee is currently president of JGL Partners LLC, which provides consulting services on credit restructurings, municipal workouts, strategy, and capital allocation. Additionally, Mr. Lee is First Vice President of Ambac Assurance Corporation in its restructuring group. Previously, Mr. Lee was Partner at Raging River Capital LLC, Senior Investment Analyst for Geologic Resource Partners LLP, an equity research analyst with a Toronto based investment bank, and an environmental engineer for Camp.

Corporate Cease Trade Orders, Bankruptcies, Penalties and Sanctions

No director or proposed director of the Company is, or within the ten years prior to the date of this Circular has been, a director or executive officer of any company, including the Company, that while that person was acting in that capacity:

(a) was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days; or

(b) was subject to an event that resulted, after the director ceased to be a director or executive officer of the company being the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

(c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Individual Bankruptcies

No director or proposed director of the Company has, within the ten years prior to the date of this Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

National Policy 58-101 - *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators requires the Company to annually disclose certain information regarding its corporate governance practices. That information is disclosed below.

Board of Directors

The Board has responsibility for the stewardship of the Company including responsibility for strategic planning, identification of the principal risks of the Company's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Company's internal control and management information systems.

The Board sets long term goals and objectives for the Company and formulates the plans and strategies necessary to achieve those objectives and to supervise senior management in their implementation. The Board delegates the responsibility for managing the day-to-day affairs of the Company to senior management but retains a supervisory

role in respect of, and ultimate responsibility for, all matters relating to the Company and its business. The Board is responsible for protecting Shareholders' interests and ensuring that the incentives of the Shareholders and of management are aligned.

As part of its ongoing review of business operations, the Board reviews, as frequently as required, the principal risks inherent in the Company's business including financial risks, through periodic reports from management of such risks, and assesses the systems established to manage those risks. Directly and through the Audit Committee, the Board also assesses the integrity of internal control over financial reporting and management information systems.

In addition to those matters that must, by law, be approved by the Board, the Board is required to approve any material dispositions, acquisitions and investments outside the ordinary course of business, long-term strategy, and organizational development plans. Management of the Company is authorized to act without Board approval on all ordinary course matters relating to the Company's business.

The Board also monitors the Company's compliance with timely disclosure obligations and reviews material disclosure documents prior to distribution.

The Board is responsible for selecting the President and CEO, and senior management and for monitoring their performance.

The Board is currently comprised of five directors being Jeremy Poirier, Patrick Cussen, William Timothy Heenan, Luis Saenz and Sungwon Lee. Except for Jeremy Poirier and Luis Saenz, the Board considers all of the current directors to be "independent" in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the director's ability to act with the best interests of the Company, other than interests and relationships arising from shareholding. Mr. Poirier is not considered to be independent, due to his role as the President and CEO of the Company and Mr. Saenz is not considered to be independent, due to his role as the President of South American Operations.

Directorships

Certain of the current directors are presently a director of one or more other reporting issuers, as follows:

Director	Other Issuer
Jeremy Poirier	Alexandra Capital Corp.
William Timothy Heenan	Mirasol Resources Ltd.
Luis Saenz	Atico Mining Corporation
Jonathon Lee	Parklawn Company Ltd.

Orientation and Continuing Education

The Company has not yet developed an official orientation or training program for new directors. As required, new directors will have the opportunity to become familiar with the Company by meeting with the other directors, officers and employees and by reviewing the Company's corporate records and corporate governance policies. Orientation activities will be tailored to the particular needs and experience of each director and the overall needs of the Board. The Board will continue to look at outside sources to strengthen their skills. Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars.

Ethical Business Conduct

The Board has adopted a Code of Business Ethics and Conduct (the "**Code**") applicable to all of its directors, officers and employees, including the CEO, the CFO and other persons performing financial reporting functions.

The Code has been developed to communicate to directors, officers and employees standards for business conduct in the use of the Company, resources and assets, and to identify and clarify proper conduct in areas of potential conflict of interest. The Code is designed to deter wrongdoing and promote (a) honest and ethical conduct; (b) compliance with laws, rules and regulations; (c) prompt internal reporting of Code violations; and (d) accountability for adherence to the Code. Violations from standards established in the Code, and specifically under "Whistleblower" situations, are reported to the Chairperson of the Audit Committee and can be reported anonymously. The Chairperson of the Audit Committee will report to the Board any reported violations at least quarterly, or more frequently depending on the specifics of the reported violation. Since incorporation, there have been no reported violations.

The Board must also comply with the conflict of interest provisions of the *Business Corporations Act* (British Columbia), as well as the relevant securities regulatory instruments, to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

Disclosure Policy

The Board adopted a disclosure policy (the "**Disclosure Policy**") on March 19, 2018, in order to ensure that communications made to the investing public concerning the Company are disseminated in accordance with all applicable legal and regulatory requirements. Pursuant to the Disclosure Policy, the CEO of the Company must provide explicit consent prior to the dissemination of news releases, website disclosure and other written communications made by the Company and its representatives to the public.

Nomination of Directors

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of Shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, show support for the Company's mission and strategic objectives, and a willingness to serve.

Other Board Committees

In addition to the Audit Committee, described in the next section, the Board has established a Compensation Committee.

Each of the committees of the Board are currently composed entirely of independent directors. The Compensation Committee is responsible for the review of all compensation (including Options) paid by the Company to the Board, senior management and employees of the Company and any subsidiaries, to report to the Board on the results of those reviews and to make recommendations to the Board for adjustments to such compensation. William Timothy Heenan (Chair), Luis Saenz and Patrick Cussen are the current members of the Compensation Committee.

Assessments

The Board has not, as yet, adopted any formal procedures for regularly assessing the effectiveness of the Board, its committees or individual directors with respect to their effectiveness and contributions. Nevertheless, their effectiveness is subjectively measured on an ongoing basis by each director based on their assessment of the performance of the Board, its committees or the individual directors compared to their expectation of performance. In doing so, the contributions of an individual director are informally monitored by the other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

AUDIT COMMITTEE

The audit committee of the Board (the "**Audit Committee**") is principally responsible for:

(a) recommending to the Board the external auditor to be nominated for election by the Company's shareholders at each annual general meeting and negotiating the compensation of such external auditor;

(b) overseeing the work of the external auditor;

(c) reviewing the Company's annual and interim financial statements, management discussion and analysis and press releases regarding earnings before they are reviewed and approved by the Board and publicly disseminated by the Company; and

(d) reviewing the Company's financial reporting procedures and internal controls to ensure adequate procedures are in place for the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph.

The Audit Committee's Charter

The Board has adopted a Charter for the Audit Committee which sets out the Committee's mandate, organization, powers and responsibilities. The complete Charter is attached as Schedule "A" to this Circular.

Composition of the Audit Committee

The Audit Committee is currently comprised of Patrick Cussen (Chair), Luis Saenz and William Timothy Heenan. Luis Saenz is not considered to be an independent within the meaning of NI 52-110 as he is the President of South American Operations of the Company. Mr. Cussen and Mr. Heenan are independent within the meaning of NI 52-110.

The following table sets out the names of the members of the Audit Committee and whether they are "independent" and "financially literate".

Name of Member or Proposed	Independent[(1)]	Financially Literate[(2)]
Patrick Cussen	Yes	Yes
William Timothy Heenan	Yes	Yes
Luis Saenz	No	Yes

Notes:

(1) To be considered to be independent, a member of the Audit Committee must not have any direct or indirect "material relationship" with the Company. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

(2) To be considered financially literate, a member of the Audit Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

All of the members of the Audit Committee are experienced businessmen with a background and experience in financial matters; each has a broad understanding of the accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavor. In addition, each member of the Audit Committee has knowledge of the role of an audit committee in the realm of reporting companies. Following are the biographies of members of the Audit Committees:

Patrick Cussen - Mr. Cussen has over 40 year business experience and has held a number of director positions. He has strong board governance experience and has served on various board committees and audit committees over his career in the USA, Chile and Canada. Mr. Cussen holds a Masters of Economics and is financially literate.

William Timothy Heenan - Mr. Heenan has strong corporate governance experience with over 13 years of board experience and a number of years serving on board committees including audit committees. Mr. Heenan is an experienced senior manager who is financially literate and has extensive experience working in regulated environments.

Luis Saenz - Mr. Saenz was a director and CEO of Li3 since 2009, which was a publicly traded company regulated by the SEC and he also served as a director of Atico Mining Corporation a company listed on the TSX Venture, since May 2014. He worked for Standard Bank's investment banking unit for over 10 years and has a Bachelor of Arts degree in economics and international affairs. Mr. Saenz has strong financial services, strong corporate governance experience and he is financially literate.

Complaints

The Audit Committee has established a "Whistleblower Policy" which outlines procedures for the confidential, anonymous submission by employees regarding the Company's accounting, auditing and financial reporting obligations, without fear of retaliation of any kind. If an applicable individual has any concerns about accounting, audit, internal controls or financial reporting matters which they consider to be questionable, incorrect, misleading or fraudulent, the applicable individual is urged to come forward with any such information, complaints or concerns, without regard to the position of the person or persons responsible for the subject matter of the relevant complaint or concern.

The applicable individual may report their concern in writing and forward it to the Chairman of the Audit Committee in a sealed envelope labelled *"To be opened by the Audit Committee only."* Further, if the applicable individual wishes to discuss any matter with the Audit Committee, this request should be indicated in the submission. Any such envelopes received by the Company will be forwarded promptly and unopened to the Chairman of the Audit Committee.

Promptly following the receipt of any complaints submitted to it, the Audit Committee will investigate each complaint and take appropriate corrective actions.

The Audit Committee will retain as part of its records, any complaints or concerns for a period of no less than seven years. The Audit Committee will keep a written record of all such reports or inquiries and make quarterly reports on any ongoing investigation which will include steps taken to satisfactorily address each complaint.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Reliance on Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

(a) the exemption in section 2.4 (*De Minimis Non-Audit Services*) of NI 52-110, which exempts all non-audit services provided by the Company's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Company;

(b) the exemption in subsection 6.1.1(4) (*Circumstances Affecting the Business or Operations of the Venture Issuer*) of NI 52-110;

(c) the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*) of NI 52-110;

(d) the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*) of NI 52-110; or

(e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

The Company is relying on the exemption in section 6.1 of NI 52-110, which exempts "venture issuers" from the requirement to have an audit committee comprised on entirely independent members.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services which are detailed as to the particular service. The Audit Committee is informed of each non-audit service and the procedures do not include delegation of the Audit Committee's responsibilities to management.

External Auditor Service Fees (By Category)

The following table discloses the fees billed to the Company by its external auditor during the last two financial years.

Financial Year Ending	Audit Fees[(1)]	Audit Related Fees[(2)]	Tax Fees[(3)]	All Other Fees[(4)]
October 31, 2016	$19,813	Nil	Nil	Nil
October 31, 2017	$24,633	$39,900	Nil	Nil

Notes:

(1) The aggregate fees billed by the Company's auditor for audit fees.
(2) The aggregate fees billed for assurance and related services by the Company's auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the "Audit Fees" column.
(3) The aggregate fees billed for professional services rendered by the Company's auditor for tax compliance, tax advice, and tax planning.
(4) The aggregate fees billed for professional services other than those listed in the other three columns. These fees were related to tax advisory services in connection with the Company's subsidiaries.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is or who at any time during the last financial year was a director or executive officer or employee of the Company, a proposed nominee for election as a director of the Company or an associate of any such director, officer or proposed nominee is, or at any time since the beginning of the last completed financial year has been, indebted to the Company or any of its subsidiaries and no indebtedness of any such individual to another entity is, or has at any time since the beginning of such year, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets out those securities of the Company which have been authorized for issuance under equity compensation plans, as at October 31, 2017:

Plan Category	Number of shares issuable upon exercise of outstanding options, warrants and rights[(1)]	Weighted average exercise price of outstanding options, warrants and rights	Number of shares remaining available for issuance under equity compensation plans [(2)]
Equity compensation plans **approved** by shareholders	2,905,000	$0.61	2,560,413

Equity compensation plans **not approved** by shareholders	N/A	N/A	N/A
Total	2,905,000	**$0.61**	2,560,413

Notes:

(1) Assuming outstanding options, warrants and rights are fully vested.

(2) Excluding the number of shares issuable upon exercise of outstanding options, warrants and rights shown in the second column.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than as disclosed in this Circular, no director or executive officer of the Company or any proposed nominee of management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the Company's last financial year in matters to be acted upon at the Meeting, other than the election of directors, the appointment of auditors and the confirmation of the Stock Option Plan.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Circular, none of the persons who were directors or executive officers of the Company or a subsidiary, at any time during the Company's last completed financial year, the proposed nominees for election to the Board, any person or corporation who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding Common Shares of the Company, nor the associates or affiliates of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Company.

APPOINTMENT OF AUDITOR

At the Meeting, Shareholders will be asked to pass a resolution appointing Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, ("**DMCL**") of Suite 1500 - 1140 West Pender Street, Vancouver, British Columbia, V6C 3S7 as the auditor of the Company, to hold office until the next annual meeting of shareholders and to authorize the Board to fix the remuneration to be paid to DMCL. DMCL was appointed as the Company's auditor effective September 29, 2016 following the resignation of PricewaterhouseCoopers LLP, Chartered Professional Accountants, at the Company's request.

As required by Section 4.11 of National Instrument 51-102 - *Continuous Disclosure Obligations*, attached as Schedule "C" to this Circular are copies of the following documents which were filed with the applicable securities regulatory authorities in connection with the change of auditor described above, and are available on the Company's SEDAR profile at www.sedar.com:

1. Notice of Change of Auditor dated September 29, 2016;

2. Letter from DMCL dated September 29, 2016; and

3. Letter from PricewaterhouseCoopers LLP, Chartered Professional Accountants, dated September 29, 2016.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board, the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

Auditor's Report, Financial Statements and MD&A

The Board has approved the financial statements of the Company, the auditor's report thereon, and the MD&A for the years ended October 31, 2016 and October 31, 2017 all of which will be tabled at the Meeting. No approval or other action needs to be taken at the Meeting in respect of these documents.

Appointment and Remuneration of Auditor

The firm of DMCL, Chartered Professional Accountants, of Suite 1500 - 1140 West Pender Street, Vancouver, British Columbia, V6C 3S7, is currently the auditor of the Company. **Unless otherwise directed, it is the intention of the management designees to vote the Proxies in favour of an ordinary resolution to appoint the firm of DMCL, Professional Chartered Accountants, as the auditor of the Company for the ensuing year and authorize the Board to determine and approve the remuneration to be paid to DMCL.**

Set Number of Directors to be Elected

At the Meeting, it will be proposed that six directors be elected to hold office until the next annual general meeting or until their successors are elected or appointed. **Unless otherwise directed, it is the intention of the Management Designees, if named as proxyholder, to vote in favour of the ordinary resolution setting the number of directors to be elected at five.**

Election of Directors

The Company is nominating six directors for election, all of whom are current directors of the Company except for Jonathan Lee. Please see "*Election of Directors*" for a summary table setting forth each of the persons proposed to be nominated for election as a director, all positions and offices in the Company presently held by such nominee, the nominee's province or state and country of residence, principal occupation at the present and during the preceding five years, the period during which the nominee has served as a director, and the number of Common Shares of the Company that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of the Record Date.

Unless otherwise directed, the management proxyholder, will vote for the election of the persons named in this Circular. Management does not contemplate that any of such nominees will be unable to serve as directors. Each director elected will hold office until the next annual general meeting of shareholders or until their successor is duly elected, unless their office is earlier vacated in accordance with the Articles of the Company or the provisions of the corporate law to which the Company is subject.

Ratification of Option Plan

The Board has established a 10% rolling stock option plan (the "**Stock Option Plan**") as described in Schedule "P" under the heading "*Executive Compensation – Description of Option Plan*".

The policies of the TSX-V require stock option plans which reserve for issuance up to 10% (instead of a fixed number) of a listed Company's shares be approved annually by its shareholders. That approval and the authorization of the directors to make such changes to the Stock Option Plan as may be required from time to time by applicable securities law and stock exchange rules without further shareholder approval is being sought at the Meeting by way of an ordinary resolution.

Following approval of the Stock Option Plan by the shareholders, any options granted pursuant to the Stock Option Plan will not require further shareholder or TSX-V approval unless the exercise price is reduced or the expiry date is extended for an option held by an insider of the Company.

Unless otherwise directed, it is the intention of the Management Designees, if named as Proxyholder, to vote in favour of the ordinary resolution approving the Option Plan.

The Arrangement

See "*The Arrangement*" for details relating to the Arrangement.

THE ARRANGEMENT

The purpose of the Arrangement is to reorganize the Company and its assets and operations into two separate public companies: the Company and Lions Bay. Upon the Arrangement becoming effective, Shareholders of record as of the close of business on the Distribution Record Date will become shareholders in both companies and will receive one New Common Share and 0.049921 of a Lions Bay Share for each Common Share held by such Shareholder on such date. Lions Bay intends to apply to have the Lions Bay Shares listed on the CSE.

On March 21, 2018, the Board announced the proposed Arrangement to separate the South America Assets from the North America Assets in an effort to maximize shareholder value. Lions Bay has entered into an agreement to purchase the North America Assets, subject to, among other things, completion of the Arrangement. Upon completion of the Arrangement, the Company will continue to hold its interest in the South America Assets and Lions Bay will hold the North America Assets. Prior to or concurrently with the Arrangement, Lions Bay will complete the Lions Bay Private Placement.

Reasons for the Arrangement

The Board believes that the separation of the South America Assets from the North America Assets into two separate publicly-traded companies will provide a number of benefits to the Company, Lions Bay and the Shareholders, including:

(a) providing Shareholders with enhanced value by creating a company focussed on the development of the South America Assets and a company focussed on the development of the North America Assets;

(b) providing Shareholders with 100% ownership of the Company and 6.6% ownership of Lions Bay (assuming the Lions Bay Private Placement is fully subscribed) at the closing of the Arrangement;

(c) providing each company with a sharper business focus, enabling them to pursue independent business and financing strategies best suited to their respective business plans;

(d) enabling investors, analysts and other stakeholders or potential stakeholders to more accurately compare and evaluate each company;

(e) enabling each company to pursue independent growth and capital allocation strategies;

(f) allowing each company to be led by experienced executives and directors who have experience in each company's respective resource sector; and

(g) allowing the reorganization to occur on a tax-deferred basis for Shareholders resident in Canada who hold their Common Shares as capital property.

Recommendation of the Board

The Board approved the Arrangement and recommended and authorized the submission of the Arrangement to the Shareholders and the Court for approval. **The Board has concluded that the Arrangement is in the best interests of the Company and its Shareholders and recommends that Shareholders vote FOR the Arrangement Resolution proposed to be passed at the Meeting.**

In reaching this conclusion, the Board considered, among other things, the benefits to the Company and its Shareholders, as well as the financial position, opportunities and outlook for the future potential and operating performance of the Company and Lions Bay, respectively.

Fairness of the Arrangement

The Arrangement was determined to be fair to the Shareholders by the Board based upon the following factors, among others:

(a) the procedures by which the Arrangement will be approved, including the requirement for at least ⅔ h r h d r approval at the Meeting and approval by the Court after a hearing at which fairness will be considered;

(b) each Shareholder, as at the Effective Time, will participate in the Arrangement such that each Shareholder, upon completion of the Arrangement will continue to hold the same proportionate interest in the Company;

(c) the proposed listing of the Lions Bay Shares on the CSE and the continued listing of the New Common Shares on the TSX-V; and

(d) the opportunity for Registered Shareholders who are opposed to the Arrangement, upon compliance with certain conditions, to exercise Dissent Rights in accordance with the Dissent Procedures.

Details of the Arrangement

The following description is qualified in its entirety by reference to the full text of the Plan of Arrangement, a copy of which is attached as Exhibit "A" to the Arrangement Agreement attached as Schedule "E" to this Circular. Shareholders are urged to carefully read the Plan of Arrangement in its entirety.

At the Effective Time and pursuant to the Plan of Arrangement, the following transactions, among others, will occur and will be deemed to occur sequentially in the following order:

(a) each Common Share in respect of which Dissent Rights are validly exercised and for which the Dissenting Shareholder is ultimately entitled to be paid fair market value shall be repurchased by the Company for cancellation in consideration for a debt-claim against the Company to be paid the fair value of such Common Share in accordance with the Plan of Arrangement;

(b) the authorized share structure of the Company will be reorganized and altered by:

(i) renaming and redesignating all of the issued and unissued Common Shares as Class A Shares; and

(ii) creating the New Common Shares, with rights and restrictions identical to those of the Common Shares immediately prior to the Effective Time;

(c) the Company's Notice of Articles will be amended to reflect the above alterations to its share structure;

(d) each Bearing 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 Bearing Option;

(e) each Bearing 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 Bearing Warrant;

(f) each Class A Share will be exchanged for: (i) one New Common Share; and (ii) 0.049921 of one Lions Bay Share (provided that, while each Shareholder's fractional Lions Bay Shares will be combined, no fractional shares shall be issued and no compensation will be received in lieu thereof), and the holders of Class A Shares will be removed from the Company's central security register with respect to the Class A Shares and shall be added to the Company's central securities register as the holder of such number of New Common Shares and to Lions Bay's central securities register as the holder of such number of Lions Bay Shares;

(g) all of the Class A Shares will be cancelled and the aggregate PUC 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 Lions Bay Shares distributed pursuant to the Plan of Arrangement; and

(h) the authorized share structure of the Company will be changed by eliminating the Class A Shares, and the notice of articles of the Company will be amended to reflect such alteration.

Upon completion of the Arrangement, the only subsidiary of the Company will be Li3 and Lions Bay will have no subsidiaries.

Authority of the Board

By passing the Arrangement Resolution, the Shareholders will also be giving authority to the Board to use its judgment to proceed with and cause Lions Bay to complete the Arrangement or to abandon the Arrangement without any requirement to seek or obtain any further approval of the Shareholders.

The Arrangement Resolution also provides that the terms of the Plan of the Arrangement may be amended by the Board before or after the Meeting without further notice to Shareholders, unless directed by the Court. Although the Board has no current intention to amend the terms of the Plan of Arrangement, it is possible that the Board may determine that certain amendments are appropriate, necessary or desirable.

Conditions to the Arrangement

The Arrangement Agreement provides that the consummation of the Arrangement will be subject to the fulfilment or waiver of certain conditions, including the following:

(a) the Interim Order shall not have been set aside or modified in a manner unacceptable to the Company or Lions Bay, acting reasonably, on appeal or otherwise;

(b) the Arrangement Resolution shall have been approved by the requisite majority of Shareholders at the Meeting;

(c) the Court shall have determined that the Arrangement is procedurally and substantively fair to Shareholders;

(d) the Final Order shall have been obtained in form and substance satisfactory to each of the Company and Lions Bay, acting reasonably;

(e) the TSX-V will have conditionally approved the Arrangement, including the delisting of the Common Shares and the listing of the New Common Shares in substitution therefore subject to compliance with the requirements of the TSX-V;

(f) all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders, required, necessary or desirable for the completion of the Arrangement will have been obtained or received, each in form acceptable for the Company and Lions Bay;

(g) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by the Plan of Arrangement;

(h) Shareholders shall not have exercised Dissent Rights with respect to greater than 5% of the outstanding Common Shares; and

(i) the Arrangement Agreement will not have been terminated as provided for therein.

If any of the conditions set forth in the Arrangement Agreement are not fulfilled or performed, on or prior to the Effective Time, the Company may terminate the Arrangement Agreement or waive, in its discretion, the applicable condition in whole or in part. As soon as practicable after the fulfilment (or waiver) of the conditions contained in the Arrangement Agreement, the Board intends to cause a copy of the Final Order to be filed

with the Registrar under the BCBCA, together with such other material as may be required by the Registrar in order that the Arrangement will become effective.

Management of the Company expects that any material consents, orders and approvals required for the completion of the arrangement will be obtained prior to the Effective Date in the ordinary course upon application therefor.

Court Approval of the Arrangement

The Arrangement requires the approval of the Court. Prior to mailing this Circular, the Company obtained the Interim Order authorizing the calling and holding of the Meeting and providing for certain other procedural matters. The Interim Order is attached as Schedule "F". The Requisition for the Final Order is attached as Schedule "G".

Assuming approval of the Arrangement Resolution by the Shareholders at the Meeting, the hearing for the final Order is scheduled to take place at 9:45 a.m. (Vancouver time) on July 3, 2018 at the Law Courts, 800 Smithe Street, Vancouver, British Columbia, or as soon thereafter as counsel may be heard. At this hearing, any securityholder or other interest party who wishes to participate or to be represented or present evidence or argument may do so, subject to filing an appearance and satisfying certain other requirements.

The Court has broad discretion under the BCBCA when making orders in respect of arrangements, and the Court may approve the Arrangement as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks appropriate. The Court, in hearing the application for the Final Order, will consider, among other things, the fairness of the terms and conditions of the Arrangement to Shareholders. The Court will be advised prior to the hearing for the Final Order that if the terms and conditions of the Arrangement are approved by the Court, such approval will be relied upon in seeking an exemption from the registration requirements of the 1933 Act, pursuant to Section 3(a)(10) thereof, with respect to the offer and sale of the securities to be issued or distributed pursuant to the Arrangement.

Shareholder Approval of the Arrangement

Subject to any further order(s) of the Court, the Arrangement must be approved by at least 66⅔% of the votes cast by Shareholders present, in person or by proxy, and entitled to vote at the Meeting. Notwithstanding the foregoing, the Arrangement Resolution authorizes the Board, without further notice to or approval of the Shareholders and subject to the terms of the Arrangement Agreement, to amend the Plan of Arrangement or to decide not to proceed with the Arrangement at any time prior to the Effective Time.

In the absence of any instruction to the contrary, the Common Shares represented by proxies appointing the management designees named in the form of proxy will be voted in favour of the Arrangement Resolution.

Proposed Timetable for the Arrangement

The anticipated timetable for the completion of the Arrangement and the key dates proposed are as follows:

Annual and special meeting:	June 28, 2018
Final Court approval:	July 4, 2018
Distribution Record Date:	July 9, 2018
Effective Date:	July 10, 2018
Mailing of share certificates:	On or about July 12, 2018

Notice of the actual Distribution Record Date and Effective Date will be made through one or more news releases issued by the Company. The Board will determine each of the Distribution Record Date and Effective Date upon satisfaction or waiver of the conditions to the Arrangement.

The above dates may be amended if all of the conditions to the completion of the Arrangement are not met by July 10, 2018.

Distribution of Certificates

Concurrently with the mailing of the Circular, the Company will mail the Letter of Transmittal to Registered Shareholders, which will be used to exchange their certificates representing Common Shares for share certificates representing the New Common Shares and certificate representing the Lions Bay Shares. Until exchanged, each certificate representing Common Shares will, after the Effective time, represent only the right to receive, upon surrender, certificates representing the requisite numbers of New Common Shares and Lions Bay Shares. Shareholders will not receive any fractional Lions Bay Shares. Any fractional Lions Bay Shares will be rounded down to the nearest whole number and Shareholders will not receive any compensation in lieu thereof.

Cancellation of Rights after Six Years

Any certificate which immediately prior to the Effective Time represented Common Shares and which has not been surrendered with all other documents required by the Depositary, on or prior to the sixth anniversary of the Effective Date, will cease to represent any claim against or interest of any kind or nature in either the Company or Lions Bay. **Accordingly, persons who tender certificates for Common Shares after the sixth anniversary of the Effective Date will not receive New Common Shares or Lions Bay Shares, will not own any interest in the Company or Lions Bay and will not be paid any cash or other compensation in lieu thereof.**

Expenses of the Arrangement

The costs relating to the Arrangement, including, without limitation, financial advisory, accounting and legal fees, will be borne by the Company.

Risk Factors Relating to the Arrangement

The following risk factors should be considered by Shareholders in evaluating whether to approve the Arrangement. These risk factors should be considered in conjunction with the other information included in this Circular and the risk factors disclosed under the heading "*Risk Factors*" in Schedules "I" and "N".

Termination of the Arrangement Agreement or Failure to Obtain Required Approvals

Each of the Company and Lions Bay has the right to terminate the Arrangement Agreement in certain circumstances. Accordingly, there is no certainty, nor can the Company provide any assurance, that the Arrangement Agreement will not be terminated before the completion of the Arrangement. In addition, the completion of the Arrangement is subject to a number of conditions, certain of which are outside the control of the Company, including Shareholders approving the Arrangement and required regulatory approvals, including of the Court, the CSE and the TSX-V, being obtained. There is no certainty, nor can the Company provide any assurance, that these conditions will be satisfied. If for any reason the Arrangement is not completed, the market price of Common Shares may be adversely affected and Shareholders will lose the prospective benefits of the Arrangement. Moreover, if the Arrangement Agreement is terminated, there is no assurance that the Company will pursue or be able to complete an alternative transaction to spin-out or realize the value of its North America Assets, and Shareholders will continue to be subject to the risk factors of both the Company and Lions Bay as disclosed in this Circular.

Income Tax

The Arrangement may give rise to adverse tax consequences to Shareholders, and each Shareholder is urged to consult with his, her or its own tax advisor. See "*Material Income Tax Considerations*".

Costs of the Arrangement

There are certain costs related to the Arrangement, such as legal and accounting fees incurred, that must be paid even if the Arrangement is not completed.

Pro-forma Financial Statements

The pro-forma financial statements attached to this Circular and information derived therefrom contained in this Circular are presented for illustrative purposes only and may not be an indication of the Company's or Lions Bay's financial condition following the Arrangement for several reasons. For example, such pro-forma financial statements have been derived from the historical financial statements of the Company and certain assumptions have been made. The information upon which these assumptions have been made is historical, preliminary and subject to change. Moreover, the pro-forma financial statements do not reflect all costs that are expected to be incurred by the Company and/or Lions Bay in connection with the Arrangement. In addition, the assumptions used in preparing the pro-forma financial statements may not prove to be accurate.

Exercise of Dissent Rights

Registered Shareholders have the right to exercise Dissent Rights and demand payment equal to the fair value of their Common Shares in cash. If Dissent Rights are exercised in respect of a significant number of Common Shares, a substantial cash payment may be required to be made to such Shareholders, which could have an adverse effect on the Company's financial condition and cash resources. The Company may elect, in its sole discretion, not to complete the Arrangement if a significant number of Shareholders exercise Dissent Rights.

DISSENT RIGHTS

If you are a Registered Shareholder, you are entitled to exercise Dissent Rights from the Arrangement Resolution by strictly following and adhering to the procedures in Division 2 of Part 8 of the BCBCA, as the same may be modified by the Plan of Arrangement, the Interim Order and the Final Order (collectively, the "**Dissent Procedures**").

Any Registered Shareholder is ultimately entitled to be paid the fair value of their Common Shares if such Registered Shareholder duly dissents in respect of the Arrangement in strict accordance with the Dissent Procedures provided that the Arrangement becomes effective. A Registered Shareholder is not entitled to dissent with respect to such holder's Common Shares if such Registered Shareholder votes any of those Common Shares in favour of the Arrangement Resolution. A Dissenting Shareholder ceases to have any rights as a Shareholder, other than the right to be paid the fair value of such holder's Common Shares, and the Common Shares held by such Dissenting Shareholder will be deemed to be repurchased by the Company in accordance with the terms of the Plan of Arrangement.

A brief summary of the Dissent Procedures is set out below. A Registered Shareholder's failure to follow exactly the Dissent Procedures will result in the loss of such Registered Shareholder's Dissent Rights. If you are a Registered Shareholder and wish to dissent, you should obtain your own legal advice and carefully read the provisions of Division 2 of Part 8 of the BCBCA, the Plan of Arrangement and the Interim Order which are attached at Schedules "H", "E" and "F" respectively. The Court, upon hearing the application for the Final Order, has the discretion to alter the Dissent Procedures described herein based on the evidence presented at such hearing.

A Registered Shareholder wishing to dissent must send a written notice of dissent (a "**Dissent Notice**") contemplated by Section 242 of the BCBCA which must be received by the Company, in the manner set out below, not later than 10:00 a.m. (Vancouver time) on the business day that is at least two business days before the date of the Meeting. All notices of dissent to the Arrangement pursuant to Section 242 of the BCBCA should be delivered by mail or hand delivery to Bearing Lithium Corp., Suite 1400 - 1111 West Georgia Street, Vancouver, British Columbia V6E 4M3 (Attention: Chief Executive Officer). A vote against the Arrangement Resolution, an abstention, or the execution of a proxy to vote against the Arrangement Resolution, does not constitute a Dissent Notice.

Beneficial owners of Common Shares registered in the name of a broker, custodian, nominee or other Intermediary who wish to dissent should be aware that only Registered Shareholders are entitled to exercise Dissent Rights. Accordingly, a Non-Registered Shareholder desiring to exercise Dissent Rights must make arrangements for the Common Shares beneficially owned by such Shareholder to be registered in his, her or its

name prior to the time the Dissent Notice is required to be received or, alternatively, make arrangements for the Registered Shareholder to exercise Dissent Rights on the beneficial holder's behalf.

After the Arrangement Resolution is approved by Shareholders and within one month after the Company notifies the dissenting Registered Shareholder of the Company's intention to act upon the Arrangement Resolution pursuant to Section 243 of the BCBCA, the dissenting Registered Shareholder must, pursuant to Section 244(1) of the BCBCA, send to the Company a written notice that such holder requires the purchase of all of the Common Shares in respect of which such holder has given notice of dissent, together with the share certificate or certificates representing those Common Shares (including a written statement prepared in accordance with Subsection 244(1)(c) of the BCBCA if the dissent is being exercised by the Registered Shareholder on behalf of a Beneficial Shareholder). Any dissenting Registered Shareholder who has duly complied with Section 244(1) of the BCBCA and the Company may agree on the amount of the fair value of the Dissent Shares calculated immediately before the passing of the Arrangement Resolution, or, if there is no such agreement, either such dissenting Registered Shareholder or the Company may apply to the Court (although the Company is under no obligation to do so), and the Court may determine the fair value of the Dissent Shares calculated immediately before the passing of the Arrangement Resolution and make consequential orders and give directions as the Court considers appropriate. Promptly after the determination of the fair value of such Dissent Shares, such amount shall be paid out to the dissenting Registered Shareholder in cash by the Company. Failure to comply strictly with and adhere to the Dissent Procedures may result in the loss of all rights thereunder. A dissenting Registered Shareholder who does not strictly comply with the Dissent Procedures or, for any other reason, is not entitled to be paid fair value for his, her or its Dissent Shares will be deemed to have participated in the Arrangement on the same basis as non-dissenting Shareholders.

The Arrangement Agreement provides that, unless otherwise waived, it is a condition to the obligations of the Company and Lions Bay to complete the Arrangement that, on or before the Effective Date, holders of not more than an aggregate of 5% of the issued and outstanding Common Shares shall have exercised Dissent Rights. If the number of outstanding Common Shares in respect of which Dissent Rights have been exercised exceeds 5%, the Arrangement will not proceed unless the Company waives such condition.

The above is only a summary of the Dissent Procedures which are technical and complex. If you are a Registered Shareholder and wish to exercise your Dissent Rights, you should seek your own legal advice as failure to strictly comply with the Dissent Procedures, will result in the loss of your Dissent Rights. For a general summary of certain income tax implications to a Dissenting Shareholder, see "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Dissenting Resident Holders*" and "*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Dissenting Non-Resident Holders*". Registered Shareholders considering exercising Dissent Rights should also seek the advice of their own tax, legal and financial advisors.

CERTAIN SECURITIES LAW MATTERS

Canada Securities Laws

The following discussion is only a general overview of certain requirements of Canadian securities laws applicable to trades in securities of the Company or Lions Bay. All holders of securities are urged to consult with their own legal counsel to ensure that any resale of their securities of the Company or Lions Bay complies with applicable securities legislation.

The securities of the Company and Lions Bay to be issued pursuant to the Arrangement will be issued in reliance on exemptions from prospectus requirements of applicable Canadian securities laws. In accordance with the applicable securities legislation, the New Common Shares and Lions Bay Shares may be resold without restriction, subject to the conditions that no unusual effort is made to prepare the market for the resale or create a demand for the shares and no extraordinary commission or consideration is paid in respect of the resale and to customary restrictions applicable to distributions of securities held by control persons and persons in "special relationships" to the relevant company.

United States Securities Laws

The New Common Shares and Lions Bay Shares to be issued pursuant to the Arrangement will not be registered under the 1933 Act or the securities laws of any state of the United States, and will be distributed in reliance upon the exemption from registration under the 1933 Act provided by Section 3(a)(10) thereof and available exemptions from applicable state registration requirements. Section 3(a)(10) of the 1933 Act provides an exemption from registration under the 1933 Act for offers and sales of securities issued in exchange for one or more outstanding securities where the terms and conditions of the issuance and exchange of such securities have been approved by a court authorized to grant such approval after a hearing upon the fairness of the terms and conditions of the issuance and exchange at which all persons to whom the securities will be issued have the right to appear. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. The Court issued the Interim Order on May 28, 2018 and, subject to the approval of the Arrangement by the Shareholders at the Meeting, it is expected that a hearing on the Arrangement will be held on July 4, 2018 at 9:45 a.m. (Vancouver time), or as soon thereafter as counsel may be heard, at the Law Courts, 800 Smithe Street, Vancouver, British Columbia. All Shareholders are entitled to appear and be heard at this hearing. The Final Order will constitute a basis for the exemption from the registration requirements of the 1933 Act provided by Section 3(a)(10) thereof with respect to the securities to be issued pursuant to the Arrangement. Prior to the hearing on the Final Order, the Court will be informed of this effect of the Final Order.

Shareholders who are not "Affiliates" of the Company or Lions Bay immediately after the Arrangement and have not been "Affiliates" of the Company or Lions Bay within 90 days of the resale in question, may resell New Common Shares or Lions Bay Shares received by them in the Arrangement within or outside the United States without restriction under the 1933 Act. Shareholders who are "Affiliates" of the Company or Lions Bay after the Arrangement or within 90 days of the resale in question may not resell their New Common Shares or Lions Bay Shares in the absence of registration under the 1933 Act, unless an exemption from registration is available, such as the exemptions afforded by Regulation S or Rule 144 under the 1933 Act. For the purposes of the 1933 Act, an "affiliate" of the Company or Lions Bay is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with the Company or Lions Bay, as the case may be.

Each of the Company and Lions Bay is expected to continue to qualify as a "foreign issuer" as defined in Regulation S on the Effective Date. Therefore, subject to applicable Canadian requirements, holders of New Common Shares or Lions Bay Shares who are Affiliates of the Company or Lions Bay, respectively, solely by virtue of serving as an officer or director, may immediately resell such securities outside the United States without registration under the 1933 Act pursuant to Regulation S. Any such sales must be made in "offshore transactions" within the meaning of Regulation S and neither the seller, nor an Affiliate, nor any person acting on their behalf may engage in "directed selling efforts" (as defined in Regulation S) in the United States. Additionally, no selling concession, fee or other remuneration may be paid in connection with any such offer or sale other than a usual and customary broker's commission that would be received by a person executing such transaction as agent. For the purposes of Regulation S, "directed selling efforts" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the New Common Shares or Lions Bay Shares.

For the purposes of Regulation S, an "offshore transaction" is a transaction that meets the following requirements: (i) the offer is not made to a person in the United States, and (ii) either (A) at the time the buy order is originated, the buyer is outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer is outside the United States, or (B) the transaction is executed in, on or through the facilities of a designated offshore securities market (which would currently include the TSX-V and the CSE), and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; and (iii) offers and sales are not specifically targeted at identifiable groups of U.S. citizens abroad.

Certain additional Regulation S restrictions are applicable to a holder of New Common Shares or Lions Bay Shares who will be an Affiliate of the Company or Lions Bay, respectively, other than by virtue of his status as an officer or director.

In addition, under Rule 144, persons who are Affiliates of Lions Bay after the Arrangement or within 90 days of the resale in question will be entitled to resell in the United States during any three-month period, that number of Lions Bay Shares that does not exceed the greater of one percent of the then outstanding securities of such class, subject to

certain restrictions on manner of sale, notice requirements, aggregation rules and the availability of public information about Lions Bay (as to which there can be no assurance). Affiliates of Lions Bay prior to the Arrangement who are not Affiliates of Lions Bay after the Arrangement must, for 90 days following the Arrangement, comply with the requirements set forth in the preceding sentence but thereafter may resell such securities without regard to any of these requirements, provided that such persons have not been Affiliates of Lions Bay during the 90 days preceding the resale.

Shareholders are urged to consult their legal advisors prior to disposing of New Common Shares or Lions Bay Shares received in the Arrangement to determine the extent of all applicable resale provisions.

The Replacement Options to be issued pursuant to the Arrangement will not be registered under the 1933 Act or the securities laws of any state of the United Sates, and will be distributed in reliance upon the exemption from registration under the 1933 Act provided by Section 3(a)(10) thereof and available exemptions from applicable state registration requirements. The New Common Shares issuable upon exercise of the Replacement Options will not be registered under the 1933 Act or any state securities laws. The distribution of such New Common Shares will not be covered by the registration exemption provided by Section 3(a)(10) of the 1933 Act, and the exercise of the Replacement Options in the United States, or by or for the account or benefit of any U.S. person (as defined in Rule 902(k) of Regulation S) will be conditioned on the availability of an exemption from the registration requirements of the 1933 Act and applicable state securities laws.

MATERIAL INCOME TAX CONSIDERATIONS

THE TAX CONSEQUENCES OF THE ARRANGEMENT MAY VARY DEPENDING UPON THE PARTICULAR CIRCUMSTANCES OF EACH SHAREHOLDER AND OTHER FACTORS. ACCORDINGLY, SHAREHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS TO DETERMINE THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE ARRANGEMENT.

Certain Canadian Federal Income Tax Considerations

The following summarizes certain Canadian federal income tax considerations under the Tax Act generally applicable to Shareholders in respect of the disposition of Common Shares pursuant to the Arrangement, and the acquisition, holding, and disposition of New Common Shares and Lions Bay Shares acquired pursuant to the Arrangement.

Comment is restricted to Shareholders who, for purposes of the Tax Act, (i) hold their Common Shares, and will hold their Class A Shares, New Common Shares and Lions Bay Shares, solely as capital property, and (ii) deal at arm's length with and are not affiliated with the Company or Lions Bay (each such Shareholder, a "**Holder**").

Generally, Common Shares, Class A Shares, New Common Shares and Lions Bay Shares will be considered to be capital property to a Holder thereof provided that the Holder does not use the Common Shares, Class A Shares, New Common Shares or Lions Bay Shares, as the case may be, in the course of carrying on a business of trading or dealing in securities and such Holder has not acquired such shares in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary does not apply to a Holder that:

(a) is a "financial institution" for the purposes of the mark-to-market rules in the Tax Act or a "specified financial institution" as defined in the Tax Act;

(b) is a person or partnership an interest in which is a "tax shelter investment" for purposes of the Tax Act;

(c) has elected to report its Canadian federal income tax results in a currency other than Canadian currency;

(d) has entered into or will enter into a "derivative forward agreement", a "synthetic disposition arrangement", or a "synthetic equity arrangement" as those terms are or are proposed to be defined in the Tax Act;

(e) has acquired Common Shares, or will acquire Class A Shares, New Common Shares or Lions Bay Shares, on the exercise of an employee stock option; or

(f) is otherwise a Holder of special status or in special circumstances.

All such Holders should consult their own tax advisors with respect to the consequences of the Arrangement. In addition, this summary does not address any tax considerations relevant to holders of Bearing Options, and such holders should also consult their own advisors in this regard.

The summary assumes that (i) the redesignation of Common Shares as Class A Shares and the amendment of the terms of such shares to increase the number of votes that may be cast, as contemplated by the Plan of Arrangement, will not, in and of itself, result in Holders being deemed to have disposed of their Common Shares for the purposes of the Tax Act (for purposes of this summary, Class A Shares are hereafter referred to as "**Common Shares**"), and (ii) the Share Exchange (as described below) will be considered to occur "in the course of a reorganization of capital" of the Company such that section 86 of the Tax Act will apply in respect of the Share Exchange. **No tax ruling or legal opinion has been sought or obtained in this regard, or with respect to any of the assumptions made throughout this summary of Certain Canadian Federal Income Tax Considerations, and the summary below is qualified accordingly.**

This summary is based on the current provisions of the Tax Act, the regulations thereunder (the "**Regulations**"), and our understanding of the current published administrative practices and policies of the CRA. This summary takes into account all specific proposals to amend the Tax Act and Regulations (the "**Proposed Amendments**") announced by the Minister of Finance (Canada) prior to the date hereof. It is assumed that the Proposed Amendments will be enacted as currently proposed and that there will be no other change in law or administrative or assessing practice, whether by legislative, governmental, or judicial action or decision, although no assurance can be given in these respects. This summary does not take into account provincial, territorial or foreign income tax considerations, which may differ materially from the Canadian federal income tax considerations discussed below. On July 18, 2017, the Minister of Finance (Canada) released a consultation paper that included an announcement of the Government's intention to amend the Tax Act to increase the amount of tax applicable to passive investment income earned through a private corporation. No specific amendments to the Tax Act were proposed in connection with this announcement. Holders that are private Canadian corporations should consult their own tax advisors.

This summary is of a general nature only and is not and should not be construed as legal or tax advice to any particular person (including a Holder as defined above). Each person who may be affected by the Arrangement should consult the person's own tax advisors with respect to the person's particular circumstances.

Holders Resident in Canada

This portion of this summary applies only to Holders who are or are deemed to be resident solely in Canada for the purposes of the Tax Act and any applicable income tax treaty or convention (each, a "**Resident Holder**").

A Resident Holder whose Common Shares, Class A Shares or New Common Shares might not otherwise qualify as capital property may be entitled to make an irrevocable election permitted by subsection 39(4) of the Tax Act to deem such shares, and every other "Canadian security" (as defined in the Tax Act), held by such person, in the taxation year of the election and each subsequent taxation year to be capital property. This election does not apply to Lions Bay Shares until such time that Lions Bay is a public company. Resident Holders should consult their own tax advisors regarding this election.

Exchange of Common Shares for New Common Shares and Lions Bay Shares

A Resident Holder who exchanges Common Shares for New Common Shares and Lions Bay Shares pursuant to the Arrangement (the "**Share Exchange**") will be deemed to have received a taxable dividend equal to the amount, if any, by which the fair market value of the Lions Bay Shares distributed to the Resident Holder pursuant to the Share Exchange at the time of the Share Exchange exceeds the "paid-up capital" (as defined in the Tax Act) ("**PUC**") of the Resident Holder's Common Shares determined at that time. Any such taxable dividend will be taxable as described below under "*Holders Resident in Canada – Taxation of Dividends – Common Shares, New Common Shares and Lions Bay Shares*". However, the Company expects that the fair market value of all Lions Bay Shares

distributed pursuant to the Share Exchange under the Arrangement will not exceed the PUC of the Common Shares. Accordingly, the Company does not expect that any Resident Holder will be deemed to receive a taxable dividend on the Share Exchange.

A Resident Holder who exchanges Common Shares for New Common Shares and Lions Bay Shares on the Share Exchange will realize a capital gain equal to the amount, if any, by which the fair market value of those Lions Bay Shares at the effective time of the Share Exchange, less the amount of any taxable dividend deemed to be received by the Resident Holder as described in the preceding paragraph, exceeds the "adjusted cost base" (as defined in the Tax Act) ("**ACB**") of the Resident Holder's Common Shares determined immediately before the Share Exchange. Any capital gain so realized will be taxable as described below under "*Holders Resident in Canada – Taxation of Capital Gains and Losses*".

The Resident Holder will acquire the Lions Bay Shares received on the Share Exchange at a cost equal to their fair market value as at the effective time of the Share Exchange, and the New Common Shares received on the Share Exchange at a cost equal to the amount, if any, by which the ACB of the Resident Holder's Common Shares immediately before the Share Exchange exceeds the fair market value of the Lions Bay Shares as at the effective time of the Share Exchange.

Disposition of New Common Shares or Lions Bay Shares after the Arrangement

A Resident Holder who disposes or is deemed to dispose of a New Common Share or Lions Bay Share generally will realize a capital gain (or capital loss) equal to the amount, if any, by which the proceeds of disposition therefor are greater (or less) than the ACB of the share to the Resident Holder, less reasonable costs of disposition. Any such capital gain or capital loss will be subject to the treatment generally described below under "*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*".

Taxation of Dividends – Common Shares, New Common Shares and Lions Bay Shares

A Resident Holder who is an individual (other than certain trusts) and receives or is deemed to receive a taxable dividend in a taxation year on the Holder's Common Shares, New Common Shares or Lions Bay Shares will be required to include the amount of the dividend in income for the year, subject to the dividend gross-up and tax credit rules applicable to taxable dividends received by a Canadian resident individual from a taxable Canadian corporation, including the enhanced dividend gross-up and tax credit that may be applicable if and to the extent that Bearing designates the taxable dividend to be an "eligible dividend" in accordance with the Tax Act. The Company has made no commitments in this regard. Dividends received by an individual may also give rise to minimum tax.

A Resident Holder that is a corporation and receives or is deemed to receive a taxable dividend in a taxation year on its Common Shares, New Common Shares or Lions Bay Shares must include the amount in its income for the year, but generally will be entitled to deduct an equivalent amount from its taxable income, subject to all restrictions under the Tax Act and the Proposed Amendments. A Resident Holder that is a "private corporation" or a "subject corporation" (as defined in the Tax Act) may also be liable under Part IV of the Tax Act to pay a special tax (refundable in certain circumstances) on any such dividends to the extent that the dividend is deductible in computing the corporation's taxable income.

Taxation of Capital Gains and Capital Losses

A Resident Holder who realizes a capital gain or capital loss in a taxation year on the actual or deemed disposition of a share, including a Common Share, New Common Share or Lions Bay Share, generally will be required to include one half of any such capital gain (a "**taxable capital gain**") in income for the year, and entitled to deduct one half of any such capital loss (an "**allowable capital loss**") against taxable capital gains realized in the year and, to the extent not so deductible, in any of the three preceding taxation years or any subsequent taxation year, to the extent and in the circumstances specified in the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation may be reduced by the amount of dividends received or deemed to have been received by it on the share (or on a share substituted therefor) to the extent and in the circumstances described in the Tax Act. Similar rules may apply where the corporation is a member or beneficiary of a partnership or trust that held the share, or where a partnership or trust of which the

corporation is a member or beneficiary is itself a member of a partnership or a beneficiary of a trust that held the share. Affected Resident Holders should consult their own tax advisors in this regard.

A Resident Holder that is a "Canadian controlled private corporation" (as defined in the Tax Act) throughout the relevant taxation year may be liable to pay an additional tax (refundable in certain circumstances) on its "aggregate investment income", which includes taxable capital gains, for the year.

Minimum Tax on Individuals

A Resident Holder who is an individual (including certain trusts) and receives a taxable dividend on, or realizes a capital gain on the disposition of, a share, including a Common Share, New Common Share or Lions Bay Share, may thereby be liable for minimum tax to the extent and within the circumstances set out in the Tax Act.

Dissenting Resident Holders

A Resident Holder who validly exercises Dissent Rights (a "**Dissenting Resident Holder**") and who consequently transfers or is deemed to transfer Common Shares to Bearing for payment by Bearing will be deemed to receive a taxable dividend in the taxation year of payment equal to the amount, if any, by which the payment (excluding interest) exceeds the PUC of the Dissenting Resident Holder's Common Shares determined immediately before the Arrangement. Any such taxable dividend will be taxable as described above under "Holders Resident in Canada – Taxation of Dividends – Common Shares, New Common Shares and Lions Bay Shares". The Dissenting Resident Holder will also realize a capital gain (or capital loss) equal to the amount, if any, by which the payment (excluding interest), less any such deemed taxable dividend, exceeds (is exceeded by) the ACB of the Dissenting Resident Holder's Common Shares determined immediately before the Arrangement. Any such capital gain or loss will generally be taxable or deductible as described above under "*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*".

The Dissenting Resident Holder will be required to include any portion of the payment that is on account of interest in income in the year received.

Eligibility for Investment – New Common Shares and Lions Bay Shares

A New Common Share will be a "qualified investment" for a trust governed by a RRSP, RRIF, a deferred profit sharing plan, a registered education savings plan, a registered disability savings plan or a TFSA as those terms are defined in the Tax Act (collectively, "**Registered Plans**") at any time at which the New Common Shares are listed on a "designated stock exchange" as defined in the Tax Act (which includes the TSX-V and the CSE), or Bearing is a "public corporation" as defined in the Tax Act.

A Lions Bay Share will be a qualified investment for a Registered Plan at any time at which the Lions Bay Shares are listed on a "designated stock exchange" (which includes the TSX-V and the CSE) as defined in the Tax Act. Management of Bearing believes that Lions Bay should meet the relevant listing requirements of the CSE once the requisite distribution and other requirements are achieved as of the Effective Date, and intends to request that the CSE issue a listing bulletin or similar communication deeming the Lions Bay Shares to be listed as of the Effective Time, but this result, or the CRA's acceptance thereof for purposes of the potential "qualified investment" status of the Lions Bay Shares as of any particular time, cannot be guaranteed. **There can be no assurance as to if, or when, the Lions Bay Shares will be listed or traded on any stock exchange. Should the Lions Bay Shares be distributed to or otherwise acquired by a Registered Plan other than as "qualified investments", adverse tax consequences not described in this summary should be expected to arise for the Registered Plan and the annuitant thereunder. Resident Holders that hold Common Shares and will or may hold Lions Bay Shares within a Registered Plan should consult with their own tax advisors in this regard.**

Notwithstanding that the New Common Shares and/or Lions Bay Shares may be qualified investments at a particular time, the holder of a TFSA or the annuitant of a RRSP or RRIF will be subject to a penalty tax in respect of a New Common Share or a Lions Bay Share held in the TFSA, RRSP or RRIF, as applicable, if the share is a "prohibited investment" under the Tax Act. A New Common Share or a Lions Bay Share generally will not be a prohibited investment for a TFSA, RRSP or RRIF of a holder or annuitant thereof, as applicable, provided that (i) the holder or annuitant of the account does not have a "significant interest" within the meaning of the Tax Act in the Company or

Lions Bay, as applicable, and (ii) the Company or Lions Bay, as applicable, deals at arm's length with the holder or annuitant for the purposes of the Tax Act. Pursuant to Proposed Amendments released on March 22, 2017, the rules with respect to "prohibited investments" are also proposed to apply to (i) registered education savings plans and subscribers thereof, and (ii) registered disability savings plans and holders thereof. **Shareholders should consult their own tax advisers to ensure that the New Common Shares and Lions Bay Shares would not be a prohibited investment for a trust governed by a TFSA, RRSP or RRIF in their particular circumstances.**

Holders Not Resident in Canada

This portion of this summary applies only to Holders each of whom at all material times for the purposes of the Tax Act (i) has not been and is not resident or deemed to be resident in Canada for purposes of the Tax Act, and does not and will not use or hold Common Shares, New Common Shares, or Lions Bay Shares in connection with carrying on a business in Canada (each, a "**Non-resident Holder**").

Special rules, which are not discussed in this summary, may apply to a Non-resident Holder that is an insurer carrying on business in Canada and elsewhere, or an "authorized foreign bank" as defined in the Tax Act. Such Non-resident Holders should consult their own tax advisers with respect to the Arrangement.

Exchange of Common Shares for New Common Shares and Lions Bay Shares

The discussion of the tax consequences of the Share Exchange for Resident Holders under the heading "Holders Resident in Canada – Exchange of Common Shares for New Common Shares and Lions Bay Shares" generally will also apply to Non-resident Holders in respect of the Share Exchange. The general taxation rules applicable to Non-resident Holders in respect of a deemed taxable dividend or capital gain arising on the Share Exchange are discussed below under the headings "*Holders Not Resident in Canada – Taxation of Dividends – Common Shares, New Common Shares, and Lions Bay Shares*" and "*Holders Not Resident in Canada – Taxation of Capital Gains and Capital Losses*" respectively.

Taxation of Dividends – Common Shares, New Common Shares and Lions Bay Shares

A Non-resident Holder to whom the Company pays or credits (or is deemed to pay or credit) an amount as a dividend in respect of the Arrangement (if at all), or otherwise in respect of the Holder's Common Shares or New Common Shares will be subject to Canadian withholding tax equal to 25% (or such lower rate as may be available under an applicable income tax convention, if any) of the gross amount of the dividend.

A Non-resident Holder to whom Lions Bay pays or credits (or is deemed to pay or credit) an amount as a dividend in respect of the Holder's Lions Bay Shares will be subject to Canadian withholding tax equal to 25% (or such lower rate as may be available under an applicable income tax convention, if any) of the gross amount of the dividend.

Taxation of Capital Gains and Capital Losses

A Non-resident Holder will not be subject to Canadian federal income tax in respect of any capital gain arising on an actual or deemed disposition of a Common Share, New Common Share or Lions Bay Share unless, at the time of disposition, the share is "taxable Canadian property" as defined in the Tax Act, and is not "treaty-protected property" as so defined.

Generally, a Common Share, New Common Share, or Lions Bay Share, as applicable, of the Non-resident Holder will not be taxable Canadian property of the Holder at any time at which the share is listed on a "designated stock exchange" as defined in the Tax Act (which includes the TSX-V and the CSE) unless, at any time during the 60 months immediately preceding the disposition of the share, the Non-resident Holder, one or more persons with whom the Non-resident Holder did not deal at arm's length, partnerships in which the Non-resident Holder or persons with whom the Non-resident Holder did not deal at arm's length held membership interests (directly or indirectly), or any combination of the foregoing, owned 25% or more of the issued shares of any class of the capital stock of the Company or Lions Bay, as applicable, and the share derived more than 50% of its fair market value directly or indirectly from, or from any combination of, real property situated in Canada, "Canadian resource properties", "timber resource properties" (as those terms are defined in the Tax Act), and interest, rights or options in or in respect of any of the foregoing.

It is expected that the Lions Bay shares will be considered "taxable Canadian property" immediately after the Arrangement and until such time as the shares are listed on a "designated stock exchange".

Shares may also be deemed to be "taxable Canadian property" under other provisions of the Tax Act.

A Non-resident Holder who disposes or is deemed to dispose of a Common Share, New Common Share or Lions Bay Share that, at the time of disposition, is taxable Canadian property and is not treaty-protected property will realize a capital gain (or capital loss) equal to the amount, if any, by which the Holder's proceeds of disposition of the share exceeds (or is exceeded by) the Non-resident Holder's ACB in the share and reasonable costs of disposition. The Non-resident Holder generally will be required to include one half of any such capital gain (taxable capital gain) in the Holder's taxable income earned in Canada for the year of disposition, and be entitled to deduct one half of any such capital loss (allowable capital loss) against taxable capital gains included in the Holder's taxable income earned in Canada for the year of disposition and, to the extent not so deductible, against such taxable capital gains realized in any of the three preceding taxation years or any subsequent taxation year, to the extent and in the circumstances set out in the Tax Act.

Non-resident Holders who may hold shares as "taxable Canadian property" should consult their own tax advisors in this regard.

Dissenting Non-Resident Holders

The discussion above applicable to Resident Holders under the heading "*Holders Resident in Canada - Dissenting Resident Holders*" will generally also apply to a Non-resident Holder who validly exercises Dissent Rights in respect of the Arrangement. In general terms, the Non-resident Holder will be subject to Canadian federal income tax in respect of any deemed taxable dividend arising as a consequence of the exercise of Dissent Rights generally as discussed above under the heading "*Holders Not Resident in Canada – Taxation of Dividends – Common Shares, New Common Shares and Lions Bay Shares*" and subject to the Canadian federal income tax treatment in respect of any capital gain or loss arising as a consequence of the exercise of Dissent Rights generally as discussed above under the heading "*Holders Not Resident in Canada – Taxation of Capital Gains and Capital Losses*".

Certain United States Federal Income Tax Considerations

Shareholders who are resident in, or citizens of, the United States are advised to consult their own tax advisors to determine the particular United States tax consequences to them of the Arrangement in light of their particular situation, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local, or other taxing jurisdiction. This Circular does not contain a description of the United States tax consequences of the Arrangement or the ownership of New Common Shares or Lions Bay Shares.

OTHER BUSINESS

While there is no other business other than that business mentioned in the Notice of Meeting to be presented for action by the Shareholders at the Meeting, **it is intended that the Proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.**

ADDITIONAL INFORMATION

Additional information relating to the Company is on the Company's profile on SEDAR at www.sedar.com. Shareholders may contact the Company at Suite 1400 - 1111 West Georgia Street, Vancouver, British Columbia V6E 4M3, Canada by mail, facsimile at (640)682-5542, telephone at (604) 682-5546 or e-mail at jpoirier@bearinglithium.com to request copies of the Company's financial statements and MD&A.

Financial information for the Company's financial years ended October 31, 2016 and October 31, 2017 are provided in its comparative financial statements and MD&A which are filed on SEDAR.

BOARD APPROVAL

The contents of this Circular have been approved and its mailing authorized by the directors of the Company.

DATED at Vancouver, British Columbia, the 28th day of May, 2018.

ON BEHALF OF THE BOARD OF DIRECTORS

(Signed) *"Jeremy Poirier"*

Jeremy Poirier,
President and Chief Executive Officer

SCHEDULE "A"
AUDIT COMMITTEE CHARTER

CHARTER FOR THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS
BEARING LITHIUM CORP.

The following Audit Committee Charter was adopted by the Audit Committee of the Board of Directors and the Board of Directors of BEARING LITHIUM CORP. (the "Company"):

Mandate

The primary function of the audit committee (the "Committee") is to assist the Company's Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements;
- review and appraise the performance of the Company's external auditors; and
- provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

Composition

The Committee shall be comprised of a minimum three directors as determined by the Board of Directors. If the Company ceases to be a "venture issuer" (as that term is defined in National Instrument 52-110), then all of the members of the Committee shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

If the Company ceases to be a "venture issuer" (as that term is defined in National Instrument 52-110), then all members of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Audit Committee Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet a least quarterly, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

1. Documents/Reports Review

(a) review and update this Audit Committee Charter annually; and

(b) review the Company's financial statements, MD&A and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

2. External Auditors

(a) review annually, the performance of the external auditors who shall be ultimately accountable to the Company's Board of Directors and the Committee as representatives of the shareholders of the Company;
(b) obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1;
(c) review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
(d) take, or recommend that the Company's full Board of Directors take appropriate action to oversee the independence of the external auditors, including the resolution of disagreements between management and the external auditor regarding financial reporting;
(e) recommend to the Company's Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval;
(f) recommend to the Company's Board of Directors the compensation to be paid to the external auditors;
(g) at each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
(h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company;
(i) review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements; and
(j) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
    (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided,
    (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services, and
    (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

3. Financial Reporting Processes

(a) in consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external;
(b) consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
(c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;

(d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments;
(e) following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
(f) review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
(g) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
(h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
(i) review certification process;
(j) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
(k) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

4. Other

(a) review any related-party transactions;
(b) engage independent counsel and other advisors as it determines necessary to carry out its duties; and
(c) to set and pay compensation for any independent counsel and other advisors employed by the Committee."

SCHEDULE "B"
COMPENSATION COMMITTEE CHARTER

PURPOSE

The overall purpose of the Compensation Committee (the "Committee") is to develop executive compensation plans that:

1. attract and retain skilled and experienced executives and senior managers;

2. motivate executives and senior managers to achieve corporate objectives and create shareholder value; and

3. encourage executives and senior managers to link their personal financial interest to those of the shareholders.

The compensation of executives and senior management shall be based on competitive rates in the marketplace, taking account of location and conditions of employment.

Compensation for executives and senior managers shall consist of a combination of a base salary, cash based annual incentive, a long-term incentive and employee benefits.

COMPOSITION, PROCEDURES AND ORGANIZATION

A. The Committee shall consist of at least three members of the Board, a majority of whom shall be "independent" as that term is defined in National Instrument 58-101 "Disclosure of Corporate Governance Practices". In particular, a Committee member shall not:

   (i) other than in his or her capacity as a member of the Board or any committees of the Board, accept directly or indirectly any consulting, advisory or other fee from the Company;

   (ii) have been employed by the Company or any of its affiliates in the current or past two years; or

   (iii) be an affiliate of the Company or any subsidiaries.

B. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.

C. Unless the Board shall have appointed a Chair of the Committee, the members of the Committee shall elect a Chairman from among their number.

D. The secretary of the Committee shall be designated from time to time from one of the members of the Committee or, failing that, shall be the Company's corporate secretary, unless otherwise determined by the Committee.

E. The Committee shall have access to such officers and employees of the Company, its external auditors and legal counsel and to such information respecting the Company and may engage separate independent counsel and advisors at the expense of the Company, all as it considers to be necessary or advisable in order to perform its duties and responsibilities.

MEETINGS

F. At the request of the Chief Executive Officer ("CEO") or any member of the Committee, the Chairman will convene a meeting of the Committee and provide an agenda for such meeting.

G. Any two directors may request the Chairman to call a meeting of the Committee and may attend at such meeting or inform the Committee of a specific matter of concern to such directors, and may participate in such meeting to the extent permitted by the Chairman of the Committee.

H. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and hear each other.

I. The Committee shall meet at least once in each year on such dates and at such locations as the Chairman of the Committee shall determine and may also meet at any other time or times on the call of the chair of the Committee or any two of the other members.

DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee shall be as follows:

J. Review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of these goals, and recommend the CEO's package to the Board.

K. Make recommendations to the Board on all elements of executive officers' compensation.

L. Review all compensation information before the Company discloses it publicly.

M. Approve any compensation arrangement for a senior executive of any subsidiary.

N. Review succession planning for senior positions, and make recommendations to the Board.

O. Review appropriate compensation of the independent directors and to provide recommendations of such review for the approval by the Corporate Governance Committee and the CEO.

SCHEDULE “C”
CHANGE OF AUDITOR

(See attached)

September 29, 2016
TSX-V SYMBOL: BRZ
www.bearingresources.ca

NOTICE OF CHANGE OF AUDITOR

Pursuant to National Instrument 51-102

It is proposed that the Bearing Resources Ltd. (the "Company") will appoint **Dale Matheson Carr-Hilton Labonte LLP Chartered Professional Accountants**, (the "Successor Auditor") of Suites 1500 and 1700, 1140 West Pender St. Vancouver, BC V6E 4G1.

PricewaterhouseCoopers LLP, (the "former Auditor") of Suite 700, 250 Howe St. Vancouver, BC V6C 3S7, has resigned as Auditor effective September 29, 2016.

The Former Auditor resigned at the Company's request.

The resignation and the recommendation to appoint the Successor Auditor was approved by the Board of Directors of the Company and the Company's Audit Committee.

There were no reservations in the Former Auditor's reports in connection with:

(a) the audits of the two most recently completed fiscal years; and

(b) any period subsequent to the most recently completed period for which an audit report was issued and preceding the date of the Resignation.

There are no reportable events including disagreements, unresolved issues and consultations, as defined in National Instrument 51-102, between the Company, the Former Auditor, and the Successor Auditor.

DATED at Vancouver, British Columbia, this 29th day of September 2016.

Bearing Resources Ltd.

"Robert Cameron"

Robert Cameron, President

VANCOUVER
1500 – 1140 W. Pender Street
Vancouver, BC V6E 4G1
TEL 604.687.4747 | FAX 604.689.2778

TRI-CITIES
700 – 2755 Lougheed Hwy.
Port Coquitlam, BC V3B 5Y9
TEL 604.941.8266 | FAX 604.941.0971

WHITE ROCK
301 – 1656 Martin Drive
White Rock, BC V4A 6E7
TEL 604.531.1154 | FAX 604.538.2613

WWW.DMCL.CA

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

September 29, 2016

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
9TH Floor – 701 West Georgia Street
Vancouver, B.C. V7Y 1L2

TSX Venture Exchange
P.O. Box 11633
Suite 2700 – 650 West Georgia Street
Vancouver, B.C. V6B 4N9

Alberta Securities Commission
Suite 600, 250 – 5th Street S.W.
Calgary, Alberta T2P 0R4

Dear Sirs:

Re: Bearing Resourcs Ltd. (the "Company")
Notice Pursuant to National Instrument 51-102 - Change of Auditor

As required by the National Instrument 51-102 and in connection with our proposed engagement as auditor of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor, dated September 29, 2016 and agree with the information contained therein, based upon our knowledge of the information relating to the said notice and of the Company at this time.

Yours very truly,

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS & BUSINESS ADVISORS

September 29, 2016

To: British Columbia Securities Commission

We have read the statements made by Bearing Resources Ltd. in the attached copy of the change of auditor notice dated September 29, 2016, which we understand will be filed pursuant to Section 4.11 of National Instrument 51-102.

We agree with the statements in the change of auditor notice dated September 29, 2016.

Yours very truly,

signed "PricewaterhouseCoopers LLP"

Chartered Professional Accountants

PricewaterhouseCoopers LLP
PricewaterhouseCoopers Place, 250 Howe Street, Suite 700, Vancouver, British Columbia, Canada V6C 3S7
T: +1 604 806 7000, F: +1 604 806 7806, www.pwc.com/ca

SCHEDULE "D"
ARRANGEMENT RESOLUTION

Capitalized words used in this Schedule "D" and not otherwise defined shall have the meaning ascribed to such terms in the Circular.

Arrangement Resolution:

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The arrangement (the "**Arrangement**") under Section 288 of the British Columbia Business Corporations Act involving Bearing Lithium Corp. ("**Bearing**"), all as more particularly described and set forth in the management information circular (the "**Circular**") of Bearing dated May 28, 2018, accompanying the notice of this meeting (as the Arrangement may be, or may have been, modified or amended), is hereby authorized, approved and adopted.

2. The plan of arrangement, as it may be or has been amended (the "**Plan of Arrangement**"), involving Bearing and implementing the Arrangement, the full text of which is set out in Schedule "E" to the Circular, is hereby authorized, approved and adopted.

3. The arrangement agreement (the "**Arrangement Agreement**") between Bearing and Lions Bay Mining Corp. dated May 23, 2018 and all the transactions contemplated therein, the actions of the directors of Bearing in approving the Arrangement and any amendments thereto and the actions of the directors and officers of Bearing in executing and delivering the Arrangement Agreement and any amendments thereto are hereby confirmed, ratified, authorized and approved.

4. Notwithstanding that these resolutions have been passed (and the Arrangement adopted) or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of Bearing are hereby authorized and empowered, without further notice to, or approval of, any securityholders of Bearing:

    (a) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; or

    (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.

5. Any one or more directors or officers of Bearing is hereby authorized, for and on behalf and in the name of Bearing, to execute and deliver, all such agreements, applications, forms, waivers, notices, certificates, confirmations and other documents and instruments and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Arrangement Agreement and the completion of the Plan of Arrangement in accordance with the terms of the Arrangement Agreement, including:

    (a) all actions required to be taken by or on behalf of Bearing, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and

    (b) the signing of the certificates, consents and other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by Bearing;

    such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing."

SCHEDULE "E"
ARRANGEMENT AGREEMENT INCLUDING PLAN OF ARRANGEMENT

(see attached)

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) "**Depositary**" means Computershare Investor Services Inc., or such other depositary 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 Depositary 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 Depositary 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 Depositary 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 Depositary 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 Depositary 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 be 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.

SCHEDULE “F”
INTERIM ORDER

(see attached)

No. S-186019
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

BEARING LITHIUM CORP.

PETITIONER

RE: IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING BEARING LITHIUM CORP., ITS HOLDERS OF COMMON SHARES AND LIONS BAY MINING CORP., PURSUANT TO SECTIONS 288 to 299 OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA), S.B.C. 2002, c. 57, AS AMENDED

ORDER MADE AFTER APPLICATION

BEFORE) MASTER TAYLOR) MONDAY, the 28th day of May, 2018

ON THE APPLICATION of the Petitioner, BEARING LITHIUM CORP.

☒ without notice, coming on for hearing at 800 Smithe Street, Vancouver, British Columbia on Monday, the 28th day of May, 2018 and on hearing counsel for the Petitioner and upon reading the material filed; and upon being advised that it is the intention of Lions Bay Mining Corp. to rely upon Section 3(a)(10) of the United States *Securities Act of 1933* (the "Securities Act of 1933") as a basis for an exemption from the registration requirements of the Securities Act of 1933 with respect to the securities of Lions Bay Mining Corp. to be distributed under the proposed Plan of Arrangement based on the Court's approval of the Arrangement;

THIS COURT ORDERS that:

1. The Petitioner, Bearing Lithium Corp. (the "Petitioner" or "Bearing"), be permitted to convene, hold and conduct an annual general and special meeting of its registered holders of common shares (the "Bearing Shareholders"), to be held at 10:00 a.m. (Pacific Standard Time) on June 28, 2018 in Vancouver, British Columbia at the offices of McCullough O'Connor Irwin LLP, Suite 2600, 1066 West Hastings Street, Vancouver, British Columbia V6E 3X1 (the "Meeting").

2. At the Meeting, in addition to other routine matters, Bearing Shareholders will consider and, if deemed advisable, pass, with or without variation, a special resolution (the "Arrangement Resolution"), authorizing, approving and agreeing to adopt a plan of arrangement (the "Plan of Arrangement") among the Petitioner, the Bearing Shareholders and Lions Bay Mining Corp. ("Lions Bay") (the "Arrangement") as described in the Plan of Arrangement attached as part of Exhibit "A" to the Affidavit of Jeremy Poirier, sworn on May 24, 2018.

3. The Meeting will be called, held and conducted in accordance with the provisions of the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 27 (the "BCBCA"), as amended and the Articles of Bearing, in each case subject to the terms of this Interim Order and any further Order of the Court.

4. The following information (collectively the "Meeting Materials"):

   (a) the Notice of the Meeting;

   (b) the management information circular of Bearing (the "Circular") and the appendices to the Circular;

   (c) the Petition;

   (d) the Interim Order; and

   (e) the Notice of Hearing of the Petition for the Final Order approving the Arrangement,

   in substantially the same form annexed as Exhibit "A" of the Affidavit of Jeremy Poirier sworn on May 24, 2018, with such amendments and inclusions thereto as counsel for the Petitioner may advise are necessary or desirable, provided that such amendments and inclusions are not inconsistent with the terms of this Order, will be mailed by prepaid ordinary mail or sent by facsimile or other electronic transmission:

   (a) to the Bearing Shareholders at their registered address as they appear on the books of the Petitioner at the close of business on May 14, 2018, being the record date

for the determination of Bearing Shareholders entitled to notice of the Meeting; and

(b) to the directors and auditors of the Petitioner,

which mailing or delivery will occur at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing and excluding the date of the Meeting, and that service of the Meeting Materials as herein described, will constitute good and sufficient service of such Notice of Meeting, Petition and Notice of Hearing for a Final Order, upon all who may wish to appear in these proceedings, and no other service need be made, and such service will be effective on the fifth day after the said Meeting Materials are mailed or, if sent by facsimile or other electronic transmission, on the date of said transmission.

5. The accidental omission to give the Notice of the Meeting, Petition or Notice of Hearing for a Final Order to, or the non-receipt of such notices by, one or more of the persons specified herein, will not invalidate any resolution passed or proceedings taken at the Meeting.

6. The Chair of the Meeting (the "Chair") will be an officer, director or legal counsel of the Petitioner or such other person as may be appointed by the Bearing Shareholders for that purpose.

7. The Chair is at liberty to call on the assistance of legal counsel to the Petitioner at any time and from time to time, as the Chair may deem necessary or appropriate during the Meeting, and such legal counsel is entitled to attend the Meeting for this purpose.

8. Each registered Bearing Shareholder will have the right to dissent in respect of the Arrangement Resolution in accordance with the provisions of sections 237 to 247 of the BCBCA, as modified by the terms of this Interim Order and the Plan of Arrangement. A beneficial holder of common shares of Bearing (the "Bearing Shares") registered in the name of a broker, custodian, trustee, nominee or other intermediary who wishes to dissent must make arrangements for the registered Bearing Shareholder to dissent on behalf of the beneficial holder of Bearing Shares or, alternatively, make arrangements to become a registered Bearing Shareholder.

9. Registered Bearing Shareholders will be the only shareholders of Bearing entitled to exercise rights of dissent.

10. Notice to Bearing Shareholders of their dissent rights with respect to the Arrangement Resolution and their right to receive, subject to the provisions of the BCBCA and the Arrangement, the fair value of their securities will be given by including information with respect to this right in the Circular to be sent to the Bearing Shareholders in accordance with this Interim Order.

11. Subject to further order of this Court, the rights available to the Bearing Shareholders under the BCBCA and the Plan of Arrangement to dissent from the Arrangement will constitute full and sufficient dissent rights for the Bearing Shareholders with respect to the Arrangement.

12. The Meeting may be adjourned or postponed for any reason upon the approval of the Chair, and if the Meeting is adjourned or postponed, it will be reconvened or held at a place and time to be designated by the Chair. An adjournment is without the necessity of first convening the Meeting or first obtaining any vote of Bearing Shareholders respecting such adjournment or postponement and without the need for approval of the Court. Notice of any such adjournments or postponements will be given by news release, newspaper advertisement, or by notice sent to Bearing Shareholders by one of the methods specified in paragraph 4 of this Interim Order. The record date will remain May 14, 2018 and will not change in respect of adjournments or postponements of the Meeting.

13. The quorum required at the Meeting will be the quorum required by the Articles of the Petitioner.

14. The votes required to adopt the Arrangement Resolution at the Meeting will be the affirmative vote of not less than 66⅔% of the votes cast by the Bearing Shareholders in person or by proxy on the Arrangement Resolution at the Meeting on the basis of one vote per Bearing Share held.

15. The Chair or Secretary of the Meeting will, in due course, file with the Court Affidavit(s) verifying the actions taken and the decisions reached by the Bearing Shareholders at the Meeting with respect to the Arrangement.

16. The only persons entitled to notice of or vote at the Meeting or any adjournment(s) or postponement(s) thereof either in person or by proxy will be the Bearing Shareholders as at the close of business on May 14, 2018 and the directors and auditors of the Petitioner. A representative of Lions Bay is entitled to attend the Meeting.

17. The Petitioner be at liberty to serve the Petition and Notice of Hearing for Final Order on persons outside the jurisdiction of this Honourable Court in the manner specified herein.

18. Unless the directors of the Petitioner by resolution determine to abandon the Arrangement, the Application for the Final Order (the "Final Application") be set down for hearing before the presiding Judge in Chambers at the Courthouse at 800 Smithe Street, Vancouver, British Columbia, on July 4, 2018 at 9:45 a.m., or such other date following the date of the Meeting as the Petitioner may determine, and that, upon approval of the Arrangement Resolution at the Meeting in the manner set forth in this Interim Order, the Petitioner be at liberty to proceed with the Final Application on that date.

19. Any Bearing Shareholder and any holder of any other right to acquire a security of the Petitioner may appear at the Final Application provided that such person will file a Response to the Petition filed herein, in the form prescribed by the Rules of Court of the Supreme Court of British Columbia, and deliver a copy of the filed Response, together with a copy of all material on which such person intends to rely at the Final Application, including an outline of such person's proposed submissions, to counsel for the Petitioner at its address for delivery as set out in the Petition, on or before 4:00 p.m. at least seven days prior to the date of the Hearing of the Final Application, or as the Court may otherwise direct.

20. Subject to other provisions in this Interim Order no material other than that contained in the Meeting Materials need be served on any persons in respect of these proceedings.

21. If the Final Application is adjourned, only those persons who have filed and delivered a Response to the Petition in accordance with this Interim Order need to be served and provided with notice of the adjourned date.

22. The provisions of Rule 8-1 (apart from the requirement for an Application Record) and 16-1 be hereby dispensed with for the purposes of any further application to be made pursuant to this Petition.

23. The Petitioner is authorized to make such amendments, revisions or supplements to the Plan of Arrangement in accordance with the Arrangement Agreement without any additional notice to the Bearing Shareholders, and the Plan of Arrangement as so amended, revised and supplemented will be the Plan of Arrangement submitted to the Meeting, and the subject of the Arrangement Resolution.

24. The Petitioner and the Bearing Shareholders, directors and auditors will, and hereby do, have liberty to apply for such further Orders as may be appropriate.

25. To the extent that any inconsistency or discrepancy between this Interim Order and the Circular, BCBCA, applicable securities laws or the Articles of Bearing, this Interim Order will govern.

BY THE COURT

REGISTRAR

CHECKED

ENDORSEMENTS ATTACHED

S186019

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of Chris Dafoe

☐ petitioner ☒ lawyer for Petitioner, Bearing Lithium Corp.

By the Court

Registrar

No. S-136019
Vancouver Registry

IIN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

BEARING LITHIUM CORP.

PETITIONER

RE: IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING BEARING LITHIUM CORP., ITS HOLDERS OF COMMON SHARES AND LIONS BAY MINING CORP., PURSUANT TO SECTIONS 288 to 299 OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA), S.B.C. 2002,

---

ORDER

TAYLOR VEINOTTE SULLIVAN
Barristers
Suite 502-1168 Hamilton Street
Vancouver, BC V6B 2S2
Attention: Chris Dafoe

AGENT: WEST COAST

Telephone: 604.687.7007

SCHEDULE "G"
REQUISITION FOR FINAL ORDER

(see attached)

No. S-186019
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

BEARING LITHIUM CORP.

PETITIONER

RE: IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING BEARING LITHIUM CORP., ITS HOLDERS OF COMMON SHARES AND LIONS BAY MINING CORP., PURSUANT TO SECTIONS 288 to 299 OF THE BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA), S.B.C. 2002, c. 57, AS AMENDED

REQUISITION – GENERAL

Filed by: The Petitioner, Bearing Lithium Corp. ("Bearing")

Required:

Pursuant to the Order of Master Taylor pronounced May 28, 2018 the Hearing of the Petition reset for July 4, 2018 at 9:45 a.m. before the presiding Judge in Chambers at the Courthouse at 800 Smithe Street, Vancouver, British Columbia, for a final order (the "Final Order") approving an arrangement (the "Arrangement") under section 291 of the Business Corporations Act (British Columbia), S.B.C. 2002, c. 57, as amended, described in the Plan of Arrangement, which is attached as Schedule "A" to the draft form of the Final Order which is attached as Exhibit "A" to this Requisition.

Please take notice that by an Interim Order of the Supreme Court of British Columbia, pronounced May 28, 2018, the Court has given directions as to the calling of a special meeting of the shareholders of the Petitioner for the purpose of voting upon a special resolution to approve the Arrangement.

At the Hearing of the Application for the Final Order (the "Final Application"), any securityholder of the Petitioner, director or auditor of the Petitioner, or any other interested party with leave of the Court, desiring to support or oppose the Final Application may, after filing a Response and related materials as outlined in the Interim Order and further herein, appear for that purpose, either in person or by counsel. If you do not attend, either in person or by counsel, at that time, the Court may approve the Arrangement as presented, or may approve it subject to such terms and conditions as the Court shall deem fit, without any further notice to you.

If you wish to appear at the Final Application or wish to be notified of any further proceedings, YOU MUST GIVE NOTICE of your intention by filing a Response to Petition with the Court at the Court Registry at 800 Smithe Street, Vancouver, British Columbia, and YOU MUST ALSO DELIVER a copy of the filed Response, together with a copy of all material on which you intend to rely at the Final Application, if any, to counsel for the Petitioner at their address for delivery set out below by 4:00 p.m. (Pacific Standard Time) on June 27, 2018 or at a later date with leave of the Court.

The Petitioner's address for delivery is:

Taylor Veinotte Sullivan, Barristers
Suite 502 – 1168 Hamilton Street
Vancouver, BC V6B 2S2
Telephone: (604) 687-7007

Attention: Christopher Dafoe

You or your counsel may file the Response. You may obtain a form of Response at the Court Registry.

If you do not file a Response and attend either in person or by counsel at the time of such Final Application, the Court may approve the Arrangement, as presented, or may approve it subject to such terms and conditions as the Court shall deem fit, all without any further notice to you. Any person desiring further information about the steps that must be taken prior to making submissions may contact counsel for the Petitioner at the address set out above.

A copy of the Petition and other documents in the proceedings will be furnished to any securityholder of the Petitioner or other interested party requesting the same by counsel for the Petitioner.

This Requisition is supported by the following:

1. Petition dated May 24, 2018 and filed herein;
2. Affidavit No. 1 of Jeremy Poirier, made May 24, 2018; and
3. Interim Order of Master Taylor, pronounced May 28, 2018

It is anticipated that this Final Application will not be contentious and will ~~take 10 minutes~~ to be heard.

Date: May 28, 2018

Signature of Christopher Dafoe

☐ Petitioner ☒ lawyer for the Petitioner

EXHIBIT "A" – DRAFT FINAL ORDER

No. S-186019
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

BEARING LITHIUM CORP.

PETITIONER

RE: IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING BEARING LITHIUM CORP., ITS HOLDERS OF COMMON SHARES AND LIONS BAY MINING CORP., PURSUANT TO SECTIONS 288 to 299 OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA), S.B.C. 2002, c. 57, AS AMENDED

ORDER MADE AFTER APPLICATION

BEFORE	THE HONOURABLE	WEDNESDAY, the 4th day of July, 2018

ON THE APPLICATION of the Petitioner, BEARING LITHIUM CORP.

☒ coming on for hearing at 800 Smithe Street, Vancouver, British Columbia on the 4th day of July, 2018, and on hearing counsel for the Petitioner, Chris Dafoe;

AND UPON all of the terms of the Interim Order in this proceeding pronounced on May 28, 2018 having been complied with and the requisite approval of the Bearing Shareholders (as defined in the Interim Order) having being obtained at the Meeting (as defined in the Interim Order) of the Petitioner called and held in accordance with the Interim Order;

AND UPON IT APPEARING that the terms and conditions of the arrangement (the "Arrangement") as described in the plan of arrangement, a copy of which is annexed as Schedule "A" to this Order (the "Plan of Arrangement") may properly be approved by this Honourable Court.

AND UPON being advised that it is the intention of the parties to rely on Section 3(a)(10) of the *United States Securities Act of 1933*, as amended (the "Securities Act of 1933"), and that the declaration of the fairness and the approval of the Arrangement contemplated in the Plan of Arrangement by this Honourable Court will serve as a basis for a claim of exemption from the registration requirement set out in the Securities Act of 1933 for the distribution of securities of Lions Bay Mining Corp. contemplated in connection with the Arrangement.

THIS COURT DECLARES:

1. that the Arrangement be and is hereby approved as being fair and reasonable to the holders of common shares of the Petitioner; and

THIS COURT ORDERS:

1. that the Arrangement be and is hereby approved, and shall be implemented in the manner set forth in the Plan of Arrangement and be binding on the Petitioner and the Bearing Shareholders in accordance with the terms of the Plan of Arrangement;

2. that the Arrangement shall take effect as of the Effective Time (as defined in the Plan of Arrangement); and

3. that the Petitioner shall, and hereby does, have liberty to apply for such further Order or Orders as may be appropriate.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of Chris Dafoe

☐ petitioner ☒ lawyer for Petitioner, BEARING LITHIUM CORP.

By the Court

Registrar

SCHEDULE "A" – PLAN OF ARRANGEMENT

PLAN OF ARRANGEMENT BETWEEN
BEARING LITHIUM CORP. AND LIONS BAY MINING
CORP. 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) "**Depositary**" means Computershare Investor Services Inc., or such other depositary 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 Depositary 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 Depositary 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 Depositary 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 Depositary 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 Depositary 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 be 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.

No. S- 186019
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

BEARING LITHIUM CORP.

PETITIONER

RE: IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING BEARING LITHIUM CORP., ITS HOLDERS OF COMMON SHARES AND LIONS BAY MINING CORP., PURSUANT TO SECTIONS 288 to 299 OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA), S.B.C. 2002, c. 57, AS AMENDED

ORDER

TAYLOR VEINOTTE SULLIVAN
Barristers
Suite 502-1168 Hamilton Street
Vancouver, BC V6B 2S2
Attention: Chris Dafoe

AGENT: WEST COAST

Telephone: 604.687.7007

SCHEDULE "H"
DISSENT PROVISIONS OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)

DIVISION 2 OF PART 8 OF THE BCBCA

237 Definitions and application -

(1) In this Division:

"**dissenter**" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"**notice shares**" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"**payout value**" means,

(a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,

(b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,

(c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or

(d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

(a) the court orders otherwise, or

(b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

238 Right to dissent -

(1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

(a) under section 260, in respect of a resolution to alter the articles

(i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on, or

(ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91;

(b) under section 272, in respect of a resolution to adopt an amalgamation agreement;

(c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;

(d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;

(e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;

(f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;

(g) in respect of any other resolution, if dissent is authorized by the resolution;

(h) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

(a) prepare a separate notice of dissent under section 242 for

(i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,

(b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and

(c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

(a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and

(b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares

239 Waiver of right to dissent -

(1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

(a) provide to the company a separate waiver for

(i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and

(b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

(a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

(b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

240 Notice of resolution -

(1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

(a) a copy of the resolution,

(b) a statement advising of the right to send a notice of dissent, and

(c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

241 Notice of court orders -

If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

(a) a copy of the entered order, and

(b) a statement advising of the right to send a notice of dissent.

242 Notice of dissent -

(1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

(c) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,

(d) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or

(e) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

(i) the date on which the shareholder learns that the resolution was passed, and

(ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

(a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or

(b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company

(a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

(b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

(a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

(b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

(c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and

(i) the name and address of the beneficial owner, and

(ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

243 Notice of intention to proceed -

(1) A company that receives a notice of dissent under section 242 from a dissenter must,

(a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of

(i) the date on which the company forms the intention to proceed, and

(ii) the date on which the notice of dissent was received, or

(b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1) (a) or (b) of this section must

(a) be dated not earlier than the date on which the notice is sent,

(b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and

(c) advise the dissenter of the manner in which dissent is to be completed under section 244.

244 Completion of dissent -

(1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

(a) a written statement that the dissenter requires the company to purchase all of the notice shares,

(b) the certificates, if any, representing the notice shares, and

(c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1) (c) must

(a) be signed by the beneficial owner on whose behalf dissent is being exercised, and

(b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

(a) the dissenter is deemed to have sold to the company the notice shares, and

(b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

245 Payment for notice shares -

(1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

(a) promptly pay that amount to the dissenter, or

(b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

(a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,

(b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and

(c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must

(a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or

(b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),

(c) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or

(d) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

(e) the company is insolvent, or

(f) the payment would render the company insolvent.

246 Loss of right to dissent -

The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

(a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;

(b) the resolution in respect of which the notice of dissent was sent does not pass;

(c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;

(d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;

(e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;

(f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;

(g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;

(h) the notice of dissent is withdrawn with the written consent of the company;

(i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

247 Shareholders entitled to return of shares and rights -

If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

(a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,

(b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and

(c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

SCHEDULE "I"
LIONS BAY MINING CORP. FOLLOWING THE ARRANGEMENT

Capitalized words used in this Schedule "I" and not otherwise defined shall have the meaning ascribed to such terms in the Circular.

FORWARD LOOKING STATEMENTS

This Circular includes and incorporates statements that are prospective in nature that constitute forward-looking information and/or forward-looking statements within the meaning of applicable securities laws (collectively, "**forward-looking statements**"). Forward-looking statements include, but are not limited to, the completion and proposed terms of, and matters relating to, the Arrangement and the expected timing related thereto, the acquisition by Lions Bay of the North America Assets, the tax treatment of the Arrangement, the treatment of the Lions Bay Shares as qualified investments for the purposes of a Registered Plan, the expected operations, financial results and condition of Lions Bay following the Arrangement, Lions Bay's future objectives and strategies to achieve those objectives, including, the future prospects of Lions Bay as an independent company, the listing of the Lions Bay Shares on the CSE, any market created for Lions Bay's securities, the estimated cash flow, capitalization and adequacy thereof for Lions Bay following the Arrangement, the expected benefits of the Arrangement to, and resulting treatment of, shareholders of Lions Bay ("**Lions Bay Shareholders**"), the anticipated effects of the Arrangement, the estimated costs of the Arrangement, the satisfaction of the conditions to consummate the Arrangement, the expected terms of Lions Bay's funding arrangements, the adoption of any dividend policy for Lions Bay or payment of any dividends by Lions Bay, the completion and expected timing of the Lions Bay Private Placement, the expected available funds following completion of the Lions Bay Private Placement, the expected payment of finders' fee and issuance of broker warrants in connection with the Lions Bay Private Placement, the proposed transfer of cash from the Company to Lions Bay, the issuance of Lions Bay options upon completion of the Arrangement, as well as other statements with respect to management's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans" or "continue", or similar expressions suggesting future outcomes or events.

Forward-looking statements reflect management's current beliefs, expectations and assumptions and are based on information currently available to management, management's historical experience, perception of trends and current business conditions, expected future developments and other factors which management considers appropriate. With respect to the forward-looking statements included in or incorporated into this Circular, management has made certain assumptions with respect to, among other things, the anticipated approval of the Arrangement by Shareholders and the Court, the anticipated receipt of any required regulatory approvals and consents (including the final approval of the TSX-V and the CSE), the expectation that each of the Company and Lions Bay will comply with the terms and conditions of the Arrangement Agreement, the expectation that no event, change or other circumstance will occur that could give rise to the termination of the Arrangement Agreement, that the assumptions underlying the Lions Bay Carve-Out Financial Statements are reasonable, that no Court approval will be set aside or modified, the expectation that the Court will determine that the Arrangement is procedurally and substantively fair and that such determination will form the basis for an exemption from the registration requirements of the 1933 Act pursuant to Section 3(a)(10) of the 1933 Act, that no unforeseen changes in the legislative and operating framework for the respective businesses of Lions Bay and the Company will occur, the belief that separation of the South America Assets and North America Assets will enable investors to more accurately compare and evaluate each company, the belief that each company will benefit from pursuing independent growth and capital allocation strategies, that Lions Bay will have access to adequate capital to fund its future projects and plans, that the Fish Lake Project will continue to be prospective for minerals, that Lions Bay will have access to adequate capital to exercise the Option on the Fish Lake Project, that each company will meet its future objectives and priorities, that each company will have access to adequate capital to fund its future projects and plans, that each company's future projects and plans will proceed as anticipated, as well as assumptions concerning general economic and industry growth rates, commodity prices, currency exchange and interest rates and competitive intensity.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the future circumstances, outcomes or results anticipated or implied by such forward-looking -statements will occur or that plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve known and unknown risks and uncertainties and other factors that could cause actual results to differ materially from those contemplated by such statements. Factors that could cause such differences include, but are not limited to: conditions precedent or approvals required for the Arrangement not being obtained; the potential benefits of the Arrangement to Lions Bay not being realized; the risk of tax liabilities to Lions Bay or Lions Bay Shareholders as a result of the Arrangement, and general business and economic uncertainties and adverse market conditions; the potential for the combined trading prices of the New Common Shares and the Lions Bay Shares after the Arrangement being less than the trading price of Common Shares immediately prior to the Arrangement; there being no established market for the Lions Bay Shares; the costs related to the Arrangement that must be paid even if the Arrangement is not completed; obtaining approvals and consents, or satisfying other requirements, necessary or desirable to permit or facilitate completion of the Arrangement; global financial markets, general economic conditions, competitive business environments, and other factors may negatively impact Lions Bay's financial condition; future factors that may arise making it inadvisable to proceed with, or advisable to delay, all or part of the Arrangement; and the potential inability or unwillingness of current Shareholders to hold Lions Bay Shares following the Arrangement. For a further description of these and other factors that could cause actual results to differ materially from the forward-looking statements included in or incorporated into this Circular, see the risk factors discussed under the heading "*Risk Factors*", as well as the risk factors included in the Company's management's discussion and analysis for the year ended October 31, 2017 and for the interim period ended April 30, 2018 and as described from time to time in the reports and disclosure documents filed by the Company with Canadian securities regulatory authorities, which are available under the Company's profile on SEDAR at www.sedar.com. This list is not exhaustive of the factors that may impact Lions Bay's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on Lions Bay's forward-looking statements. As a result of the foregoing and other factors, there can be no assurance that actual results will be consistent with these forward-looking statements.

All forward-looking statements included in or incorporated by reference into this Schedule "I" are qualified by these cautionary statements. The forward-looking statements contained herein are made as of the date of this Circular and, except as required by applicable law, neither the Company nor Lions Bay undertakes any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Readers are cautioned that the actual results achieved will vary from the information provided herein and that such variations may be material. Consequently, there are no representations by the Company or Lions Bay that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements.

CORPORATE STRUCTURE

Lions Bay was incorporated as "Lions Bay Mining Corp." on April 25, 2018 under the BCBCA. Its head office is located at 1400 - 1111 West Georgia Street, Vancouver, British Columbia V6E 4M3 and its and registered office is located at 2600 - 1066 West Hastings Street, Vancouver, British Columbia V6E 3X1.

As of the date hereof, Lions Bay does not have any subsidiaries, and it is not expected to have any subsidiaries upon completion of the Arrangement.

DESCRIPTION OF THE BUSINESS

Lions Bay was incorporated on April 25, 2018 for the purposes of completing the Arrangement. It has no operating history.

Prior to completion of the Arrangement, Lions Bay will acquire the Company's 50% interest in the Fish Lake Project located in Nevada and the Company's interests in the HY Jay, VM and VBA properties located in the Yukon, Canada (collectively, the "**North America Assets**"). The Fish Lake Project will be considered Lions Bay's material property.

The Fish Lake Project covers 1,620 acres in the north-eastern corner of Fish Lake Valley, situated in central-western Nevada. The claims lie on tuffaceous sedimentary rocks of the Esmeralda formation which are considered to be prospective lithium, boron and potassium mineralization.

The Company acquired the Fish Lake Project in May 2017 from Octagon Holding Corp. in consideration for US$60,000 and 1,400,000 Common Shares.

On May 2, 2018, the Company entered into an amended and restated option agreement (the "**Option Agreement**") with First Division Ventures Inc. ("**First Division**") whereby First Division has the option to acquire a 50% interest in the Fish Lake Project (the "**Option**"). Prior to completion of the Arrangement, the Company will transfer its right in the Fish Lake Project and the Option Agreement to Lions Bay.

Pursuant to the Option Agreement, if First Division wishes to exercise the Option, it must make a cash payment in the initial amount of $20,000 and issue 20,000 common shares to the Company, and thereafter issue an additional 3,000,000 common shares to the Company on or before September 25, 2020. First Division must incur an aggregate of $1,500,000 in exploration expenditures on the Fish Lake Project as follows: (a) $60,000 on or before September 25, 2018; (b) $440,000 on or before September 25, 2019; and (c) $1,000,000 on or before September 25, 2020. If First Division exercises the Option, Lions Bay and First Division will form a joint venture on terms to be negotiated by the parties.

Upon completion of the Arrangement, Lions Bay intends to focus on the further exploration and development of the Fish Lake Project with First Division. Lions Bay may also pursue other mineral property acquisitions and exploration.

Prior to completion of the Arrangement, Lions Bay will have had no employees. On completion of the Arrangement, it is expected that Lions Bay will employ a CEO and CFO.

See "*Risk Factors – Risks Relating to Lions Bay's Business*" in this Schedule "I".

Fish Lake Project

The Fish Lake Project is the subject of the Fish Lake Technical Report. Set out below is a summary from the Fish Lake Technical Report.

Between the Fish Lake Project and Clayton Valley, generally 25 miles to the east, exploration since 2010 has found sites with very anomalous lithium values (>100 ppm) in Tertiary claystones where there are indications the lithium can be recovered under simple metallurgical conditions. Mapping and sampling shows very anomalous lithium occurs in correlative units on the Fish Lake Projest.

The Fish Lake Project covers an outcrop area of Tertiary age sediments on the northeastern flank of Fish Lake Valley where initial sampling found values to 600 ppm lithium in claystones. Since entering into the Option Agreement, First Division exploration expenditures to date total over $111,000 for mapping, sampling and CSAMT/MT geophysical survey traverses along an existing access road. Sampling confirmed the anomalous lithium values. The geophysical survey showed a subsurface response consistent with the exploration concept of Tertiary claystones which may host geochemically anomalous concentrations of lithium of potential economic interest.

A direct cost budget of US$140,000 is proposed to drill test that target. The budgeted program will be successful if drilling penetrates interval(s) of Tertiary claystones with a thickness and lithium content to be of potential economic interest.

Further work depends upon the results of the proposed program and would fall under a separate budget.

AVAILABLE FUNDS AND PRINCIPAL PURPOSES

Available Funds

Prior to the completion of the Arrangement, Lions Bay intends on completing the Lions Bay Private Placement. Pursuant to the Lions Bay Private Placement, Lions Bay will issue up to 25,000,000 units of Lions Bay at a price of

$0.10 per unit (each a "**Lions Bay Unit**"). Each Lions Bay Unit will be comprised of one Lions Bay Share and one half of one warrant (each a "**Lions Bay Warrant**"). Each whole Lions Bay Warrant will be exercisable into one Lions Bay Shares at an exercise price of $0.25 for a period of 12 months from the closing of the Lions Bay Private Placement. Lions Bay expects to pay finders' fees of up to 6% of the gross proceeds of the Lions Bay Private Placement and issue broker warrants up to an amount equal to 6% of the number of Lions Bay Units issued pursuant to the Lions Bay Private Placement.

Prior to completion of the Arrangement, the Company expects to transfer $5,000 cash to Lions Bay for the purposes of short term expenses of Lions Bay.

As a result of the Lions Bay Private Placement, following completion of the Arrangement, it is anticipated that Lions Bay will have available funds of $2,355,001 after the payment of expenses relating to the Lions Bay Private Placement.

Principal Purposes

The following table summarizes the expenditures anticipated by Lions Bay required to achieve its business objectives during the 12 months following completion of the Arrangement:

Principal Purpose	**Cost**
Operating expenses including legal and audit expenses	$105,000
Expenses relating to future acquisitions including acquisition costs, due diligence and legal expenses	$1,700,000
Finders' fees payable under the Lions Bay Private Placement	$300,000
Working capital	$400,000
Total	**$2,355,000**

Lions Bay intends to spend the funds available to it as stated in the table above. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for Lions Bay to achieve its objectives or to pursue other opportunities that management believes are in the interests of Lions Bay. See "*Risk Factors – Risks Relating to Lions Bay's Business*" in this Schedule "I".

PRO-FORMA CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of Lions Bay as at April 30, 2018, adjusted to give effect to the Arrangement and the Lions Bay Private Placement. You should read this table in conjunction with the Lions Bay Carve-out Financial Statements and the Lions Bay Pro-forma Financial Statements included in Schedules "J" and "K", respectively, to the Circular.

	As at April 30, 2018, as adjusted $
Due to related party……..	-
Share capital……...	2,200,001
Paid in capital ……	105,004
Retained earnings ……	-
Shareholders' Equity ……	2,455,055

SUMMARY HISTORICAL AND PRO-FORMA CONSOLIDATED FINANCIAL INFORMATION

The following summary historical carve-out financial information as at and for the six months ended April 30, 2018 and for the years ended October 31, 2017 and 2016 has been derived from the Lions Bay Carve-out Financial Statements. Those financial statements present the historical carve-out financial position and results of operations of Lions Bay as it has been proposed to be carved out under the Arrangement and as if it operated as a standalone entity for the periods presented.

The unaudited *pro-forma* statements of loss and comprehensive loss for the six months ended April, 2018 and the year ended October 31, 2017 give effect to the Arrangement as if it had occurred on November 1, 2017. The unaudited *pro-forma* statement of financial position as of April 30, 2018 give effect to the Arrangement as if it had occurred on April 30, 2018.

The summary historical carve-out and *pro-forma* financial information should be read in conjunction with the Lions Bay Carve-out Financial Statements and the Lions Bay Pro-forma Financial Statements, which are attached as Schedules "J" and "K", respectively, to the Circular.

The summary historical carve-out and *pro-forma* financial information has been prepared for illustrative purposes only and may not be indicative of the operating results or financial condition that would have been achieved if the Arrangement had been completed on the date or for the periods noted above, nor do they purport to project the results of operations or financial position for any future period or as of any future date. In addition to the *pro-forma* adjustments that comprise this *pro-forma* financial information, various other factors will have an effect on the financial condition and results of operations of Lions Bay following the completion of the Arrangement. See "*Risk Factors*".

Lions Bay Pro-Forma Financial Statements

	Pro Forma Consolidated Balance
As at	**April 30, 2018**
ASSETS	
CURRENT ASSETS	
Cash	$2,355,001
	$2,355,001
NON-CURRENT ASSETS	
Mineral property Interests	100,004
TOTAL ASSETS	$2,455,005
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable and accrued liabilities	$ -
SHAREHOLDERS' EQUITY	$2,200,001
Share capital	150,000
Reserve	105,004
Owner's investment	
TOTAL SHAREHOLDERS' EQUITY	$2,455,005
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$2,455,005

Lions Bay Carve-Out Financial Statements

As at	April 30, 2018	October 31, 2017
ASSETS		
Current Assets		
Cash	$5,000	$5,000
Non-current assets		
Exploration and evaluation assets	100,004	100,004
	$105,004	$105,000
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	-	-
	-	-
OWNER'S NET INVESTMENT		
Common Shares	$1	$1
Contributed Surplus	106,031	105,003
Deficit	(1,028)	-
Total shareholders' equity	$105,004	$105,004
Total liabilities and shareholders' equity	$105,004	$105,004

DESCRIPTION OF SHARE CAPITAL

Lions Bay is authorized to issue an unlimited number of common shares with no par value each carrying one vote per share.

DIVIDEND POLICY

Lions Bay has not paid any dividends since its incorporation. Lions Bay does not anticipate paying any dividends in the short-term. Any decision to pay dividends on the Lions Bay Shares in the future will be made by the Lions Bay Board in its discretion on the basis of earnings, financial requirements, business objectives and opportunities and such other factors and conditions as the Lions Bay Board may consider relevant at such time. See "*Risk Factors – Risks Relating to Lions Bay's Business*" in this Schedule "I".

EQUITY PLAN DESCRIPTIONS

Stock Option Plan

As of the date of the Circular, there are no Lions Bay Options outstanding. It is expected that 350,000 Lions Bay Options, each exercisable into one Lions Bay Share at an exercise price of $0.10 for a period of five years will be issued to the officers and directors of Lions Bay upon completion of the Arrangement.

The Lions Bay Board, with the approval of the Company as Lions Bay's sole shareholder, has adopted the Lions Bay Option Plan. The Lions Bay Option Plan will be the only equity compensation plan of Lions Bay upon completion of the Arrangement.

The Lions Bay Option Plan is a "rolling plan," under which the total number of Lions Bay Shares issuable from time to time may not exceed 10% of the total number of issued and outstanding Lions Bay Shares from time to time.

Terms of Stock Option Plan

Under the Plan, options totaling a maximum of 10% of the Lions Bay Shares outstanding from time to time are available for grant.

As Lions Bay intends to be listed on the CSE, pursuant to CSE policies covering option grants, namely CSE Policy 6.5, Lions Bay must:

(a) not grant options with an exercise price lower than the greater of the closing market prices of the underlying securities on (i) the trading day prior to the date of grant of the options; and (ii) the date of grant of the options;

(b) comply with the provisions of National Instrument 45-106 – *Prospectus Exempt Distributions* ("**NI 45- 106**"), under which Lions Bay will be deemed to be an "unlisted issuer" for the purposes of Division 4 of NI 45-106;

(c) post notice of option grants or amendments in CSE Form 11 immediately following each grant of options by Lions Bay;

(d) upon first grant of options under the Lions Bay Option Plan, Lions Bay must provide the CSE with an opinion of counsel that all the securities issuable under the option plan will be duly issued and be outstanding as fully paid and non-assessable shares; and

(e) terms of an option granted under the plan may not be amended once issued. If an option is cancelled prior to its expiry date, the company must post notice of the cancellation and shall not grant new options to the same person until 30 days have elapsed from cancellation of the previous options.

The following is a summary of the material terms of the Lions Bay Option Plan.

1. To be eligible to receive a grant of options under the Lions Bay Option Plan an optionee must be an executive, or an employee, or a consultant of Lions Bay providing services to Lions Bay or a subsidiary at the time the option is granted.

2. The Lions Bay Option Plan is subject to the following restrictions:

   (a) The maximum number of Lions Bay Options granted to any one optionee within any 12 month period shall bet 5% of the outstanding Lions Bay Shares issued, unless the company has obtained disinterested shareholder approval if required under regulations, to do so;

   (b) The maximum number of Lions Bay Options with may be granted to any one consultant within any 12 month period must not exceed 2% of the issued Lions Bay Shares;

   (c) The maximum number of Lions Bay Options that may be granted within any 12 month period to employees or consultants engaged in investor relations activities must not exceed 2% of the issued Lions Bay Shares, and such Lions Bay Options must vest in stages over 12 months with no more than 25% of the Lions Bay Options vesting in any three month period, and such limitation will not be an amendment to the Lions Bay Option Plan requiring the optionees' consent.

3. Administration and Terms of the Lions Bay Option Plan:

   (a) The Lions Bay Option Plan is administered by the Lions Bay Board or its appointed committee.

   (b) Grant and expiry dates, the exercise price, the vesting schedule and the number of Lions Bay Shares which may be purchased pursuant to a Lions Bay Option shall be fixed by the Lions Bay Board or its committee appointed to grant options.

(c) Lions Bay may implement such procedures and conditions as the Lions Bay Board or its committee deems appropriate with respect to withholding and remitting taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law.

(d) All Lions Bay Options granted under the Lions Bay Option Plan expire on a date not later than 10 years after the issuance of such options. However, should the expiry date for a Lions Bay Option fall within a trading Blackout (as defined in the Lions Bay Option Plan, generally meaning circumstances where sensitive negotiations or other like information is not yet public), Lions Bay Options may not be exercised during a Blackout unless the Lions Bay Board or its appointed committee determines otherwise.

(e) A Lions Bay Option granted to any optionee will continue intact during any military or sick leave or other bona fide leave of absence if the period of such leave does not exceed 90 days (or, if longer, for so long as the optionee's right to re-employment or re-engagement by Lions Bay is guaranteed either by statute or by contract.) If the period of such leave exceeds 90 days and the optionee's re-employment or re-engagement is not so guaranteed, then his or her employment or engagement shall be deemed to have terminated on the 91st day of such leave.

(f) A Lions Bay Option may be exercised only by the optionee or the personal representative of any optionee, who may exercise a Lions Bay Option in whole or in part at any time and from time to time following vesting and up to the expiry of the Lions Bay Option by delivering the required notice and payment pursuant to the terms of the Lions Bay Option Plan. Lions Bay Options may not be exercised during a Blackout unless the Lions Bay Board or its appointed committee determines otherwise.

(g) The Lions Bay Board reserves the right, subject to regulatory requirements, in its absolute discretion to amend, suspend, terminate or discontinue the Lions Bay Option Plan with respect to all Lions Bay Option Plan shares in respect of Lions Bay Options which have not yet been granted under the Lions Bay Option Plan. Where any amendment relates to an existing Lions Bay Option, if the amendment would:

(i) materially decrease the rights or benefits accruing to an optionee; or

(ii) materially increase the obligations of an optionee;

then, unless otherwise excepted out by the Lions Bay Option Plan, the committee must also obtain the written consent of the optionee in question to such amendment. If at the time the exercise price of an Lions Bay Option is reduced the optionee is an insider of Lions Bay, the insider must not exercise the Lions Bay Option at the reduced exercise price until the reduction in exercise price has been approved by the disinterested shareholders of Lions Bay, if such disinterested shareholder approval is required by the CSE.

(h) A copy of any amendment to the Lions Bay Option Plan shall be promptly provided by the administrator to each optionee.

A copy of the Lions Bay Option Plan is attached as Schedule "M" to the Circular and will be available under Lions Bay's SEDAR profile at www.sedar.com upon completion of the Arrangement.

Options To Purchase Securities

Other than the Lions Bay Warrants, and the Lions Bay Options issued in connection with the Arrangement, there will be no options, share units, warrants or rights granted by Lions Bay under its equity compensation plans upon completion of and pursuant to the Arrangement.

PRIOR SALES

Lions Bay issued one Lions Bay Share to the Company on April 25, 2018. Pursuant to the terms of the asset purchase agreement between the Company and Lions Bay, Lions Bay has agreed to issue 5,510,000 Lions Bay Shares to the Company in consideration for the North America Assets.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFERS

To the knowledge of Lions Bay, as of the date of the Circular, no securities of any class of securities of Lions Bay are held in escrow or subject to contractual restrictions on transfer or are anticipated to be held in escrow or subject to contractual restrictions on transfer following the completion of the Arrangement.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Lions Bay is authorized to issue an unlimited number of Lions Bay Shares. As at the date of this Circular, there was one Lions Bay Share outstanding. Upon completion of the transfer of the North America Assets to Lions Bay, there will be 5,510,001 Lions Bay Shares issued and outstanding. There are no other shares issued or outstanding of any other class.

To the knowledge of the directors and executive officers of the Company, no person, firm or company, will upon completion of the Arrangement and the Lions Bay Private Placement, beneficially own, directly or indirectly, or exercise control or direction over, voting securities carrying more than 10% of the voting rights attached to any class of voting securities of Lions Bay.

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets out the names, province or state and country of residence of the proposed directors of Lions Bay, the offices they will hold within Lions Bay, their principal occupations, business or employment within the five preceding years, the date of their appointment as director, and the number of Lions Bay Shares which each will beneficially owns, directly or indirectly, or over which control or direction is exercised, as at completion of the Arrangement:

Name, province or state and country of residence and positions, current and former, if any, held in the Company	**Principal occupation for last five years**	**Date Appointed**	**Number of common shares beneficially owned, directly or indirectly, or controlled or directed at present[(1)]**
Jeremy Poirier[(2)] British Columbia, Canada *President, Chief Executive Officer and Director*	President, Chief Executive Officer, and Director, Bearing Lithium Corp., August 2016 to present; President, Nico Consulting, 2004 to present; Director, Alexandra Capital Corp., August 2017 to present.	April 25, 2018	5,855

Name, province or state and country of residence and positions, current and former, if any, held in the Company	Principal occupation for last five years	Date Appointed	Number of common shares beneficially owned, directly or indirectly, or controlled or directed at present[(1)]
Patrick Cussen[(2)] Santiago, Chile *Director*	President, Celta Consultoras Limited, 1991 to present.	Expected in connection with closing of the Arrangement	27,434
William Timothy Heenan[(2)] Mendosa, Argentina *Director*	Exploration Manager, Mirasol Argentina, SRL, 2003 to present.	Expected in connection with closing of the Arrangement	Nil

Notes:

(1) Upon completion of the Arrangement, based on such individual's current ownership of Common Shares.

(2) Proposed member of the Audit Committee.

By approving the Arrangement Resolution, Shareholders will be deemed to have approved the proposed directors of Lions Bay. The directors of Lions Bay will thereafter be elected by the Lions Bay Shareholders at each annual meeting of shareholders, and will hold office until the next annual meeting of Lions Bay, or until his or her success is duly elected or appointed, unless: (i) his or her office is earlier vacated in accordance with the Articles of Lions Bay; or (ii) he or she becomes disqualified to act as a director.

See "*Election of Directors - Information Regarding Management's Nominees for Election to the Board*" for biographies of the proposed directors of Lions Bay.

Corporate Cease Trade Orders, Bankruptcies, Penalties and Sanctions

No director or proposed director of Lions Bay is, or within the ten years prior to the date of the Circular has been, a director or executive officer of any company, including Lions Bay, that while that person was acting in that capacity:

(a) was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days; or

(b) was subject to an event that resulted, after the director ceased to be a director or executive officer of the company being the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

(c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Individual Bankruptcies

No director or proposed director of Lions Bay has, within the ten years prior to the date of the Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or

instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

DIRECTOR AND EXECUTIVE OFFICER COMPENSATION

To date, Lions Bay has not carried on any active business other than entering into the asset purchase agreement. No compensation has been paid to date by Lions Bay to its proposed executive officers.

Following completion of the Arrangement, it is anticipated that Lions Bay will adopt a compensation structure for its executive officers that is appropriate for its size and the nature of its operations, while also providing an incentive for growth.

Lions Bay has not established an annual retainer fee or meeting attendance fee for directors. However, Lions Bay expects to establish directors' fees in the future and expects to reimburse directors for reasonable expenses incurred in the course of the performance of their duties as directors.

CORPORATE GOVERNANCE PRACTICES

Board of Directors

The Lions Bay Board will have responsibility for the stewardship of Lions Bay including responsibility for strategic planning, identification of the principal risks of Lions Bay's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of Lions Bay's internal control and management information systems.

The Lions Bay Board will set long term goals and objectives for Lions Bay and will formulate the plans and strategies necessary to achieve those objectives and to supervise senior management in their implementation. The Lions Bay Board may delegate the responsibility for managing the day-to-day affairs of Lions Bay to senior management but will retain a supervisory role in respect of, and ultimate responsibility for, all matters relating to the Lions Bay and its business. The Lions Bay Board is responsible for protecting Lions Bay Shareholders' interests and ensuring that the incentives of the Lions Bay Shareholders and of management are aligned.

The Lions Bay Board is currently comprised of one director being Jeremy Poirier. By approving the Arrangement Resolution, Shareholders will be deemed to have appointed William Timothy Heenan and Patrick Cussen as directors of Lions Bay. Except for Jeremy Poirier, the Lions Bay Board considers all of the current and proposed directors to be "independent" in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the director's ability to act with the best interests of Lions Bay, other than interests and relationships arising from shareholding. Mr. Poirier is not considered to be independent, due to his role as the President and CEO of Lions Bay.

Directorships

Certain of the proposed directors are presently a director of one or more other reporting issuers, as follows:

Director	Other Issuer
Jeremy Poirier	Alexandra Capital Corp. Bearing Lithium Corp.
William Timothy Heenan	Mirasol Resources Ltd. Bearing Lithium Corp.

Orientation and Continuing Education

Lions Bay has not yet developed an official orientation or training program for new directors. As required, new directors will have the opportunity to become familiar with Lions Bay by meeting with the other directors, officers and employees and by reviewing Lions Bay's corporate records and corporate governance policies. Orientation activities will be tailored to the particular needs and experience of each director and the overall needs of the Lions Bay Board. The Lions Bay Board will continue to look at outside sources to strengthen their skills. Lions Bay Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars.

Ethical Business Conduct

The Lions Bay Board will adopt a Code of Business Ethics and Conduct (the "**Lions Bay Code**") applicable to all of its directors, officers and employees, including the CEO, the CFO and other persons performing financial reporting functions. The Lions Bay Code will be used to communicate to directors, officers and employees standards for business conduct in the use of Lions Bay's resources and assets, and to identify and clarify proper conduct in areas of potential conflict of interest. The Lions Bay Code will be designed to deter wrongdoing and promote (a) honest and ethical conduct; (b) compliance with laws, rules and regulations; (c) prompt internal reporting of Lions Bay Code violations; and (d) accountability for adherence to the Lions Bay Code. Violations from standards established in the Lions Bay Code, and specifically under "Whistleblower" situations, will be reported to the chairperson of the Lions Bay Audit Committee and will be able to be reported anonymously.

The Lions Bay Board must also comply with the conflict of interest provisions of the BCBCA, as well as the relevant securities regulatory instruments, to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

Other Board Committees

In addition to the Lions Bay Audit Committee, described in the next section, the Lions Bay Board will establish a Compensation Committee.

Each of the proposed committees of the Lions Bay Board will be composed entirely of independent directors. The Compensation Committee will be responsible for the review of all compensation (including Lions Bay Options) paid by Lions Bay to the Lions Bay Board, senior management and employees of Lions Bay and any subsidiaries, to report to the Lions Bay Board on the results of those reviews and to make recommendations to the Lions Bay Board for adjustments to such compensation. William Timothy Heenan and Patrick Cussen are the proposed members of the compensation committee.

Assessments

The Lions Bay Board has not, as yet, adopted any formal procedures for regularly assessing the effectiveness of the Lions Bay Board, its committees or individual directors with respect to their effectiveness and contributions. Nevertheless, their effectiveness is subjectively measured on an ongoing basis by each director based on their assessment of the performance of the Lions Bay Board, its committees or the individual directors compared to their expectation of performance. In doing so, the contributions of an individual director are informally monitored by the other Lions Bay Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Lions Bay Board.

LIONS BAY AUDIT COMMITTEE

Overview

The audit committee of the Lions Bay Board (the "**Lions Bay Audit Committee**") will be principally responsible for:

(a) recommending to the Lions Bay Board the external auditor to be nominated for election by the Lions Bay shareholders at each annual general meeting and negotiating the compensation of such external auditor;

(b) overseeing the work of the external auditor;

(c) reviewing Lions Bay's annual and interim financial statements, management discussion and analysis and press releases regarding earnings before they are reviewed and approved by the Lions Bay Board and publicly disseminated by Lions Bay; and

(d) reviewing Lions Bay's financial reporting procedures and internal controls to ensure adequate procedures are in place for Lions Bay's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph.

Audit Committee Charter

The Lions Bay Board has adopted a charter (the "**Lions Bay Charter**") for the Lions Bay Audit Committee which sets out the committee's mandate, organization, powers and responsibilities. The complete Lions Bay Charter is attached as Schedule "L" to the Circular.

Composition of the Audit Committee

The Lions Bay Audit Committee will be comprised of Jeremy Poirier, William Timothy Heenan and Patrick Cussen. A majority of the members of the Lions Bay Audit Committee will be independent directors in accordance with the requirements of NI 52-110.

The following table sets out the names of the members of the Audit Committee and whether they are "independent" and "financially literate".

Name of Proposed Member	Independent[(1)]	Financially Literate[(2)]
Jeremy Poirier	No	Yes
William Timothy Heenan	Yes	Yes
Patrick Cussen	Yes	Yes

Notes:

(1) To be considered to be independent, a member of the Lions Bay Audit Committee must not have any direct or indirect "material relationship" with Lions Bay. A material relationship is a relationship which could, in the view of the Lions Bay Board, reasonably interfere with the exercise of a member's independent judgment.

(2) To be considered financially literate, a member of the Lions Bay Audit Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Lions Bay's financial statements.

Relevant Education and Experience

All proposed members of the Lions Bay Audit Committee are experienced business people with a background and experience in financial matters; each has a broad understanding of the accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavor. In addition, each member of the Lions Bay Audit Committee has knowledge of the role of an audit committee in the realm of reporting companies. Following are the biographies of members of the Lions Bay Audit Committees:

Jeremy Poirier - Mr. Poirier serves as President of Nico Consulting, a management and consulting services company. He has served as a member on a number of boards and has held officer positions at several public and private companies including serving on the audit committee of Pure Energy Minerals Limited. Mr. Poirier also is the President and Chief Executive Officer of the Company and will be the President and Chief Executive Officer of Lions Bay.

William Timothy Heenan - Mr. Heenan has strong corporate governance experience with over 13 years of board experience and a number of years serving on board committees including audit committees. Mr. Heenan is an experienced senior manager who is financially literate and has extensive experience working in regulated environments.

Patrick Cussen - Mr. Cussen has over 40 year business experience and has held a number of director positions. He has strong board governance experience and has served on various board committees and audit committees over his career in the USA, Chile and Canada. Mr. Cussen holds a Masters of Economics and is financially literate.

Complaints

The Lions Bay Audit Committee will establish a "Whistleblower Policy" which will outline procedures for the confidential, anonymous submission by employees regarding Lions Bay's accounting, auditing and financial reporting obligations, without fear of retaliation of any kind. If an applicable individual has any concerns about accounting, audit, internal controls or financial reporting matters which they consider to be questionable, incorrect, misleading or fraudulent, the applicable individual is urged to come forward with any such information, complaints or concerns, without regard to the position of the person or persons responsible for the subject matter of the relevant complaint or concern.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is or is proposed to be a director or executive officer or employee of the Lions Bay, a proposed nominee for election as a director of Lions Bay or an associate of any such director, officer or proposed nominee is indebted to Lions Bay and no indebtedness of any such individual to another entity is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Lions Bay.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets out those securities of Lions Bay which will be authorized for issuance under equity compensation plans upon completion of the Arrangement:

Plan Category	Number of shares issuable upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of shares remaining available for issuance under equity compensation plans
Equity compensation plans **approved** by shareholders	N/A	$0.10	350,000
Equity compensation plans **not approved** by shareholders	Nil	N/A	N/A
Total	Nil	Nil	2,701,000[(1)]

Notes:
(1) Assuming the Lions Bay Private Placement is fully subscribed.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in the Circular, none of the persons who were directors or executive officers of Lions Bay or a subsidiary, at any time during Lion Bay's last completed financial year, the proposed nominees for election to the Lions Bay Board, any person or corporation who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding Lions Bay Shares, nor the associates or affiliates of those persons, has any material interest, direct or indirect, by way of beneficial ownership

of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect Lions Bay.

STOCK EXCHANGE LISTING

There is no current trading market for the Lions Bay Shares. Lions Bay intends to apply have the Lions Bay Shares distributed pursuant to the Arrangement listed on the CSE. Listing of the Lions Bay Shares on the CSE will be subject to Lions Bay satisfying all of the applicable initial listing requirements of the CSE. See "*Risk Factors – Risks Relating to Lions Bay's Business*" in this Schedule "I".

RISK FACTORS

Below are certain risk factors relating to Lions Bay that Shareholders should carefully consider in connection with and following the Arrangement. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information that appears elsewhere in the Circular. Additional risk factors relating to the Company and the Shareholders in connection with the Arrangement are set out in the Circular under the heading entitled "*Risk Factors*" and under the heading "*Risk Factors*" in Schedule "N".

Risks Relating to Lions Bay in Connection with the Arrangement

Following the Arrangement, Lions Bay may be unable to make the changes necessary to operate as an independent entity and may incur greater costs

Following the Arrangement, the separation of Lions Bay from the other business of the Company may materially affect Lions Bay. Lions Bay may not be able to implement successfully the changes necessary to operate independently. Lions Bay may incur additional costs relating to operating independently that could materially affect its cash flows and results of operations. Lions Bay will require the Company to provide Lions Bay with certain services and facilities on a transitional basis. Lions Bay may, as a result, be dependent on such services and facilities until it is able to provide or obtain its own.

There does not exist a separate operating history of Lions Bay as a stand-alone entity

Upon the Arrangement becoming effective, Lions Bay will become an independent public company. The operating history of the Company cannot be regarded as the operating history of Lions Bay. The ability of Lions Bay to raise capital, satisfy its obligations and provide a return to its shareholders will be dependent on future performance. It will not be able to rely on the capital resources and cash flows of the Company.

Lions Bay's Carve-out Financial statements may not reflect what its financial position, results of operations or cash flows would have been had Lions Bay operated as a stand-alone company or what Lions Bay's financial position, results of operations or cash flows will be in the future

Lions Bay's Carve-out Financial Statements included in Schedule "J" to the Circular have been prepared on a "carve-out" basis derived from the consolidated financial statements of the Company as if Lions Bay had been operating as a stand-alone company for the periods presented. Lions Bay believes management has made reasonable assumptions underlying Lions Bay's Carve-out Financial Statements, including reasonable allocations of corporate expenses from the Company, such as expenses related to employee benefits, finance, human resources, legal, information technology and executive management. However, because Lions Bay's Carve-out Financial Statements are based on certain assumptions and include allocations of corporate expenses from the Company, Lions Bay's Carve-out Financial Statements may not reflect what Lions Bay's financial position, results of operations or cash flows would have been had Lions Bay operated as a stand-alone company during the historical periods presented or what Lions Bay's financial position, results of operations or cash flows will be in the future.

Lions Bay has no history of operations, earnings or dividends

Lions Bay has not yet commenced operations and therefore has no history of earnings or of a return on investment, and there is no assurance that certain of its royalty or streaming interests or other assets will generate

earnings, operate profitably or provide a return on investment in the future. The likelihood of success of Lions Bay must also be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. Lions Bay's proposed business strategies described in the Circular incorporate its management's best analysis of potential markets, opportunities and difficulties that it may face. No assurance can be given that the underlying assumptions will be achieved.

Lions Bay has never paid a dividend and, while it currently intends to seek to pay dividends in the future, has no current plans to pay dividends. The future dividend policy of Lions Bay will be determined by the Lions Bay Board.

Market Price and Listing of Lions Bay Shares

Lions Bay has applied to have the Lions Bay Shares listed and posted for trading on the CSE. The listing of the Lions Bay Shares will be subject to the satisfaction of all of the CSE's initial listing requirements. If Lions Bay receives final approval for listing the Lions Bay Shares on the CSE, there is no assurance that it will maintain such listing on the CSE or a listing on any other exchange or quotation service. There can be no assurance that an active trading market will develop or be sustained for the Lions Bay Shares. Shareholders may not be able to resell the Lions Bay Shares received pursuant to the Arrangement, which may affect the pricing of the Lions Bay Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the Lions Bay Shares. If an active or liquid market for the Lions Bay Shares fails to develop or be sustained, the price at which the Lions Bay Shares trade may be adversely affected.

An investment in Lions Bay's securities is highly speculative, due to the high-risk nature of its business, lack of diversification and the present stage of its development. Shareholders of Lions Bay may lose their entire investment.

Risks Relating to Lions Bay's Business

Financing Risks

Lions Bay expects to be substantially dependent upon the equity and debt capital markets or alternative sources of funding to pursue additional investments, including royalty or streaming agreements. There can be no assurance that such financing will be available to Lions Bay on acceptable terms or at all.

Additional equity or debt financings may significantly dilute shareholders, increase Lions Bay's leverage or require Lions Bay to grant security over its assets. If Lions Bay is unable to obtain such financing, it may not be able to expand its portfolio of royalty or streaming assets and may not be able to execute on its business strategy. If Lions Bay is unable to obtain financing for additional investments, it may determine to allocate income, if any, from other investments to finance additional investments.

Some of Lions Bay's Directors and Officers may have Conflicts of Interest as a Result of Their Involvement with Other Natural Resource Companies

Some of the individuals who are or will be Lions Bay's officers and directors are directors or officers of other natural resource or mining-related companies, including the Company, and these associations may give rise to conflicts of interest from time to time. As a result of these conflicts of interest, Lions Bay may miss the opportunity to participate in certain transactions, which may have a material adverse effect on Lions Bay's financial position.

Lions Bay may Experience Difficulty Attracting and Retaining Qualified Management to Grow its Business

Lions Bay will be dependent on the services of key executives and other highly skilled personnel focused on advancing its corporate objectives, as well as the identification of new opportunities for growth and funding. Due to Lions Bay's relatively small size, the loss of these individuals or its inability to attract and retain additional highly skilled employees required for its activities may have a material adverse effect on Lions Bay's business and financial condition.

Lions Bay does not currently employ any technical or mining experts. In evaluating future investments, it currently expects to use the services of Sonoran Resources LLC to provide technical and mining expertise and will

incur costs from time to time as a result. Lions Bay may incur costs for such services without ultimately entering into any investment or any such investment, if entered into, ultimately being profitable.

Fluctuations in the Market Value of Lions Bay Shares

If the Lions Bay Shares are publicly traded, the market price of the Lions Bay Shares may be affected by many variables not directly related to the corporate performance of Lions Bay, including the market in which it is traded, the strength of the economy generally, the availability and attractiveness of alternative investments and the breadth of the public market for its shares. The effect of these and other factors on the market price of the Lions Bay Shares in the future cannot be predicted. The lack of an active public market could have a material adverse effect on the price of the Lions Bay Shares.

Global Financial Conditions may be Volatile

Market events and conditions, including the disruptions in the international credit markets and other financial systems, in China, Japan and Europe, along with political instability in the Middle East and Russia and falling currency prices expressed in United States dollars have resulted in commodity prices remaining volatile. These conditions have also caused a loss of confidence in global credit markets, excluding the United States, resulting in the collapse of, and government intervention in, major banks, financial institutions and insurers and creating a climate of greater volatility, tighter regulations, less liquidity, widening credit spreads, less price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks and investment banks, insurers and other financial institutions caused the broader credit markets to be volatile and interest rates to remain at historical lows. These events are illustrative of the effect that events beyond Lions Bay's control may have on commodity prices, demand for metals, including gold and silver, availability of credit, investor confidence, and general financial market liquidity, all of which may adversely affect Lions Bay's business. Global financial conditions have always been subject to volatility. Access to public financing has been negatively impacted by sovereign debt concerns in Europe and emerging markets, as well as concerns over global growth rates and conditions. These and other factors may impact the ability of Lions Bay to obtain equity or debt financing in the future and, if obtained, the favourability of the terms of such financing to Lions Bay. Increased levels of volatility and market turmoil can adversely impact Lions Bay's operations and the price of the Lions Bay Shares.

Lions Bay will be Reliant on Third Party Reporting

Lions Bay relies, and will rely, on public disclosure and other information regarding the properties in which it has an interest that it receives from the owners, operators and independent experts of such operations, and certain of such information is included in the Circular. Such information is necessarily imprecise because it depends upon the judgment of the individuals who operate the properties, as well as those who review and assess the geological and engineering information. In addition, Lions Bay must rely on the accuracy and timeliness of the public disclosure and other information it receives from the owners and operators of the properties, and uses such information in its analyses, forecasts and assessments relating to its own business and to prepare its disclosure with respect to its streams and royalties. If the information provided by such third parties to Lions Bay contains material inaccuracies or omissions, Lions Bay's disclosure may be inaccurate and its ability to accurately forecast or achieve its stated objectives may be materially impaired, which may have a material adverse effect on Lions Bay.

Additional Financings may Result in Dilution

Lions Bay may require additional funds to further its activities and objectives. To obtain such funds, Lions Bay may issue additional securities, including Lions Bay Shares or securities convertible into or exchangeable for Lions Bay Shares. As a result, Lions Bay's shareholders could be substantially diluted. In addition, there can be no assurance that Lions Bay will be able to obtain sufficient financing in the future on terms favourable to Lions Bay or at all.

Government Regulation in Foreign Jurisdictions

Lions Bay's mineral exploration and mining activities, and the activities undertaken by companies from which the Lions Bay may acquire a royalty or streaming interest, may be affected in varying degrees by government regulations relating to the mining industry and foreign investors therein. There is no assurance that the investment climate of the United States, where the Lions Bay's mineral property interests are located, will continue to be favourable. Any changes in regulations or shifts in legislative conditions are beyond the control of Lions Bay and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income or other taxes, expropriation of property, environmental legislation and mine safety.

PROMOTER

Under applicable Canadian securities laws, the Company may be considered a promoter of Lions Bay in that it took the initiative in founding Lions Bay for the purpose of implementing the Arrangement.

As of the Effective Date, the Company will beneficially own, control or direct, directly or indirectly, 2,000,000 Lions Bay Shares representing 6.6% of the issued and outstanding Lions Bay Shares, assuming the Lions Bay Private Placement is fully subscribed.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings to which the Company or Lions Bay is a party to, or in respect of which any of its assets are the subject of, which is or will be material to Lions Bay, and Lions Bay is not aware of any such legal proceedings that are contemplated.

Since incorporation, there have not been any penalties or sanctions imposed against Lions Bay by a court relating to provincial or territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against Lions Bay, and Lions Bay has not entered into any settlement agreements before a court relating to provincial or territorial securities legislation or with a securities regulatory authority.

INTERESTS OF CERTAIN PERSONS IN MATERIAL TRANSACTIONS

Except as set elsewhere in this Circular, none of the proposed directors or executive officers of Lions Bay, or any person that is expected to beneficially own or control or direct more than 10% of any class or series of shares of Lions Bay, or any associate or affiliate of any of the foregoing persons, has or has had any material interest in any past transaction within the three years before the date of this Circular, or any proposed transaction, that has materially affected or would materially affect Lions Bay or any of its subsidiaries.

Certain directors and officers of Lions Bay are also the directors and officers of the Company.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants are Lions Bay's auditors and are located at 1140 West Pender Street, Unit 1500, Vancouver, B.C. V6E 4G1.

The transfer agent and registrar of the Lions Bay Shares is expected to be Computershare Investor Services Inc. at its offices in Vancouver, British Columbia, Canada.

MATERIAL CONTRACTS

Following the completion of the Arrangement, the Option Agreement will be the only material contract of Lions Bay, other than contracts entered into in the ordinary course of business.

A copy of the Option Agreement will be available following the completion of the Arrangement under Lions Bay's profile on SEDAR at www.sedar.com.

EXPERTS

Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants, the auditors of Lions Bay, prepared an auditors' report to the sole shareholder of Lions Bay on the Lions Bay Annual Carve-out Financial Statements for the years ended October 31, 2017 and 2016. Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants has advised Lions Bay that it is independent with respect to Lions Bay within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

William Feyerabend, Geologist, prepared the Fish Lake Technical Report which is referred to in this Circular. Mr. Feyerbend is a qualified person as defined by NI 43-101 and is independent of the Company.

FINANCIAL STATEMENT DISCLOSURE

See Schedule "J" to the Circular for the Lions Bay Carve-out Financial Statements.

See Schedule "K" to the Circular for the Lions Bay Pro-forma Financial Statements.

SCHEDULE "J"
LIONS BAY CARVE-OUT FINANCIAL STATEMENTS

(see attached)

Lions Bay Mining Corp.

Carve-Out Financial Statements

For the Six Months Ended April 30, 2018

(Unaudited - Expressed in Canadian dollars)

Lions Bay Mining Corp.
Carve-Out Statement of Financial Position
(Expressed in Canadian dollars)

As at	Note	April 30, 2018 $	October 31, 2017 $
ASSETS			
Current assets			
Cash		5,000	5,000
		5,000	5,000
Non-current assets			
Exploration and evaluation assets	5	100,004	100,004
		105,004	105,004
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		-	-
		-	-
OWNER'S NET INVESTMENT			
Common shares	7	1	1
Contributed surplus	7	106,031	105,003
Deficit		(1,028)	-
Total shareholders' equity		105,004	105,004
Total liabilities and shareholders' equity		105,004	105,004

The accompanying notes are an integral part of these carve-out financial statements.

These carve-out financial statements were approved for issuance by the Board of Directors on May 24, 2018 and signed on its behalf by:

/s/ Patrick Cussen
Director

/s/ Jeremy Poirier
Director

Lions Bay Mining Corp.
Carve-Out Statement of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian dollars)

	Three Months Ended April 30, 2018 $	Three Months Ended April 30, 2017 $	Six Months Ended April 30, 2018 $	Six Months Ended April 30, 2017 $
Operating expenses				
Resource Expenditures	1,028	-	1,028	-
Comprehensive loss for the period	1,028	-	1,028	-

The accompanying notes are an integral part of these carve-out financial statements.

Lions Bay Mining Corp.
Carve-Out Statement of Shareholders' Equity
For the six months ended April 30, 2018 and 2017
(Unaudited - Expressed in Canadian dollars)

	Shareholders' equity
	$
Balance, October 31, 2016 and April 30, 2017	1,729,698
Net loss for the period	(1,624,694)
Balance, October 31, 2017	105,004
Net contributions from owners	1,028
Net loss for the period	(1,028)
Balance, April 30, 2018	105,004

The accompanying notes are an integral part of these carve-out financial statements.

Lions Bay Mining Corp.
Carve-Out Statements of Cash Flow
For the six months ended April 30, 2018 and 2017
(Unaudited - Expressed in Canadian dollars)

	2018 $	2017 $
OPERATING ACTIVITIES		
Net loss for the period	(1,028)	-
Cash used in operating activities	(1,028)	-
FINANCING ACTIVITIES		
Contributions by owners	1,028	-
Cash provided by financing activities	1,028	-
Increase (decrease) in cash	-	-
Cash, beginning of the period	5,000	5,000
Cash, end of the period	5,000	5,000

The accompanying notes are an integral part of these carve-out financial statements.

1. ARRANGEMENT AGREEMENT

The Board of Directors of Bearing Lithium Corp. ("Bearing") has unanimously approved a statutory arrangement (the "Arrangement") where it proposes to distribute the shares of the Company to the shareholders of Bearing on the basis of 0.047198 of the Company's shares for each common share of Bearing they own.

Prior to the distribution, Bearing will transfer to the Company its 50% interest in 81 lode claims (the "Fish Lake Project") located in Fish Lake Valley, central-western Nevada as well as the Company's interest in four additional mineral properties located in the Yukon, Canada.

The purpose of the Arrangement and the related transactions is to reorganize Bearing into two separate publicly-traded companies: (a) Bearing, which will be an exploration company focused on South America holding the South America Assets; and (b) Lions Bay Mining Corp ("Lions Bay" or the "Company"), which will be an exploration company focused on North America holding the North America Assets which include the Company's current interest in the Fish Lake Project. The Arrangement will result in participating Shareholders of Bearing holding, immediately following completion of the Arrangement, 50% of the outstanding New Common Shares in proportion to their holdings of Common Shares of the Company and Bearing holding the remaining 50%.

2. NATURE OF OPERATIONS

Business Description

Lions Bay Mining Corp. is a wholly-owned subsidiary of Bearing Lithium Corp. and was incorporated on April 25, 2018, pursuant to the provisions of the BCBCA. Since incorporation, it has carried on no business. The registered and records office is located at Suite 2600, 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1.

3. BASIS OF PREPARATION

Statement of compliance

These carve-out financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The opening balance sheet of Lions Bay Mining Corp., as at November 1, 2016, would be derived without adjustment from the annual consolidated financial statements of Bearing Lithium Corp. for the year ended October 31, 2017 and October 31, 2016.

Basis of measurement

All references to dollar amounts in these financial statements and related notes are in Canadian dollars, unless otherwise indicated. These financial statements have been prepared on a historical cost basis.

Critical accounting judgments, estimates and assumptions

The preparation of these carve-out financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the carve-out financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These carve-out financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the carve-out financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3. BASIS OF PREPARATION (CONTINUED)

Critical accounting judgments, estimates and assumptions (continued)

Significant Judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the carve-out financial statements:

i. Management is required to assess the functional currency of the Company. In concluding that the Canadian dollar is the functional currency of the Company, management considered the currency that mainly influences the operating expenditures in the jurisdiction in which the Company operates.

ii. Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfer and title may be affected by undetected defects.

Estimation Uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the current and next fiscal financial years:

i. Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted

   Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

   The Company has not recorded any deferred tax assets.

4. SIGNIFICANT ACCOUNTING POLICIES

Foreign currency translation

The functional currency of the Company is the currency of the primary economic environment in which it operates. The carve-out financial statements are presented in Canadian dollars, which is also the Company's functional currency. Transactions in other than an entity's functional currency are recorded at exchange rates prevailing on the dates of the transactions.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Expenditures relating to exploration activities are expensed as incurred and expenditures relating to pre-extraction activities are expensed as incurred until such time proven or probable reserves are established for that project, after which subsequent expenditures relating to development activities for that particular project are capitalized as incurred.

Where proven and probable reserves have been established, the project's capitalized expenditures are depleted over proven and probable reserves using the units-of production method upon commencement of production. Where proven and probable reserves have not been established, the project's capitalized expenditures are depleted over the estimated extraction life using the straight-line method upon commencement of extraction. The Company has not established proven or probable reserves for any of its projects.

Proceeds from the sale of properties or cash proceeds received from option payments are recorded as a reduction of the related mineral property interest.

They carrying values of exploration and evaluation properties are assessed for impairment by management whenever indicators of impairment exist. An impairment loss is recognized if it is determined that the carrying value exceeds the recoverable amount.

Asset impairment

The Company performs impairment tests on mineral properties, when events or circumstances occur which indicate the assets may not be recoverable. Impairment assessments are carried out on project by project basis with each project representing a single cash generating unit.

When impairment indicators are identified, an impairment loss is recognized for any amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Income taxes

Deferred income tax is recognized using the liability method on temporary differences arising between the tax and accounting bases of assets and liabilities as well as for the benefit of losses available to be carried forward to future years. Deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction does not affect either accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets are recognized only

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Common shares

The Company has adopted a residual method for the measurement of shares and warrants issued as units in financing arrangements. The residual method requires the gross proceeds and the related share issuance costs be allocated to the common shares first based on the shares market value, any residual amount is then allocated to the warrants.

The fair value of the common shares is based on the closing price on the closing date of the transaction. The fair value attributed to the warrants is recorded as contributed surplus. If the warrants are exercised, the value attributable to the warrants is transferred to share capital.

Financial instruments

Financial Assets
Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

Loans and Receivables
These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Available-For-Sale Financial Assets
Non-derivative financial assets that do not meet the definition of loans and receivables are classified as available-for-sale and comprise principally the Company's strategic investments in entities not qualifying as subsidiaries or associates. Available-for-sale investments are carried at fair value with changes in fair value recognized in other comprehensive loss/income. Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognized in other comprehensive loss/income, is recognized in profit or loss. If there is no quoted market price in an active market and fair value cannot be readily determined, available-for-sale investments are carried at cost. On sale or impairment, the cumulative amount recognized in other comprehensive loss/income is reclassified from accumulated other comprehensive loss/income to profit or loss. Available-for-sale financial assets that do not have a quoted price in an active market, and are not reliably measurable, are initially recognized at cost. If there is objective evidence that an impairment loss has been incurred the amount or the impairment loss is measured as the difference between the carrying amount and the present value of the estimated future cash flows. These impairments are not reversed.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Held-For-Trading Financial Assets
Financial assets held-for-trading are designated upon initial recognition as at fair value through profit or loss. Financial assets held-for-trading are classified as fair value through profit and loss if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets held-for-trading includes derivative financial instruments acquired or entered into that are not designated as hedging instruments in hedge relationships as defined by IAS 39, Financial Instruments: Recognition and Measurement. Included in this class are investments in marketable securities of other public companies. Related realized and unrealized gains and losses are included in profit or loss.

Impairment on Financial Assets
At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Financial Liabilities
Financial liabilities are classified as either fair value through profit or loss or other financial liabilities, based on the purpose for which the liability was incurred, and are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument. Other financial liabilities comprise trade payables and accrued liabilities and are subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding. Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the year which are unpaid.

Accounting standards issued but not yet effective

The following accounting standards are issued but not yet effective. The Company has not early-adopted these revised standards and expects no significant effect on the Company's financial statements when adopted.

IFRS 9 Financial Instruments
IFRS 9 includes requirements for recognition, measurement, and derecognition of financial instruments and hedge accounting. The IASB is adding to the standard as it completes the various phases of its comprehensive project on financial instruments, and so it will eventually form a complete replacement for IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 was originally issued in November 2009, reissued in October 2010, and then amended in November 2013. The current version of IFRS 9 is applicable to annual periods beginning on or after January 1, 2018.

IFRS 16 Leases
IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 Leases. The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019.

(Unaudited - Expressed in Canadian Dollars)

5. MINERAL PROPERTY INTERESTS

	Fish Lake Valley	Yukon	Total
Balance, October 31, 2016	$ -	$ 4	$ 4
Asset Purchase Agreement for claims located in Esmeralda County, Nevada	1,724,694	-	1,624,694
Impairment	(1,624,694)	-	(1,624,694)
Balance, October 31, 2017 and April 30, 2018	$ 100,000	$ 4	$ 100,004

Fish Lake Valley, Nevada

On February 7, 2017, the Bearing entered into an asset purchase agreement to acquire a 100% interest in 81 lode claims located in Esmeralda County, Nevada. To complete the purchase, Bearing paid US $60,000 (CDN $81,900) in cash and issued 1,400,000 common shares of Bearing with a fair value of $1,596,000. On April 5, 2017, the Quit Claim deed transferring title of claims was signed. On May 8, 2017, Bearing paid finders' fees of 73,990 common shares with a fair value of $63,631 and paid a cash fee of $3,663.

On September 25, 2017 the Bearing entered into an option agreement with First Division Ventures Inc. to acquire a 100% interest in certain mining claims. To exercise the Option, First Division was required to make a cash payment for an initial amount of $20,000 (received by Bearing) and issue 20,000 common shares (receivedby Bearing), and thereafter issue an additional 4,000,000 common shares to the optionor by the third anniversary of the Agreement. First Division must also carry out a $3,000,000 work program on the Claims prior to the third anniversary of the Agreement. The optionor retains a 3% NSR. The NSR is not subject to a buy-back or repurchase right.

During the year ended October 31, 2017 the Bearing determined that the carrying value of the property should be impaired to the estimated fair value of the consideration to be received under the option agreement for a total of $120,500. As a result, an impairment charge of $1,624,694 was recognized in accordance with Level 3 of the fair value hierarchy. The amount recognized in these financial statements was $100,000 which is the amount recognized by Bearing of 120,500 less the $20,000 cash received by Bearing and the 20,000 shares received by Bearing at a value of $500.

On May 2, 2018, First Division and Bearing entered into an amending agreement whereby the acquisition by First Division would be reduced to a 50% interest in the 81 lode claims in the Esmeralda County, Nevada. The consideration required to obtain the 50% interest would include the consideration already received by Bearing of $20,000 and 20,000 common shares to Bearing. The remaining consideration would be reduced as follows: additional 3,000,000 common shares to the optionor on or before September 25, 2020. First Division must also carry out a $1,500,000 work program on the Claims prior to the third anniversary of the Agreement: $60,000 on or before September 25, 2018, $440,000 on or before September 25, 2019 and $1,000,000 on or before September 25, 2020. In order for the obligation to be satisfied, the shares of First Division must be listed on an Exchange.

5. MINERAL PROPERTY INTERESTS (CONTINUED)

Yukon

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

On January 3, 2017, the Company entered into a property purchase agreement with Golden Predator Mining Corp. ("Golden"), pursuant to which Golden has agreed to purchase all of the Company's interest in certain mineral claims in the Yukon Territory. As partial consideration for the purchase agreement, Golden will pay to the Company an aggregate fee of $275,000, payable over 48 months from the execution date of the purchase agreement. In addition, Golden will issue shares according to the following schedule:

i. 35,000 common shares on date of execution (received by Bearing)
ii. 50,000 common shares 8 months after date of execution (received by Bearing); and
iii. Common shares equal to $600,000 on the 20 month, 32 month and 48 month anniversary of the execution date.

Under the terms of the purchase agreement, Golden will also grant to the Company a 2% net smelter royalty ("NSR") on certain claims and a 1% NSR on the remaining claims. Golden has the right to re-purchase 50% of the NSR for $1,000,000 at any time.

During the year ended October 31, 2017, the transaction completed and the Bearing received $30,000 and 85,000 common shares, initially measured at a fair value of $65,700.

6. CAPITAL DISCLOSURES

The Company's objectives when managing capital are to ensure its ability to continue as a going concern in order to pursue the acquisition and development of mineral property interest. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is largely dependent upon external financings to fund activities. In order to carry out planned acquisition and development and pay for administrative costs, the Company will spend its existing working and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financing resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes to the Company's approach to capital management during the year ended October 31, 2017. The Company is not subject to externally imposed capital restrictions.

7. OWNERS NET INVESTMENT

Bearing's investment in the operations of Lions Bay Mining Corp. is presented as Owner's Net Investment in the carve-out financial statements. Owner's Net Investment represents the accumulated net losses of the operations plus the accumulated net contributions from owners.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

The fair value of the Company's financial instruments is approximated by their carrying value due to their short-term nature.

IFRS 13 establishes a fair value hierarchy for financial instruments measured at fair value that reflects the significance of inputs used in making fair value measurements as follows:

Level 1 – quoted prices in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liabilities, either directly (i.e. as prices) or indirectly (i.e. from derived prices); and
Level 3 – inputs for the asset or liability that are not based upon observable market data.

The fair value of cash and marketable securities are based on Level 1 inputs. There are no level 2 or level 3 financial instruments.

The Company's financial instruments are exposed to certain financial risks, which include foreign currency risk, interest rate risk, credit risk, liquidity risk and other price risk. The Company's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company's exposure to these risks and its methods of managing the risks remain consistent.

Credit risk

Concentration of credit risk exists with respect to the Company's cash, as all amounts are held at a major Canadian financial institution. The credit risk associated with cash is minimized by ensuring that substantially all dollar amounts are held with a major financial institution with strong investment-grade ratings by a primary ratings agency.

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 trying 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. April 30, 2018, the cash balance of $5,000 will not be sufficient to meet required administrative and exploration and evaluation expenditures over the next twelve months the Company may be required to raise additional capital in the future to fund its operations.

Market risk

[i] Interest rate risk

The Company is exposed to interest rate risk on its cash and cash equivalents held at April 30, 2018. A 100 basis point (1%) increase or decrease in the interest rate in 2017 would have resulted in approximately a $50 change in the Company's reported loss for the six months ended April 30, 2018 based on its closing balance during the fiscal year.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

[ii] Currency risk

As at April 30, 2018 and October 31, 2017 the Company did not have financial instruments in foreign currency however, it will be required to incur expenditures in US dollars as its Fish Lake property is located in the US. As such the Company will be exposed to foreign currency depending on the required expenditures to be incurred in this property.

9. SEGMENTED INFORMATION

The Company operates in one industry segment: mineral exploration; within three geographic segments: Canada and United States. The Company and all subsidiaries are operated as one entity with a common management located at the Company's head office. The Company's non-current assets by geographic areas for the years ended April 30, 2018 and October 31, 2017 are as follows:

April 30, 2018 and October 31, 2017	Canada	United States	Total
Non-current assets			
Exploration and evaluation of assets	$ 4	$ 100,000	$ 100,004
	$ 4	$ 100,000	$ 100,004

SCHEDULE "K"
LIONS BAY PRO-FORMA FINANCIAL STATEMENTS

(see attached)

LIONS BAY MINING CORP.

Pro Forma Financial Statements

(Unaudited - Expressed in Canadian dollars)

Lions Bay Mining Corp.
Pro Forma Statement of Financial Position
(Unaudited - Expressed in Canadian dollars)

As at	Lions Bay Mining Corp.. (unaudited) April 30, 2018	Carve-Out Lions Bay Mining Corp. (unaudited) April 30, 2018	Pro forma Adjustments	Notes	Pro Forma Consolidated Balance April 30, 2018
ASSETS					
CURRENT ASSETS					
Cash	$ 1	$ 5,000	$ 2,350,000	3(i), (ii)	$ 2,355,001
	1	5,000	2,350,000		2,355,001
NON-CURENT ASSETS					
Mineral property interests	-	100,004			100,004
TOTAL ASSETS	$ 1	$ 105,004	$ 2,350,000		$ 2,455,005
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	$ -	$ -	$		$ -
	-	-			-
SHAREHOLDERS' EQUITY					
Share capital (Note 4)	1		2,500,000	3(i)	
			(300,000)	3(i)	2,200,001
Reserve			150,000	3(i)	150,000
Owner's investment		105,004		3(i)	105,004
TOTAL SHAREHOLDERS' EQUITY	1	105,004	2,350,000		2,455,005
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 1	$ 105,004	$ 2,350,000		$ 2,455,005

Lions Bay Mining Corp
Pro Forma Statement of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian dollars)

	Lions Bay Mining Corp. (unaudited) Six months ended April 30, 2018	Carve-Out Lions Bay Mining Corp. (unaudited) Six months ended April 30, 2018	Pro forma Adjustments	Notes	Pro Forma Consolidated balance Six months ended April 30, 2018
EXPLORATION COST					
Expenditures	$ -	$ 1,028	$ (1,028)	3(i)	$ -
COMPREHENSIVE LOSS	$ -	$ 1,028	$ (1,028)		$ -

1 BASIS OF PRESENTATION

Lions Bay Mining Corp. is a wholly-owned subsidiary of Bearing Lithium Corp. and was incorporated on April 25, 2018, pursuant to the provisions of the BCBCA. Since incorporation, it has carried on no business. The registered and records office is located at Suite 2600, 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1.

The Board of Directors of Bearing Lithium Corp. ("Bearing") has unanimously approved a statutory arrangement (the "Arrangement") where it proposes to distribute the shares of the Lions bay to the shareholders of Bearing on the basis of 0.049921 of Lions Bay shares for each common share of Bearing they own.

Prior to the distribution, Bearing will transfer to the Company its 50% interest in 81 lode claims (the "Fish Lake Project") located in Fish Lake Valley, central-western Nevada as well as the Company's interest in four additional mineral properties located in the Yukon, Canada.

The purpose of the Arrangement and the related transactions is to reorganize Bearing into two separate publicly-traded companies: (a) Bearing, which will be an exploration company focused on South America holding the South America Assets; and (b) Lions Bay Mining Corp ("Lions Bay" or the "Company"), which will be an exploration company focused on North America holding the North America Assets which include the Company's current interest in the Fish Lake Project. The Arrangement will result in participating Shareholders of Bearing holding, immediately following completion of the Arrangement, 50% of the outstanding New Common Shares in proportion to their holdings of Common Shares of the Company and Bearing holding the remaining 50%.

The unaudited pro forma consolidated financial statements of Lions Bay Mining Corp. ("Lions Bay"), have been prepared by management for inclusion in the Information Circular of Bearing Lithium Corp. dated May 28 2018. They are prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards ("IFRS"), for illustrative purposes only, after giving effect to the Arrangement. The unaudited pro forma statement of financial position has been prepared from information derived from and should be read in conjunction with the unaudited carve-out financial statements of Lions Bay as at and for the six month period ended April 30, 2018.

The unaudited pro forma statement of financial position is intended to reflect the financial position of the Company as if the transaction had been effected on April 30, 2018. The unaudited pro forma statement of loss and comprehensive loss is intended to reflect the results of operations of the Company as if the transaction had been effected on November 1, 2017. The unaudited pro forma financial statements are not necessarily indicative of the financial position or results of operations which would have occurred if the transaction had occurred on April 30, 2018 or November 1, 2017.

2 SIGNIFICANT ACCOUNTING POLICIES

The unaudited pro-forma financial statements have been compiled using the significant accounting policies as set out in note 3 of the carve-out financial statements of the Company for the six month period ended April 30, 2018.

3 ARRANGEMENT

The unaudited pro forma balance sheet as at April 30, 2018 gives effect to the following assumptions and adjustments:

i) The amount contained within owner's net investment of $105,004 is transferred to share capital upon issuance of shares of Lions Bay Mining Corp.;

ii) Prior to the completion of the Arrangement, Lions Bay intends on completing a Private Placement. Under the terms of the Private Placement, the Company will issue up to 25,000,000 units (each a "Lions Bay Unit") at a price of $0.10 per unit. Each Lions Bay Unit will consist of one Lions Bay Share and one half share purchase warrant ("Warrant"), each full share purchase warrant is exercisable into one Lions Bay Share at a price of $0.25. In conjunction with the financing, the Company will pay finders fees of 6% in cash and 6% in warrants.

iii) There is no current trading market for the Lions Bay Shares. Lions Bay intends to apply have its shares distributed pursuant to the Arrangement listed on the CSE. Listing of the Company's shares on the CSE will be subject to Lions Bay satisfying all of the applicable initial listing requirements of the CSE.

4 PRO FORMA SHARE CAPITAL

	Number of shares		Amount
Outstanding common shares of Lions Bay at April 30, 2018	1		1
Transfer of assets from Bearing in exchange for Lions Bay shares	5,509,999		105,004
Issuance of Lions Bay common shares upon completion of the Lions Bay Private Placement, net of issuance costs	25,000,000		2,200,000
Pro Forma share capital of resulting issuer	30,510,000	$	2,305,005

SCHEDULE "M"
LIONS BAY MINING CORP. STOCK OPTION PLAN

(see attached)

LIONS BAY MINING CORP.

STOCK OPTION PLAN

TABLE OF CONTENTS

STOCK OPTION PLAN

LIONS BAY MINING CORP.

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

As used herein, unless anything in the subject matter or context is inconsistent therewith, the following terms shall have the meanings set forth below:

(a) "Act" means the *Business Corporations Act* (British Columbia);

(b) "Administrator" means such director or other senior officer or employee of the Company as may be designated as Administrator by the Board from time to time;

(c) "affiliate" has the meaning ascribed thereto in the Act;

(d) "associate" has the meaning ascribed thereto in the Securities Act;

(e) "Award Date" means the date on which the Board grants a particular Option;

(f) "Board" means the board of directors of the Company;

(g) "Change of Control" means the acquisition by any person or by any person and a joint actor, whether directly or indirectly, of voting securities of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a joint actor, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board;

(h) "Company" means Lions Bay Mining Corp.;

(i) "Consultant" means an individual or Consultant Company, other than an Employee or a Director, that:

(i) is engaged to provide on an ongoing *bona fide* basis consulting, technical, management or other services to the Company or to an affiliate of the Company, other than services provided in relation to a distribution,

(ii) provides the services under a written contract between the Company or the affiliate and the individual or a Consultant Company,

(iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an affiliate of the Company, and

(iv) has a relationship with the Company or an affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company;

(j) "Consultant Company" means, for an individual consultant, a company or partnership of which the individual consultant is an employee or shareholder or partner;

(k) "Director" means a director, officer, Management Company Employee of the Company or an affiliate of the Company to whom Options can be granted in reliance on a prospectus exemption under applicable securities laws;

(l) "Disinterested Shareholder Approval" means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted shareholders' meeting, excluding votes attached to shares of the Company beneficially owned by insiders to whom options may be granted under the Plan and their associates and affiliates;

(m) "Employee" means:

(i) an individual who is considered an employee of the Company or its subsidiary under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source),

(ii) an individual who works full-time for the Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work, as an employee of the Company, but for whom income tax deductions are not made at source, or

(iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;

(n) "Exchange" means the Canadian Securities Exchange or, if the Shares are no longer listed for trading on the Canadian Securities Exchange, such other exchange or quotation system on which the Shares are listed or quoted for trading;

(o) "Exercise Notice" means the notice respecting the exercise of an Option in the form set out as Schedule "B" hereto, duly executed by the Option Holder;

(p) "Exercise Period" means the period during which a particular Option may be exercised and is the period from and including the Award Date through to and including the Expiry Date, subject to the provisions of the Plan relating to the vesting of Options;

(q) "Exercise Price" means the price at which an Option may be exercised as determined in accordance with paragraph 3.3;

(r) "Expiry Date" means the date determined in accordance with paragraphs 3.4 and 3.8 and after which a particular Option cannot be exercised;

(s) "insider" has the meaning ascribed thereto in the Securities Act;

(t) "Investor Relations Activities" has the meaning ascribed thereto in the Securities Act;

(u) "Management Company Employee" means an individual employed by a person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a person involved in Investor Relations Activities;

(v) "Option" means an option to acquire Shares, awarded to a Director, Employee or Consultant pursuant to the Plan;

(w) "Option Certificate" means the certificate, substantially in the form set out as Schedule "A" hereto, evidencing an Option;

(x) "Option Holder" means a Director, Employee or Consultant, or a former Director, Employee or Consultant, who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person;

(y) "Plan" means this stock option plan;

(z) "Personal Representative" means:

(i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so, and

(ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder;

(aa) "Securities Act" means the *Securities Act*, R.S.B.C. 1996, c.418, as amended, as at the date hereof; and

(bb) "Share" or "Shares" means, as the case may be, one or more common shares without par value in the capital of the Company.

1.2 Choice of Law

The Plan is established under and the provisions of the Plan are to be interpreted and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

1.3 Headings

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

ARTICLE 2
PURPOSE AND PARTICIPATION

2.1 Purpose

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Directors, Employees and Consultants, to reward such of those Directors, Employees and Consultants as may be awarded Options under the Plan by the Board from time to time for their contributions toward the long term goals of the Company and to enable and encourage such Directors, Employees and Consultants to acquire Shares as long term investments.

2.2 Participation

The Board shall, from time to time, in its sole discretion determine those Directors, Employees and Consultants, if any, to whom Options are to be awarded. If the Board elects to award an Option to a Director, the Board shall, in its sole discretion but subject to paragraph 3.2, determine the number of Shares to be acquired on the exercise of such Option. A director of the Company to whom an Option may be granted shall not participate in the decision of the Board to grant such Option. If the Board elects to award an Option to an Employee or Consultant, the number of Shares to be acquired on the exercise of such Option shall be determined by the Board in its sole discretion, and in so doing the Board may take into account the following criteria:

(a) the remuneration paid to the Employee or Consultant as at the Award Date in relation to the total remuneration payable by the Company to all of its Employees and Consultants as at the Award Date;

(b) the length of time that the Employee or Consultant has been employed or engaged by the Company;

(c) the quality of work performed by the Employee or Consultant; and

(d) any other factors which it may deem proper and relevant.

2.3 Notification of Award

Following the approval by the Board of the awarding of an Option, the Administrator shall notify the Option Holder in writing of the award and shall enclose with such notice the Option Certificate representing the Option so awarded.

2.4 Copy of Plan

Each Option Holder, concurrently with the notice of the award of the Option, shall be provided with a copy of the Plan, unless a copy has been previously provided to the Option Holder. A copy of any amendment to the Plan shall be promptly provided by the Administrator to each Option Holder.

2.5 Limitation

The Plan does not give any Option Holder that is a Director the right to serve or continue to serve as a Director of the Company nor does it give any Option Holder that is an Employee or Consultant the right to be or to continue to be employed or engaged by the Company. Participation in the Plan by an Option Holder is voluntary.

ARTICLE 3
TERMS AND CONDITIONS OF OPTIONS

3.1 Board to Allot Shares

The Shares to be issued to Option Holders upon the exercise of Options shall be allotted and authorized for issuance by the Board prior to the exercise thereof.

3.2 Number of Shares

The maximum number of Shares issuable under the Plan, together with the number of Shares issuable under outstanding options granted otherwise than under the Plan, shall not exceed 10% of the Shares outstanding from time to time. Additionally, the Company shall not grant Options:

(a) to any one person in any 12 month period which could, when exercised, result in the issuance of Shares exceeding 5% of the issued and outstanding Shares of the Company unless the Company has obtained the requisite Disinterested Shareholder Approval to the grant; or

(b) to any one Consultant in any 12 month period which could, when exercised, result in the issuance of Shares exceeding 2% of the issued and outstanding Shares of the Company; or

(c) in any 12 month period, to persons employed or engaged by the Company to perform Investor Relations Activities which could, when exercised, result in the issuance of Shares exceeding, in aggregate, 2% of the issued and outstanding Shares of the Company.

If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of which Option expired or terminated shall again be available for the purposes of the Plan.

3.3 Exercise Price

The Exercise Price shall be that price per share, as determined by the Board in its sole discretion as of the Award Date, at which an Option Holder may purchase a Share upon the exercise of an Option, and shall not be less than the last closing price of the Company's Shares traded through the facilities of the Exchange prior to the grant of the Option, less any discount permitted by the Exchange, or such other price as may be required by the Exchange. Any reduction in the exercise price of an Option held by an Option Holder who is an insider of the Company at the time of the proposed reduction will require Disinterested Shareholder Approval.

3.4 Term of Option

Subject to paragraph 3.5, the Expiry Date of an Option shall be the date so fixed by the Board at the time the particular Option is awarded, provided that such date shall not be later than the tenth anniversary of the Award Date of the Option.

3.5 Termination of Option

An Option Holder may, subject to any vesting provisions applicable to Options hereunder, exercise an Option in whole or in part at any time or from time to time during the Exercise Period provided that, with respect to the exercise of part of an Option, the Board may at any time and from time to time fix a minimum or maximum number of Shares in respect of which an Option Holder may exercise part of any Option held by such Option Holder. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of 5:00 p.m. local time in Vancouver, British Columbia, on the Expiry Date. The Expiry Date of an Option shall be the earlier of the date so fixed by the Board at the time the Option is awarded and the date established, if applicable, in sub-paragraphs (a) to (c) below (the "Early Termination Date"):

(a) Death

In the event that the Option Holder should die while he or she is still a Director (if he or she holds his or her Option as Director) or Employee or Consultant (if he or she holds his or her Option as Employee or Consultant), the Early Termination Date shall be twelve (12) months from the date of death of the Option Holder; or

(b) Ceasing to Hold Office

In the event that the Option Holder holds his or her Option as Director of the Company and such Option Holder ceases to be a Director of the Company other than by reason of death, the Early Termination Date of the Option shall be the date following 90 days after the Option Holder has ceased to be a Director, unless the Option Holder ceases to be a Director of the Company but continues to be engaged by the Company as an Employee or a Consultant, in which case the Expiry Date shall remain unchanged, or unless the Option Holder ceases to be a Director of the Company as a result of:

(i) ceasing to meet the qualifications set forth in the *Business Corporations Act* (British Columbia), or

(ii) a resolution having been passed by the shareholders of the Company pursuant to the *Business Corporations Act* (British Columbia) removing the Director as such, or

(iii) by order of the British Columbia Registrar of Companies, British Columbia Securities Commission, the Exchange or any other regulatory body having jurisdiction to so order,

in which case the Early Termination Date shall be the date the Option Holder ceases to be a Director of the Company.

(c) Ceasing to be an Employee or a Consultant

In the event that the Option Holder holds his or her Option as an Employee or Consultant of the Company and such Option Holder ceases to be an Employee or Consultant of the Company other than by reason of death, the Early Termination Date of the Option shall be the date following 90 days after the Option Holder ceases to be an Employee or Consultant, unless the Option Holder continues to be in a different position with the Company, in which case the Expiry Date shall remain unchanged, or unless the Option Holder ceases to be an Employee or Consultant of the Company as a result of:

(i) termination for cause or, in the case of a Consultant, breach of contract, or

(ii) by order of the British Columbia Registrar of Companies, British Columbia Securities Commission, the Exchange or any other regulatory body having jurisdiction to so order,

in which case the Early Termination Date shall be the date the Option Holder ceases to be an Employee or Consultant of the Company.

Notwithstanding the foregoing, the Early Termination Date for Options granted to any Option Holder engaged primarily to provide Investor Relations Activities shall be the 30th day following the date that the Option Holder ceases to be employed in such capacity, unless the Option Holder continues to be engaged by the Company as an Employee or Director, in which case the Early Termination Date shall be determined as set forth above.

3.6 Vesting Requirements

All Options granted pursuant to the Plan will be subject to such vesting requirements as may be prescribed by the Exchange, if applicable, or as may be imposed by the Board. All Options granted to Consultants performing Investor Relations Activities will vest in stages over 12 months with no more than one-quarter of the Options vesting in any three month period.

The Option Certificate representing any such Option will disclose any vesting conditions.

3.7 Effect of a Take-Over Bid

If a *bona fide* offer (an "Offer") for Shares is made to an Option Holder or to shareholders of the Company generally or to a class of shareholders which includes the Option Holder, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of the Securities Act, the Company shall, immediately upon receipt of notice of the Offer, notify each Option Holder of the full particulars of the Offer, whereupon all Shares subject to Options will become vested and the Options may be exercised in whole or in part by each Option Holder so as to permit each Option Holder to tender the Shares received upon exercise of his Options, pursuant to the Offer. However, if:

(a) the Offer is not completed within the time specified therein; or

(b) all of the Shares acquired by the Option Holder on the exercise of his Option and tendered pursuant to the Offer are not taken up or paid for by the offeror in respect thereof;

then the Shares received upon the exercise of such Options, or in the case of clause (b) above, the Shares that are not taken up and paid for, may be returned by each Option Holder to the Company and reinstated as authorized but unissued Shares and with respect to such returned Shares, the Options shall be reinstated as if they had not been exercised and the terms upon which such Shares were to become vested pursuant to paragraph 3.6 shall be reinstated. If any Shares are returned to Company under this paragraph 3.7, the Company shall immediately refund the exercise price to the Option Holder for such Shares.

3.8 Acceleration of Expiry Date

If at any time when an Option granted under the Plan remains unexercised an Offer is made by an offeror, the Board may, upon notifying each Option Holder of full particulars of the Offer, declare vested all Shares issuable upon the exercise of Options granted under the Plan, and, notwithstanding paragraphs 3.4 and 3.5, declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be

exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer.

3.9 Effect of Reorganization, Amalgamation or Merger

If the Company is reorganized, amalgamated or merges with or into another Company, at the discretion of the Board, any Shares receivable on the exercise of an Option shall be converted into the securities, property or cash which the Option Holder would have received upon such reorganization, amalgamation or merger if the Option Holder had exercised his Option immediately prior to the record date applicable to such reorganization, amalgamation or merger, and the exercise price shall be adjusted appropriately by the Board and such adjustment shall be binding for all purposes of the Plan.

3.10 Effect of Change of Control

If a Change of Control occurs, all Shares subject to each outstanding Option will become vested, subject to any required approval of the Exchange, whereupon all Options may be exercised in whole or in part by the Option Holder.

3.11 Assignment of Options

Options may not be assigned or transferred, provided however that the Personal Representative of an Option Holder may, to the extent permitted by paragraph 4.1, exercise the Option within the Exercise Period.

3.12 Adjustments

If, prior to the complete exercise of any Option, the Shares are consolidated, subdivided, converted, exchanged or reclassified or in any way substituted for (collectively the "Event") other shares of the Company, an Option, to the extent that it has not been exercised, shall be adjusted by the Board in accordance with such Event in the manner the Board deems appropriate. No fractional Shares shall be issued upon the exercise of any Option and accordingly, if as a result of the Event, an Option Holder would become entitled to a fractional Share, such Option Holder shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

3.13 Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement

If an Option Holder retires, resigns or is terminated from employment or engagement with the Company or any subsidiary of the Company, the loss or limitation, if any, pursuant to the Option Certificate with respect to the right to purchase Shares which were not vested at the time or which, if vested, were cancelled, shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Option Holder.

ARTICLE 4
EXERCISE OF OPTION

4.1 Exercise of Option

An Option may be exercised only by the Option Holder or the Personal Representative of any Option Holder. An Option Holder or the Personal Representative of any Option Holder may exercise an Option in whole or in part at any time or from time to time during the Exercise Period up to 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date by delivering to the Administrator an Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft payable to the Company in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Option.

4.2 Issue of Share Certificates

As soon as practicable following the receipt of the Exercise Notice, the Administrator shall cause to be delivered to the Option Holder a certificate for the Shares purchased pursuant to the exercise of the Option. If the number of Shares purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator shall forward a new Option Certificate to the Option Holder concurrently with delivery of the aforesaid share certificate for the balance of Shares available under the Option.

4.3 Condition of Issue

The issue of Shares by the Company pursuant to the exercise of an Option is subject to this Plan and compliance with the laws, rules and regulations of all regulatory bodies applicable to the issuance and distribution of such Shares and to the listing requirements of the Exchange or any stock exchange on which the Shares may be listed. The Option Holder agrees to comply with all such laws, rules and regulations and agrees to furnish to the Company any information, report and/or undertakings required to comply with and to fully co-operate with the Company in complying with such laws, rules and regulations.

ARTICLE 5
ADMINISTRATION

5.1 Administration

The Plan shall be administered by the Administrator on the instructions of the Board. The Board may make, amend and repeal at any time and from time to time such regulations not inconsistent with the Plan as it may deem necessary or advisable for the proper administration and operation of the Plan and such regulations shall form part of the Plan. The Board may delegate to the Administrator or any Director or Employee of the Company such administrative duties and powers as it may see fit.

5.2 Interpretation

The interpretation by the Board of any of the provisions of the Plan and any determination by it pursuant thereto shall be final and conclusive and shall not be subject to any dispute by any Option Holder. No member of the Board or any person acting pursuant to authority delegated by it hereunder shall be liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Board and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

5.3 Withholding

The Company may withhold from any amount payable to an Option Holder, either under this Plan or otherwise, such amount as may be necessary to enable the Company to comply with the applicable requirements of any federal, provincial, state or local law, or any administrative policy of any applicable tax authority, relating to the withholding of tax or any other required deductions with respect to grants hereunder (the "Withholding Obligations"). The Company shall also have the right in its discretion to satisfy any liability for any Withholding Obligations by selling, or causing a broker to sell, on behalf of any Option Holder such number of Shares issued to the Option Holder sufficient to fund the Withholding Obligations (after deducting commissions payable to the broker), or retaining any amount payable which would otherwise be delivered, provided or paid to the Option Holder hereunder.

The Company may require an Option Holder, as a condition to exercise of an Option, to make such arrangements as the Company may require so that the Company can satisfy applicable Withholding Obligations with respect to such exercise, including, without limitation, requiring the Option Holder to: (i) remit the amount of any such Withholding Obligations to the Company in advance; (ii) reimburse the Company for any such Withholding Obligations; (iii) authorize the Company to sell, on behalf of the Option Holder, all of the Shares issuable upon exercise of such Options or such number of Shares as is required to satisfy the Withholding Obligations and to retain such portion of the net proceeds (after payment of applicable commissions and expenses) from such sale the amount required to satisfy any such Withholding Obligations; or (iv) cause a broker who sells Shares acquired by the Option Holder under the Plan on behalf of the Option Holder to withhold from the proceeds realized from such sale the amount required to satisfy any such Withholding Obligations and to remit such amount directly to the Company. The Company undertakes to remit any such amount to the applicable taxation or regulatory authority on account of such Withholding Obligations.

Any Shares of a Option Holder that are sold by the Company, or by a broker engaged by the Company (the "Broker"), to fund Withholding Obligations will be sold as soon as practicable in transactions effected on the Exchange or such other stock exchange where the majority of the trading volume and value of the Shares occurs. In effecting the sale of any such Shares, the Company or the Broker will exercise its sole judgement as to the timing and manner of sale and will not be obligated to seek or obtain a minimum price. Neither the Company nor the Broker will be liable for any loss arising out of any sale of such Shares including any loss relating to the manner or timing of such sales, the prices at which the Shares are sold or otherwise. In addition, neither the Company nor the Broker will be liable for any loss arising from a delay in transferring

any Shares to an Option Holder. The sale price of Shares sold on behalf of Option Holders will fluctuate with the market price of the Company's shares and no assurance can be given that any particular price will be received upon any such sale.

ARTICLE 6
AMENDMENT AND TERMINATION

6.1 Prospective Amendment

Subject to applicable regulatory and, if required by any relevant law, rule or regulation applicable to the Plan, to shareholder approval, the Board may from time to time amend the Plan and the terms and conditions of any Option thereafter to be granted and, without limiting the generality of the foregoing, may make such amendment for the purpose of meeting any changes in any relevant law, rule or regulation applicable to the Plan, any Option or the Shares or for any other purpose which may be permitted by all relevant laws, rules and regulations, provided always that any such amendment shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to such amendment. Notwithstanding the foregoing, the Board may, subject to the requirements of the Exchange, amend the terms upon which each Option shall become vested with respect to Shares without further approval of the Exchange, other regulatory bodies having authority over the Company, the Plan or the shareholders.

6.2 Retrospective Amendment

Subject to applicable regulatory and, if required by any relevant law, rule or regulation applicable to the Plan, to shareholder approval, the Board may from time to time retrospectively amend the Plan and, with the consent of the affected Option Holders, retrospectively amend the terms and conditions of any Options which have been previously granted. For greater certainty, the policies of the Exchange currently require that disinterested shareholder approval be obtained for any reduction in the Exercise Price of any Option held by an insider of the Company.

6.3 Termination

The Board may terminate the Plan at any time provided that such termination shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to the date of such termination. Notwithstanding the termination of the Plan, the Company, Options awarded under the Plan, Option Holders and Shares issuable under Options awarded under the Plan shall continue to be governed by the provisions of the Plan.

6.4 Agreement

The Company and every person to whom an Option is awarded hereunder shall be bound by and subject to the terms and conditions of the Plan.

6.5 No Shareholder Rights

An Option Holder shall not have any rights as a shareholder of the Company with respect to any of the Shares covered by an Option until the Option Holder exercises such Option in accordance with the terms of the Plan and the issuance of the Shares by the Company.

6.6 Record Keeping

The Company shall maintain a register in which shall be recorded the name and address of each Option Holder, the number of Options granted to an Option Holder, the details thereof and the number of Options outstanding.

6.7 No Representation or Warranty

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

6.8 Option Holder Status

For stock options granted to Employees, Consultants or Management Company Employees, the Company represents that each such Option Holder will be a *bona fide* Employee, Consultant or Management Company Employee, as the case may be.

ARTICLE 7
APPROVALS REQUIRED FOR PLAN

7.1 Substantive Amendments to Plan

Any substantive amendments to the Plan shall be subject to the Company first obtaining the approvals of:

(a) the shareholders or disinterested shareholders, as the case may be, of the Company at a general meeting where required by the rules and policies of the Exchange or any stock exchange on which the Shares may be listed for trading; and

(b) the Exchange or any stock exchange on which the Shares may be listed for trading.

Approved by the directors on May 23, 2018.

SCHEDULE "A"

LIONS BAY MINING CORP.
STOCK OPTION PLAN OPTION CERTIFICATE

This Certificate is issued pursuant to the provisions of the Stock Option Plan (the "Plan") of Lions Bay Mining Corp. (the "Company") and evidences that _____ (the "Option Holder") is the holder of an option (the "Option") to purchase up to _____ common shares (the "Shares") in the capital stock of the Company at a purchase price of $_____ per Share. Subject to the provisions of the Plan:

(a) the Award Date of this Option is _____; and

(b) the Expiry Date of this Option is _____.

The right to purchase Shares under the Option will vest in the Option Holder in increments over the term of the Option as follows:

Date	**Cumulative Number of Shares which may be Purchased**

This Option may be exercised in accordance with its terms at any time and from time to time from and including the Award Date through to and including up to 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date, by delivery to the Administrator of the Plan an Exercise Notice, in the form provided in the Plan, together with this Certificate and a certified cheque or bank draft payable to "Lions Bay Mining Corp." in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which the Option is being exercised and all applicable withholdings. If the Option Holder is an employee, consultant or management company employee, the Option Holder confirms that it is a bona fide employee, consultant or management company employee, as the case may be.

This Certificate and the Option evidenced hereby are not assignable, transferable or negotiable and are subject to the detailed terms and conditions contained in the Plan. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail.

The foregoing Option has been awarded this _____ day of _____.

Notwithstanding the above Expiry Date, and in accordance with the Plan, the Board has determined that the Option shall expire no later than as set out below in the event of resignation or termination of the Option Holder, as applicable:

Termination of Option following Resignation of Option Holder	Termination of Option following Termination of Option Holder

The Option Holder acknowledges that:

1. the Option Holder has read and understands the Plan, and agrees to the terms and conditions of the Plan and this Certificate; and

2. the Option Holder consents to the disclosure by the Company of personal information regarding the Option Holder to the Canadian Securities Exchange (the "Exchange") and to the collection, use and disclosure of such information by the Exchange, as the Exchange may determine.

LIONS BAY MINING CORP.

Per: _____

SCHEDULE "B"

EXERCISE NOTICE

TO: The Administrator, Stock Option Plan
Lions Bay Mining Corp.

1. Exercise of Option

The undersigned hereby irrevocably gives notice, pursuant to the Stock Option Plan (the "Plan") of Lions Bay Mining Corp. (the "Company"), of the exercise of the Option to acquire and hereby subscribes for (cross out inapplicable item):

(a) all of the Shares; or

(b) _____ of the Shares which are the subject of the option certificate attached hereto.

Calculation of total Exercise Price:

(a) number of Shares to be acquired on exercise: _____ Shares

(b) times the Exercise Price per Share: $_____

Total Exercise Price, as enclosed herewith: $_____

2. Withholding Obligations

The undersigned acknowledges that the Company has tax remittance and withholding obligations pursuant to the *Income Tax Act* (Canada). Accordingly, in accordance with Section 5.3 of the Plan, the undersigned has enclosed a cheque(s) in the amount of $_____ for the total Exercise Price of the Shares and all applicable withholdings payable to "Lions Bay Mining Corp."

The undersigned's estimated taxable income for the current tax year is $_____.

3. Residency

The undersigned certifies that he or she [check applicable box]:

☐ is; or

☐ is not

a resident of Canada.

4. Issuance and Delivery of Share Certificate

The Company is directed to deliver the share certificate evidencing the number of Shares to be issued to the undersigned pursuant to this Exercise Notice to the undersigned at the following address:

_____

_____

_____

DATED the _____ day of _____.

_____	_____
Witness	Signature of Option Holder
_____	_____
Name of Witness (Print)	Name of Option Holder (Print)

SCHEDULE "N"
BEARING LITHIUM CORP. FOLLOWING THE ARRANGEMENT

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated under the provisions of the BCBCA on January 13, 2011. The Company changed its name from "Bearing Resources Ltd." to "Bearing Lithium Corp" on May 10, 2017.

The Company's head office is located at 1400 - 1111 West Georgia Street, Vancouver, British Columbia V6E 4M3 and its registered and records office is located at 2600 - 1066 West Hastings Street, Vancouver, British Columbia V6E 3X1.

The Common Shares are currently listed for trading on the TSX-V under the symbol "BRZ". The Company is currently a "reporting issuer" in the provinces of British Columbia and Alberta.

Intercorporate Relationships

On completion of the Arrangement, the Company's corporate structure will remain unchanged except that Lions Bay will cease to be a subsidiary of the Company.

DESCRIPTION OF THE BUSINESS

Overview

The Company will continue to be engaged in the exploration for precious and base metals in South America. The Company's focus is expected to continue to be on the Maricunga Project (the "**South America Assets**"). Following completion of the Arrangement, the Company will continue to hold the South America Assets and will also continue to hold 12,000,000 common shares of Commander Resources Ltd., a TSX-V listed resource company.

On September 28, 2017, the Company acquired Li3 and its interest in the Maricunga Project. Li3 currently holds a 17.7% interest in the Maricunga Project along with Minera Salar Blanco SpA and Lithium Power at 32.3% and 50% respectively as part of the joint venture.

Under the terms of the joint venture, Lithium Power has agreed to fund exploration and development costs with both Li3 and Minera Salar Blanco SpA having a free carry until the completion of a definitive feasibility study.

The Maricunga lithium brine project is comprised of 4,463 hectares of old code and new code tenements covering a portion of the Maricunga Salar in northern Chile. Sampling to date by the joint venture indicates potential for high lithium grades from brine within the salar. Over US$40 million has been invested in the project to date by Li3 and the current Lithium Power. The project is comprised of a number of tenements some of which are grandfathered under a previous mining code which allows for the immediate exploitation of lithium.

A significant exploration and development program is underway with a goal of delivery of a definitive feasibility study in 2018.

Directors and Executive Officers

The directors and executive officers of the Company are expected to remain the same following completion of the Arrangement. See "*Election of Directors*" in the Circular for more information regarding the Company's directors and executive officers.

SELECTED UNAUDITED PRO-FORMA CONSOLIDATED FINANCIAL INFORMATION

See Schedule "O" to the Circular for certain unaudited *pro-forma* financial information relating to the Company assuming that the Arrangement occurred on April 30, 2018.

RISK FACTORS

Below are certain risk factors relating to the Company following completion of the Arrangement that Shareholders should carefully consider in connection with the Arrangement. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information that appears elsewhere in the Circular. Additional risk factors relating to the Company and the Shareholders in connection with the Arrangement are set out in the Circular under the heading entitled "*The Arrangement – Risk Factors Relating to the Arrangement*".

Mineral Exploration and Development

The exploration for and development of minerals is highly speculative in nature and involves a high degree of financial and other risks over a significant period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. Substantial expenses are required to establish ore reserves by drilling, sampling and other techniques and to design and construct mining and processing facilities. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit (i.e. size, grade, access and proximity to infrastructure), financing costs, the cyclical nature of commodity prices and government regulations (including those relating to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection). The effect of these factors or a combination thereof cannot be accurately predicted but could have an adverse impact on the Company.

Negative operating cash flow

The Company had negative operating cash flow for the year ended October 31, 2017 and for the year ended October 31, 2016. The Company anticipates that it will continue to have negative cash flow for the foreseeable future. To the extent that the Company has negative cash flow in future periods, the Company may need to enter into additional loan agreements, issue additional equity and/or enter into alternative financing arrangements to fund such negative cash flow.

Additional Capital

The principal sources of future funds available to the Company will be through the sale of additional equity capital, loans or the sale of interests in its properties or continued metal production. There is no assurance that such funding will be available to the Company, or that it will be obtained on terms favourable to the Company or will provide it with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production on any or all of the Company's properties or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

Stakeholder Opposition; Surface Rights

The Company may face opposition to its activities and interests from owners of surface rights, environmental groups, indigenous peoples, entire communities and other stakeholders in the areas in which the Company has interests and operations. Such opposition could adversely affect the Company's ability to advance its mining projects or continue production. There is no guarantee that the Company will be able to maintain or acquire the surface rights that would be required for the development of its mineral properties on acceptable terms or at all.

Mining Exploration and Insurance

Mining exploration generally involve a high degree of risk. The Company's operations are subject to all of the hazards and risks normally encountered in mineral exploration, development and production. Such risks include unusual and unexpected geological formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, environmental hazards, industrial accidents, periodic interruptions due to adverse weather conditions, labour disputes and political unrest. The occurrence of any of the foregoing could result in damage to, or destruction of, mineral properties or interests, production facilities,

personal injury, damage to life or property, environmental damage, delays or interruption of operations, increases in costs, monetary losses, legal liability and adverse government action. The Company does not currently carry insurance against all of these risks and there is no assurance that such insurance will be available, at reasonably commercial terms, in the future. Even if such insurance is available in the future at economically feasible premiums, the Company may decide not to purchase it. The potential costs associated with liabilities not covered by insurance or excess insurance coverage may require significant capital outlays which would adversely affect the Company's ability to execute its plans, or even to continue its operations.

Financial Resources

The Company has limited financial resources and there is no assurance that sufficient additional funding will be available to fulfill its obligations or for further exploration and development, on acceptable terms or at all. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause the Company to forfeit its interests in some or all of its properties or to reduce or terminate its operations.

Government Regulation

The current or future operations of the Company, including exploration and development activities and the commencement and/or continuation of commercial production, require licenses, permits or other approvals from various foreign federal, state and local governmental authorities, and such operations are or will be governed by laws and regulations relating to prospecting, development, mining, production, exports, taxes, labour standards, occupational health and safety, waste disposal, toxic substances, land use, water use, environmental protection, land claims of indigenous people and other matters.

There can be no assurance that the Company will obtain on reasonable terms, or at all, the permits and approvals, and the renewals thereof, which it may require for the conduct of its current or future operations or that applicable laws, regulations, permits and approvals will not have an adverse effect on any mining project which the Company may undertake. Possible future environmental and mineral tax legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays to the Company's planned exploration and operations, the extent of which cannot be predicted.

Failure to comply with applicable laws, regulations and permitting requirements (including obtaining permits or failure to maintain permits once obtained) may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital or increased operating expenditures, installation of additional equipment, or remedial actions. The Company may be required to compensate those suffering loss or damage by reason of its activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Government Regulation in Foreign Jurisdictions

The Company's mineral exploration and mining activities, and the activities undertaken by companies from which the Company may acquire a royalty or streaming interest, may be affected in varying degrees by political stability and government regulations relating to the mining industry and foreign investors therein. There is no assurance that the political and investment climate of countries such as Chile, where the Company's mineral property interests are located, will continue to be favourable. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income or other taxes, expropriation of property, environmental legislation and mine safety.

Foreign Political Risk

The Company's material property is located in Chile and, as such, a substantial portion of the Company's business is exposed to various degrees of political and economic risk and uncertainties. The Company's operations and investments may be affected by local political and economic developments, including expropriation, nationalization, invalidation of government orders, permits or agreements pertaining to property rights, political unrest, labour disputes, limitations on repatriation of earnings, limitations on mineral exports, limitations on foreign ownership,

inability to obtain or delays in obtaining necessary mining permits, opposition to mining from local, environmental or other non-governmental organizations, government participation, royalties, duties, rates of exchange, high rates of inflation, price controls, exchange controls, currency fluctuations, taxation and changes in laws, regulations or policies as well as by-laws and policies of Canada affecting foreign trade, investment and taxation

Title to Property

There can be no assurance that the Company will be able to secure the grant or the renewal of exploration permits or other tenures on terms satisfactory to it, or that governments in the jurisdictions in which the Company's properties are situated will not revoke or significantly alter such permits or other tenures or that such permits and tenures will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests, and the permits or tenures may be subject to prior unregistered agreements or transfers or other land claims and title may be affected by undetected defects. If a title defect exists, it is possible that the Company may lose all or part of its interest in the properties to which such defects relate.

Infrastructure

Development and exploration activities depend on adequate infrastructure, including reliable roads and water and power sources. In particular, the Company's activities in Chile will depend on adequate water supply. The Company's inability to secure adequate water and power resources, as well as other events outside of its control, such as unusual weather, sabotage, government or other interference in the maintenance or provision of such infrastructure, could adversely affect the Company's operations and financial condition

Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation, provide for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry activities and operations. They also set forth limitations on the generation, transportation, storage and disposal of hazardous waste. A breach of such regulation may result in the imposition of fines and penalties or other enforcement actions. In addition, certain types of mining operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the viability or profitability of the Company's operations. Environmental hazards may exist on the properties in which the Company holds interests or on properties acquired by the Company in the future which are unknown to the Company. The Company may be liable for these hazards even if they have been caused by previous or existing owners or operators of the properties.

Climate Change Risks

The Company's mining and processing operations are energy intensive and have a significant carbon footprint. A number of governments or governmental bodies have introduced or are contemplating regulatory changes to address or mitigate the potential impacts of climate change. Some jurisdictions have implemented legislation or regulations relating to emissions levels, energy efficiency or carbon taxes, and such legislation or regulation is likely to become more stringent. While a portion of the costs associated with reducing emissions may be offset through increased energy efficiency or advances in technology, there can be no assurance that the Company will be able to implement or maintain such measures, and, as a result, the Company's operations may face increased costs if current regulatory trends continue. In addition, climate change may result in changes to the physical environment that may adversely affect the Company's properties and projects, as a result of extreme weather events, resource shortages, changes in rainfall and storm patterns or intensity, water shortages, changing sea levels and changing temperatures.

Risks Related to Conducting Business in Emerging Markets

The Company's mineral exploration and mining activities, and the activities undertaken by companies from which the Company may acquire a royalty or streaming interest, may be in international locations that display characteristics of emerging markets. Conducting business in these countries may be subject to a variety of risks including, but not limited to: currency fluctuations, devaluations and exchange controls; inflation; uncertain political and economic conditions resulting in unfavourable government actions such as unfavourable legislation or regulation, trade restrictions, unfavourable tax enforcement or adverse tax policies; the denial of contract rights; and social unrest, acts of terrorism or armed conflict. Management is unable to predict the extent or duration of these risks or quantify their potential impact.

Potential Profitability Depends Upon Factors Beyond the Control of The Company

The potential profitability of mineral properties is dependent upon many factors beyond the Company's control. For instance, world prices of and markets for gold and silver are unpredictable, volatile, potentially subject to governmental fixing, pegging and/or controls and respond to changes in domestic, international, political, social and economic environments. Another factor is that rates of recovery of mined material may vary from the rate experienced in tests, and a reduction in the recovery rate will adversely affect the profitability, and possibly the economic viability, of a property. Profitability also depends on the costs of operations, including costs of labour, equipment, electricity, environmental compliance or other production inputs. Such costs will fluctuate in ways The Company cannot predict and are beyond the Company's control, and such fluctuations will impact on profitability and may eliminate profitability altogether. Additionally, due to worldwide economic uncertainty, the availability and cost of funds for development and other costs have become increasingly difficult, if not impossible, to project. These changes and events may materially affect the financial performance of the Company.

Repatriation of Earnings

Substantially all of the Company's business is carried on through foreign subsidiaries. There is no assurance that any countries in which the Company operates or may operate in the future will not impose restrictions or taxes on the repatriation of earnings to foreign entities, which may adversely impact the Company's ability to efficiently manage is cash position and adversely impact its share price.

Currency Fluctuations; Foreign Exchange

The operations of the Company in the countries where it operates are subject to currency fluctuations and such fluctuations may materially affect the financial position and results of the Company. The Company is subject to the risks associated with the fluctuation of the rate of exchange of the Canadian dollar and foreign currencies, in particular the U.S. dollar and the Chilean peso. The Company does not currently take any steps to hedge against currency fluctuations, although it may elect to hedge against the risk of currency fluctuations in the future. There can be no assurance that any future steps taken by the Company to address foreign currency fluctuations will eliminate all adverse effects and, accordingly, the Company may suffer losses due to adverse foreign currency fluctuations.

The Company may be subject from time to time to foreign exchange controls in countries outside of Canada, although no such claims are currently known to The Company.

Commodity Prices

The price of the Company's securities, its financial results and exploration, development and mining activities are and may in the future be significantly and adversely affected by declines in the price of precious or base minerals, particularly gold. Precious or base minerals prices fluctuate widely and are affected by numerous factors beyond the Company's control, such as the sale or purchase of precious or base metals by various dealers, central banks and financial institutions, interest rates, exchange rates, inflation or deflation, currency exchange fluctuation, global and regional supply and demand; production and consumption patterns, speculative activities, increased production due to improved mining and production methods, government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, environmental protection and international political and economic trends, conditions and events. The price of precious or base metals has

fluctuated widely in recent years, and future serious price declines could cause continued development of or production from the Company's properties to be impracticable or uneconomic.

Further, resource calculations and life-of-mine plans using significantly lower precious or base minerals prices could result in material write-downs of the Company's investment in mining properties and increased amortization, reclamation and closure charges.

In addition to adversely affecting reserve or resource estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment, either initiated by management or required under financing arrangements, of the feasibility of a particular project or of continued production. Even if a project or continued production is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Price Volatility and Lack of Active Market

In recent years, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to their operating performance, underlying asset values or prospects of such companies. Any quoted market for the Company's securities will likely be subject to such market trends and the value of the Company's securities may be affected accordingly.

Key Executives

The Company is dependent on the services of key executives and a small number of highly skilled and experienced consultants and personnel, whose contributions to the immediate future operations of the Company are likely to be of importance. Due to the relatively small size of the Company, the loss of these persons or the Company's inability to attract and retain additional highly skilled employees or consultants may adversely affect its business and future operations. The Company does not currently carry any key man life insurance on any of its executives. The directors and some officers of the Company will only devote part of their time to the affairs of the Company.

Competition

The mineral exploration and mining business is competitive in all of its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources, in the search for and the acquisition of mineral properties. The Company's ability to acquire properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable prospects for mineral exploration or development. There is no assurance that the Company will be able to compete successfully with others in acquiring such prospects.

Potential Conflicts of Interest

Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Company and the Company's interests may be adversely affected.

Dilution

Issuances of additional securities under future financings will result in dilution of the equity interests of persons who are currently Shareholders or who become Shareholders of the Company.

Dividends

The Company has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future, as it intends to employ available funds for mineral exploration and development or repayment of indebtedness. Any future determination to pay dividends will be at the discretion of the Board and will depend on the

Company's financial condition, results of operations, capital requirements and such other factors as the Board deems relevant.

Nature of the Securities

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford to lose their entire investment.

Litigation

The Company may, from time to time, be involved in disputes with other parties in the future which may result in litigation or alternative dispute resolution proceedings. The results of litigation or other proceedings cannot be predicted with certainty, and the costs of defending or settling such litigation or other proceedings can be significant. If the Company is unable to resolve such disputes in its favour, it may have a material adverse effect on the Company's financial performance, cash flow and results of operations. In addition, the litigation may be subject to the jurisdiction of a foreign court, which may not have or adhere to similar processes and standards as a Canadian court.

Acquisitions

As part of the Company's strategy, it has sought and may continue to seek, to acquire new exploration, development or mining properties. Any acquisition that the Company completes may change the scale of the Company's business and operations, may expose the Company to new geographic, political, operational, financial or geologic risks. The Company may not be able to complete any acquisition or business arrangement on terms favourable to the Company, or any acquisition or business arrangement the Company does complete may not ultimately benefit the Company. The Company may be required to decide to undertake a financing, incur indebtedness or issue additional The Company Shares or other securities in connection with an acquisition, which may dilute existing Shareholders or increase the Company's leverage. In addition, acquisitions are subject to a number of risks, including the risks associated with integrating any new business or properties, that the acquisition may divert management's time and attention, and the acquired business or properties may have unknown risks or prove to have less or less viable mineral resources or reserves than expected. Should any of these or other risks develop, the Company may be required to write-down the value of the acquired assets and it may have a material adverse effect on the Company's financial position.

Anti-Corruption and Anti-Bribery Compliance

The Company's operations are governed by, and involve interactions with, many levels of government in several countries. The Company is required to comply with anti-corruption and anti-bribery laws in the jurisdictions in which the Company conducts its business, including the *Corruption of Foreign Public Officials Act* (Canada). In recent years, there has been an increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-corruption and anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its contractors and third party agents. If the Company finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Company, resulting in a material adverse effect on the Company's reputation and results of its operations.

Information Systems and Cyber Security Threats

The Company's operations depend, in part, on how well the Company and its suppliers, contractors and service provides protect networks, equipment, information technology (IT) systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, hacking, computer viruses, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of

information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Taxation Matters

The Company believes that it is in material compliance with all applicable tax legislation in the countries in which it operates. However, tax returns and other tax assessments, regulatory fees and levies and other governmental costs and fees are subject to reassessment by applicable taxation and other regulatory authorities. In the event of a successful reassessment of the Company, such reassessment may have an impact on current and future taxes and other amounts payable.

The Company is subject to ongoing examination by tax and other regulatory authorities in each jurisdiction in which it has operations. The Company regularly assesses the status of these examinations and the potential for adverse outcomes to determine the adequacy of the provision for current and deferred income taxes, as well as the provision for indirect, withholding and other taxes and assessments as well as related penalties and interest. This assessment relies on estimates and assumptions, which involves judgments about future events. There is no assurance that adequate provisions have been or will be made by the Company to fully cover its possible exposure to tax and other governmental related liabilities, and any material reassessment may have a material adverse impact on the Company's liquidity, financial condition and results of operation.

EXPERTS

As at the date hereof, DMCL Chartered Professional Accountants, the external auditors of the Company, have reported that they are independent in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia. DMCL was original appointed auditors of the Company effective September 29, 2016.

None of the persons listed above, nor any director, officer, employee or partner thereof, as applicable, received or will receive a direct or indirect interest in the property of the Company or any of its associate or affiliates. As at the date hereof, to the Company's knowledge, none of the persons listed above hold any securities of the Company. Neither the aforementioned persons, nor any director, officer, employee or partner, as applicable, of the aforementioned companies or partnerships are currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

SCHEDULE "O"
BEARING LITHIUM CORP. PRO-FORMA FINANCIAL STATEMENTS

(see attached)

BEARING LITHIUM CORP.

Pro Forma Consolidated Financial Statements

(Unaudited - Expressed in Canadian dollars)

Bearing Lithium Corp.
Pro Forma Consolidated Statement of Financial Position
(Unaudited - Expressed in Canadian dollars)

As at	Bearing Lithium Corp. (unaudited) April 30, 2018	Carve-Out Lions Bay Mining Corp. (unaudited) April 30, 2018	Pro forma Adjustments	Notes	Pro Forma Consolidated Balance April 30, 2018
ASSETS					
CURRENT ASSETS					
Cash	$ 1,432,011	$ (5,000)	$ (60,000)	3(i), (ii)	$ 1,367,011
Receivables and prepaids	88,407	-			88,407
Prepaid expenses	28,393	-			28,393
Investment in marketable securities	227,460	-			227,460
	1,776,271	(5,000)	(60,000)		1,711,271
NON-CURENT ASSETS					
Reclamation bond	21,993	-			21,993
Mineral property interests	100,004	(100,004)			-
Investment in MSB SA	16,362,380	-			16,362,380
Investment in Lions Bay Mining Corp	-	-	52,502	3(i)	52,502
TOTAL ASSETS	$ 18,260,648	$ (105,004)	$ (7,498)		$ 18,148,146
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	$ 312,452	$ -	$		$ 312,452
	312,452	-			312,452
SHAREHOLDERS' EQUITY					
Share capital	30,679,709		(52,502)	3(i)	30,627,207
Owner's investment		(105,004)	105,004	3(i)	
Contributed surplus	7,160,545				7,160,545
Additional paid in capital	(63,555)				(63,555)
Deficit	(19,828,503)		(60,000)	3(ii)	(19,888,503)
TOTAL SHAREHOLDERS' EQUITY	17,948,196	(105,004)	(7,498)		17,835,694
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 18,260,648	$ (105,004)	$ (7,498)		$ 18,148,146

Bearing Lithium Corp.
Pro Forma Consolidated Statement of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian dollars)

	Bearing Lithium Corp. (audited) Six months ended April 30, 2018	Carve-Out Lions Bay Mining Corp. (unaudited) (unaudited) Six months ended April 30, 2018	Pro forma Adjustments	Notes	Pro Forma Consolidated balance Year ended October 31, 2016
EXPLORATION COST					
Expenditures	$ -	$ -	$ -		$ -
EXPENSES					
Consulting	571,720	-	-		571,720
Investor communications	80,195	-			80,195
Management	170,962	-			170,962
Merger related costs	-	-			-
Office and general	30,018	-			30,018
Professional fees	81,918	-	60,000	3(ii)	141,918
Regulatory and filing	46,786	-			46,786
Share-based payment expense	825,638	-			825,638
Travel	39,351	-			39,351
	1,846,588	-	60,000		1,906,588
OTHER INCOME (EXPENSES)					
Foreign exchange loss	(6,298)	-			(6,298)
Interest income	2,586	-			2,586
Recovery on exploration and evaluation asset	(1,028)	1,028		3(i)	-
Gain (loss) on disposal of marketable securities	(95,590)	-			(95,590)
Unrealized gain (loss) on investment	83,540	-			83,540
TOTAL OTHER INCOME (EXPENSES)	(16,790)	1,028			(15,762)
NET LOSS	$ (1,863,378)	$ 1,028	$ 60,000		$ (1,922,350)
Foreign currency translation	1,176	-	-		1,176
COMPREHENSIVE LOSS	$ (1,862,202)	$ 1,028	$ 60,000		$ (1,921,174)
Loss per share – Basic and diluted					$ (0.03)
Pro forma weighted average number of shares outstanding – Basic and diluted					55,087,920

1 BASIS OF PRESENTATION

The unaudited pro forma consolidated financial statements of Bearing Lithium Corp. (formerly Bearing Resources Ltd.) ("Bearing"), have been prepared by management after giving effect to a proposed Spinout of Lions Bay Mining Corp. ("Lions Bay").

The Board of Directors of Bearing Lithium Corp. ("Bearing") has unanimously approved a statutory arrangement (the "Arrangement") where it proposes to distribute the shares of the Lions bay to the shareholders of Bearing on the basis of 0.047198 of Lions Bay shares for each common share of Bearing they own.

Prior to the distribution, Bearing will transfer to the Company its 50% interest in 81 lode claims (the "Fish Lake Project") located in Fish Lake Valley, central-western Nevada as well as the Company's interest in four additional mineral properties located in the Yukon, Canada.

The purpose of the Arrangement and the related transactions is to reorganize Bearing into two separate publicly-traded companies: (a) Bearing, which will be an exploration company focused on South America holding the South America Assets; and (b) Lions Bay Mining Corp ("Lions Bay" or the "Company"), which will be an exploration company focused on North America holding the North America Assets which include the Company's current interest in the Fish Lake Project. The Arrangement will result in participating Shareholders of Bearing holding, immediately following completion of the Arrangement, 50% of the outstanding New Common Shares in proportion to their holdings of Common Shares of the Company and Bearing holding the remaining 50%.

The unaudited pro forma consolidated financial statements of Bearing as at and for the six-month period ended April 30, 2018 have been prepared by management in accordance with the recognition and measurement requirements of International Financial Reporting Standards ("IFRS"), for illustrative purposes only, after giving effect to the Arrangement. They have been prepared for inclusion in the Management Information Circular of Bearing dated May 28, 2018 (the "Circular") with respect to the proposed spin-out of the Nevada and Yukon properties. The unaudited pro forma consolidated statement of financial position has been prepared from information derived from and should be read in conjunction with the following:

a) The unaudited interim financial statements of Bearing as at and for the six-month period ended April 30, 2018; and
b) The unaudited interim carve-out financial statements of Lions Bay Mining Corp. as at and for the six-month period ended April 30, 2018.
c) The audited consolidated financial statements of Bearing as at October 31, 2017 and 2016 and for the years then ended.

It is management's opinion that the unaudited pro forma consolidated financial statements include all adjustments necessary for the fair presentation, in all material respects, of the transaction described in Note 3 on a basis consistent with accounting policies.

The unaudited pro forma statement of financial position removes the carve-out statement of financial position of Lions Bay Mining Corp. from the statement of financial position of Bearing as at April 30, 2018 and is intended to reflect the financial position of the Company as if the transaction had been effected on April 30, 2018. The unaudited pro forma consolidated statement of loss and comprehensive loss removes the carve-out statement of loss and comprehensive loss of Lions Bay Mining Corp. from the April 30, 2018 Bearing statement of loss and comprehensive loss and is intended to reflect the results of operations of the Company as if the transaction had been effected on November 1, 2017. The unaudited pro forma consolidated financial statements are not necessarily indicative of the financial position or results of operations which would have occurred if the transaction had actually occurred on April 30, 2018 or November 1, 2017, respectively.

It is the opinion of Bearing's management that the pro forma consolidated statement of financial position as at April 30, 2018, and the pro forma consolidated statement of loss and comprehensive loss for all periods presented include all adjustments necessary for the fair presentation, in all material respects, of the transactions and assumptions described in Notes 3 and the results of the combined operations in accordance with International Financial Reporting

Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), applied on a basis consistent with Bearing's accounting policies.

The pro forma consolidated financial statements for the period intend to reflect the financial position had the proposed transaction occurred as at April 30, 2018, and the financial performance of the carve out company had the proposed transactions occurred at the beginning of the year ended October 1, 2017 or the six month period ended April 30, 2017. However, these pro forma financial statements are not necessarily indicative of the financial position or financial performance, which would have resulted if the transactions had actually occurred at April 30, 2017, and been in effect for the periods presented.

2 SIGNIFICANT ACCOUNTING POLICIES

These pro forma consolidated financial Statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in Bearing's audited annual financial statement for the fiscal year ended October 31, 2017.

3 ARRANGEMENT

The unaudited pro forma balance sheet as at April 30, 2018 gives effect to the following assumptions and adjustments:

i) The Company will transfer its North American assets to Lions Bay. Lions Bay will issue 5,509,999 shares of it common stock of which 50% will be distributed to the shareholders of Bearing and 50% will be issued to Bearing. 50% of the amount contained within owner's net investment of $105,004 is transferred to share capital upon issuance of shares of Lions Bay Mining Corp.;

ii) Direct transaction costs are estimated to total $60,000 with respect to legal, audit and accounting related, and financial advisory fees. These costs have been expensed.

SCHEDULE “P”
BEARING LITHIUM CORP. - FORM 51-102F6V
STATEMENT OF EXECUTIVE COMPENSATION

(see attached)

BEARING LITHIUM CORP.
(the "Company")
1400 - 1111 West Georgia Street
Vancouver, British Columbia
V6E 4M3

Form 51-102F6V - STATEMENT OF EXECUTIVE COMPENSATION

Named Executive Officers

During the financial year ended October 31, 2017, the Company had two Named Executive Officers ("**NEOs**") being, Jeremy Poirier, the President and Chief Executive Officer ("**CEO**"), and Ann Fehr, the Chief Financial Officer ("**CFO**") and Corporate Secretary of the Company.

"Named Executive Officer" means: (a) each CEO, (b) each CFO, (c) each of the three most highly compensated executive officers of the company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000; and (d) each individual who would be a NEO under (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION TABLE

Set out below is a summary of compensation paid or accrued during the Company's two most recently completed financial years to the Company's NEOs and directors for services provided and for services to be provided, directly or indirectly, to the Company or any subsidiary thereof.

Director and Named Executive Officer Compensation Table

Table of compensation excluding compensation securities							
Name and principal position	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus($)**	**Committee or meeting fees**	**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
Jeremy Poirier[1] *CEO*	2017 2016	111,500 7,500	Nil Nil	Nil Nil	Nil Nil	Nil Nil	111,500 7,500
Ann Fehr[2] *CFO*	2017 2016	46,769 10,400	Nil Nil	Nil Nil	Nil Nil	Nil Nil	46,769 10,400
Robert Cameron[3] *Former CEO*	2017 2016	N/A 7,850	N/A Nil	N/A Nil	N/A Nil	N/A Nil	N/A 7,850
Damian Towns[4] *Former CFO*	2017 2016	N/A 26,642	N/A Nil	N/A Nil	N/A Nil	N/A Nil	N/A 26,642
Patrick Cussen [5] *Director*	2017 2016	Nil N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A
William Timothy Heenan[6] *Director*	2017 2016	Nil N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A
Luis Saenz[7] *Director*	2017 2016	Nil N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A

Table of compensation excluding compensation securities							
Name and principal position	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus($)**	**Committee or meeting fees**	**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
Kirk Shaw [8]	2017	Nil	Nil	Nil	Nil	Nil	Nil
Former Director	2016	Nil	Nil	Nil	Nil	Nil	Nil
Amar Balaggan [9]	2017	Nil	Nil	Nil	Nil	Nil	Nil
Former Director	2016	Nil	Nil	Nil	Nil	Nil	Nil
Chris Hasek-Watt [10]	2017	1,750	Nil	Nil	Nil	Nil	1,750
Former Director	2016	Nil	Nil	Nil	Nil	Nil	Nil
Edward Epshtein [11]	2017	N/A	N/A	N/A	N/A	N/A	N/A
Former Director	2016	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Paid to Nico Consulting Ltd. for Mr. Poirier's role as CEO.
(2) Paid to Fehr & Associates for Mrs. Fehr's role as CFO and financial reporting work.
(3) Mr. Cameron resigned as the CEO, Jeremy Poirier was appointed as the CEO effective September 30, 2016.
(4) Mr. Towns resigned as the CFO and Ann Fehr was appointed as the CFO and Corporate Secretary effective June 30, 2016.
(5) Mr. Cussen was elected as a director of the Company on January 3, 2017.
(6) Mr. Heenan was elected as a director of the Company on May 25, 2017.
(7) Mr. Saenz was elected as a director of the Company on September 19, 2017.
(8) Mr. Shaw resigned as a director of the Company effective September 14, 2017.
(9) Mr. Balaggan resigned as a director of the Company effective September 19, 2017.
(10) Mr. Hasek-Watt resigned as a director of the Company effective January 26, 2017.
(11) Mr. Epshtein resigned as a director of the Company effective August 6, 2016.

Stock Options and Other Compensation Securities

The following table sets forth all compensation securities granted or issued to each NEO and director of the Company in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

Compensation Securities							
Name and position	**Type of compensation security**	**Number of compensation securities, number of underlying securities, and percentage of class**	**Date of issue or grant**	**Issue, conversion or exercise price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underlying security at year end ($)**	**Expiry Date**
Jeremy Poirier[2] *Director, CEO*	Options	100,000	October 6, 2017	0.80	0.80	0.76	October 6, 2021
Ann Fehr[3] *CFO*	Options	130,000	October 6, 2017	0.80	0.80	0.76	October 6, 2021
Luis Saenz[4] *Director*	Options	375,000	October 6, 2017	0.80	0.80	0.76	October 6, 2021
Luis Saenz[4] *Director*	Options	125,000	January 9, 2017	0.55	0.68	0.76	January 9, 2022

Patrick Cussen(5) *Director*	Options	375,000	October 6, 2017	0.80	0.80	0.76	October 6, 2021
Patrick Cussen(5) *Director*	Options	125,000	January 4, 2017	0.50	0.58	0.76	January 4, 2022
Timothy Heenan(6) *Director*	Options	75,000	October 6, 2017	0.80	0.80	0.76	October 6, 2021
Timothy Heenan(6) *Director*	Options	150,000	May 25, 2017	0.83	0.83	0.76	May 25, 2022

Notes:

(1) Mr. Balaggan had 100,000 options outstanding at the end of the most recently completed financial year.
(2) Mr. Poirier had 525,000 options outstanding at the end of the most recently completed financial year.
(3) Mrs. Fehr had 255,000 options outstanding at the end of the most recently completed financial year.
(4) Mr. Saenz had 500,000 options outstanding at the end of the most recently completed financial year.
(5) Mr. Cussen had 500,000 options outstanding at the end of the most recently completed financial year.
(6) Mr. Heenan had 200,000 options outstanding at the end of the most recently completed financial year.

Exercise of Compensation Securities by Directors and Named Executive Officers

The following table discloses each exercise by a NEO or director of compensation securities during the most recently completed financial year:

Exercise of Compensation Securities by Directors and NEOs							
Name and position	**Type of compensation security**	**Number of underlying securities exercised**	**Exercise price per security ($)**	**Date of exercise**	**Closing price per security on date of exercise**	**Difference between exercise price and closing price on date of exercise**	**Total value on exercise date**
Kirk Shaw *Former Director*	Options	50,000	0.20	October 10, 2017	0.86	0.66	33,000
Kirk Shaw *Former Director*	Options	275,000	0.27	October 3, 2017	0.79	0.52	143,000
Chris Hasek-Watt *Former Director*	Options	150,000	0.27	October 10, 2017	0.86	0.66	99,000
Edward Epshtein *Former Director*	Options	50,000	0.20	November 15, 2016	0.44	0.24	12,000

External Management Companies

None of the NEOs or directors of the Company have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Company to provide executive management services to the Company, directly or indirectly.

Stock Option Plans and other incentive plans

The Company has in effect a 10% rolling stock option plan (the "**Stock Option Plan**") approved by the shareholders of the Company at its annual general meeting held on September 8, 2016. The following information is intended as a brief description of the Stock Option Plan and is qualified in its entirety by the full text of the Stock Option Plan, which will be available for review at the Meeting.

1. The maximum aggregate number of shares that may be issued upon the exercise of stock options granted under the Stock Option Plan shall not exceed 10% of the issued and outstanding share capital of the Company, the exercise price of which, as determined by the Board in its sole discretion, shall not be less than the last closing price of the Company's shares traded through the facilities of the TSX Venture Exchange (the "**Exchange**") prior to the announcement of the option grant, or such other price as may be required or permitted by the Exchange, or if the shares are no longer listed for trading on the Exchange, then such other exchange or quotation system on which the shares are listed or quoted for trading.

2. The Board shall not grant options to any one person in any 12 month period which will, when exercised, exceed 5% of the issued and outstanding shares of the Company or to any one consultant or to those persons employed by the Company who perform investor relations services which will, when exercised, exceed 2% of the issued and outstanding shares of the Company.

3. Upon expiry of an option, or in the event an option is otherwise terminated for any reason, the number of shares in respect of the expired or terminated option shall again be available for the purposes of the Stock Option Plan. All options granted under the Stock Option Plan may not have an expiry date exceeding five years from the date on which the Board grants and announces the granting of the option.

4. If the option holder ceases to be a director, officer, employee or consultant of the Company (other than by reason of death) then the option granted shall expire on a date stipulated by the Board at the time of grant and, in any event, must terminate within 90 days after the date on which the option holder ceases to be a director, officer, employee or consultant, subject to the terms and conditions set out in the Stock Option Plan.

The Board retains the discretion to impose vesting periods on any options granted. In accordance with the policies of the Exchange, stock options granted to consultants performing investor relations services must vest in stages over a minimum of 12 months with no more than one-quarter of the stock options vesting in any three month period.

Employment, consulting and management agreements

Jeremy Poirier – President and CEO

Effective December 1, 2016 the Company entered into consulting agreement with Nico Consulting Ltd. to provide consulting services to the company as the Company may from time to time require for a monthly fee of $10,000 per month.

Ann Fehr - Chief Financial Officer and Corporate Secretary

Effective July 1, 2016 and amended December 1, 2016, the Company entered into a consulting agreement with Fehr & Associates. Professional fees are based on the expected time and the degree of responsibility and skill required. A fixed fee of $2,000 per month will be charged for the book-keeping and administration support. CFO and financial statement preparation work will be charged $100 per hour.

Oversight and description of director and named executive officer compensation

The Compensation Committee of the Board is responsible for ensuring that the Company has appropriate procedures for setting executive compensation and making recommendations to the Board with respect to the compensation paid to each of the executive officers is fair and reasonable and is consistent with the Company's compensations philosophy.

The Compensation Committee is also responsible for recommending compensation for the directors and granting stock options (the "**Options**") to the directors, officers and employees, and consultants of the Company pursuant to the Company's current stock option plan (the "**Option Plan**").

The Compensation Committee is currently comprised of Timothy Heenan (Chair) and Patrick Cussen each of whom is an independent director and Luis Saenz who is a not an independent director. The Board is satisfied that the composition of the Compensation Committee ensures and objective process for determining compensation. As disclosed above, all members of the current Compensation Committee have had experience in the mining sector, including the junior exploration sector and on other boards of directors.

The Compensation Committee reviews on an annual basis the cash compensation, performance and overall compensation package of each executive officer, including the NEOs. It then submits to the Board recommendations with respect to the basic salary, bonus and participation in share compensation arrangements for each executive officer.

The Compensation Committee ensures that the Company has an executive compensation plan that is fair, motivational and competitive so that it will attract, retain and incentivize executive officers of a quality and nature that will enhance growth and development of the Company. In establishing levels of remuneration, stock option and bonus grants, the Compensation Committee is guided by the following principles:

- Compensation is determined on an individual basis by the need to attract and retain talented, qualified and effective executives;
- Total compensation is set with reference to the market for similar positions in comparable companies and with reference to the location of employment; and
- The current market and economic environment.

Due to the stage of development of the Company, the Company has not established any quantitative or identifiable measures to assess performance and the performance goals are largely subjective, based on qualitative measures such as consistent and focused leadership, ability to manage risks, enhancing the Company's profile and growth profile.

Pension Disclosure

The Company does not have a pension plan that provides for payments or benefits to the NEOs or directors at, following, or in connection with retirement.