LIONS GATE METALS

Lions Gate Metals Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2012

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") for Lions Gate Metals Inc. (the "**Company**" or "**Lions Gate**" or "**LGM**"), dated March 28, 2013, should be read in conjunction with the Consolidated Financial Statements for the year ended December 31, 2012 ("Consolidated Financial Statements"), as well as the audited Consolidated Financial Statements and MD&A for the year ended December 31, 2011. Except as otherwise disclosed, all dollar figures in this report are stated in Canadian dollars, which is the Company's reporting currency.

The Consolidated Financial Statements of the Company for the year ending December 31, 2012 have been prepared in accordance with International Financial Reporting Standards ("IFRS") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

FORWARD-LOOKING INFORMATION AND RISKS NOTICE

This Management's Discussion and Analysis is a review of the Company's financial performance and financial condition as at and for the year ended December 31, 2012, and plans for the future based on facts and circumstances as of March 28, 2013. When we discuss our costs and timing of current and proposed exploration, working capital requirements, the requirement for additional capital, operations, future commodity prices, future accounting changes or other things that have not yet happened in this review we are making statements considered to be *forward-looking information* under Canadian securities laws.

The forward-looking information in this MD&A typically includes words and phrases about the future, such as: "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". We can give no assurance that the forward-looking information will prove to be accurate. It is based on a number of assumptions management believes to be reasonable, including but not limited to: no material adverse change in the market price of commodities and exchange rates, permitting timelines, limited volatility in the Company's share price and such other assumptions and factors as set out herein.

It is also subject to risks associated with our business, including but not limited to: risks inherent in the mining and metals business, the success of exploration activities, requirements for additional capital, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and the timing and possible outcome of pending litigation and other risks that are set out in our annual information form and below.

If our assumptions prove to be incorrect or risks materialize, our actual results and events may vary materially from what we currently expect as set out in this review.

We recommend that you review our annual information form and this MD&A, which include a discussion of material risks that could cause actual results to differ materially from our current expectations. Forward-looking information is designed to help you understand management's current views of our near and longer term prospects, and it may not be appropriate for other purposes.

COMPANY OVERVIEW

Lions Gate is a Tier 1 public company with common shares listed for trading on the TSX Venture Exchange ("**TSXV**") under the symbol LGM. Lions Gate was incorporated under the laws of the Province of British Columbia, and is a junior mineral exploration company engaged in the business of acquiring and exploring and evaluating natural resource property interests. As at the date of this management discussion and analysis, the Company has not earned any production revenue, nor defined any proven reserves on any of its mineral property interests. The Company is currently focusing its efforts on pursuing projects which have potential for near-term production and for potential acquisitions of businesses or assets.

The Consolidated Financial Statements and Management's Discussion & Analysis have been prepared using IFRS applicable to a going concern, which assumes that the Company will continue to realize its assets and discharge its liabilities in the normal course of business. Realization values may be substantially different from carrying values as shown in the Consolidated Financial Statements and Management's Discussion & Analysis which do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

The Company incurred a comprehensive loss of $3,326,031 during the year ended December 31, 2012 (December 31, 2011: $3,421,028) and as of that date the Company's deficit was $20,233,479 (December 31, 2011: $16,896,832). However, the Company has sufficient cash resources to meet its obligations for at least twelve months from the end of the 2012 reporting period. The consolidated financial statements are presented on a going concern basis, which assumes that the Company will continue to realize its assets and discharge its liabilities in the normal course of business.

OVERALL PERFORMANCE

General

The European financial crisis has had a major impact on the capital markets and has affected Lions Gate by making it difficult to raise funds for our continued normal operations. As a result, management recommended and the Board accepted to release the Kelly Creek and Hudson Bay Mountain mineral properties. It was determined that given the grassroots nature of both projects, they no longer fit the Company's risk profile.

In addition, after discussions to purchase 100% of the ROK-Coyote mineral property were unsuccessful, management recommended and the Board accepted to cancel the option agreement and return the property to the optionor in good standing. Management felt that the significant multi-year work payments in addition to cash and share payments to the optionor did not make fiscal sense with the current market conditions in the junior resource sector.

In the latter stages of 2012 the Company optioned its Poplar copper, gold and silver project in exchange for $15,000,000 cash and work commitments to be delivered in tranches over a two-year period. To date, the Company has received a $1,000,000 non-refundable deposit pertaining to this transaction.

Currently, the focus of the Company is to maintain the capital structure, conserve cash, manage expenditures, and look for new projects.

Poplar Property

The Company has completed the updated Resource Estimate for a portion of the 100% owned, 199 claim, 77,914 hectare Poplar Copper-Gold-Silver Porphyry Property (the "Property"), located in west-central British Columbia, 35 kilometers northeast of the Huckleberry copper-molybdenum mine - of which Imperial Metals Corp. holds a 50% interest - between Huckleberry and the mining resource town of Houston. Just six months after the Company announced a NI 43-101 Resource Estimate of 1.4 billion pounds copper for the Property, it completed a very successful 29 hole, 10,914 metre phase-two drill program, which increased overall confidence in the resource numbers, upgraded a portion of the deposit from Inferred to Indicated status, and introduced compelling gold and silver values.

The work in 2011 culminated in an updated NI 43-101 with the following results: At a 0.15% Cu cut-off, the Property has a new Indicated Resource of 171.3 million tonnes grading 0.28% Cu (1.06 billion pounds), 0.008% Mo, 0.08 g/t Au and 2.30 g/t Ag (0.40% CuEq), plus an Inferred Resource of 209.0 million tonnes grading 0.23% Cu (1.06 billion pounds), 0.004% Mo, 0.06 g/t Au and 3.62 g/t Ag (0.33% CuEq). This new Resource is a significant increase from the aforementioned initial Inferred Resource Estimate of 245.86 million tonnes grading 0.27% Cu (1.4 billion pounds) and 0.007% Mo using a 0.15% Cu cutoff.

Andrew Gourlay, P. Geo., is a qualified person pursuant to NI-43-101 and has reviewed and approved the disclosure of technical matters included herein.

On October 16, 2012, the Company entered into a binding Letter of Intent (the "LOI") with Canadian Dehua International Mines Group Inc. ("Dehua"), whereby the Company will grant Dehua an option (the "Option") to acquire a one hundred percent (100%) interest in the Property. The transaction was approved by the TSX Venture Exchange and shareholders on December 7, 2012.

Pursuant to the terms of the LOI, Dehua will earn 100% interest in Poplar by paying to the Company $15,000,000 in cash and performing work on Poplar over a two-year period as follows:

1) $1,000,000 upon execution of the LOI, which amount is non-refundable upon the Company receiving regulatory and shareholder approval for the Option (received);
2) $1,000,000 on the first anniversary of the execution of the LOI (which amount is also non-refundable);
3) $13,000,000 on the second anniversary of the execution of the LOI;
4) Fulfilling all environmental, permitting, and other maintenance costs; and
5) Completion of 10,000 meters of drilling on the Poplar project (which is a committed obligation and must be completed by Dehua regardless of whether it exercises the Option).

Dehua shall keep Poplar in good standing, including the completion or payment of the Assessment Fees and filing of applicable assessment reports with the Mineral Titles Branch for the Province of British Columbia. Dehua shall also pay or cause to be paid any rates, taxes, duties, royalties, assessments or fees with respect to Poplar, including payments relating to the MoU with the OW discussed above.

Dehua shall acquire no beneficial interest in and to Poplar until all payments above are made. The Company has agreed to retain the Poplar 1 and 2 royalties for aggregate costs of $1.1 million.

To date, the Company has received the first payment of $1,000,000, which has been credited to the Poplar exploration and evaluation assets. This balance has been offset by a $58,000 finders' fee.

ROK-Coyote Property

The ROK-Coyote Property is situated in the Stikine Arch region of northwestern BC about 8 km southeast of the Iskut Village on Highway 37 and 12 km west of the BC Rail extension road bed. It is contiguous to the Imperial Metals' Red Chris copper-gold deposit. The property covers a copper-gold porphyry target located within a large hydrothermal sulphide system measuring at least 9 sq. km. atop the Tanzilla Plateau. Access to the Property is easily gained from Hwy. 37 along the west side of the claim group or from the Ealue Lake secondary road that crosses the southern half of the property in an east-west direction. Higher elevations on the property are best accessed by helicopter. The Property is adjacent to and immediately northwest of the Imperial Metals Corporation's Red Chris copper-gold deposit (with Measured and Indicated Resources of 1,218 million tonnes at 0.327% Cu and 0.327 g/t Au, at 0.20% Cu Cutoff, as reported on page I-8 of Imperial Metals' Red Chris 2012 Technical Report on the Red Chris copper-gold project dated February 14, 2012).

The Property comprises 19 contiguous claims covering 6,891 hectares. Firesteel Resources Inc. has granted to Lions Gate the exclusive option to acquire a 75% interest in the property over a four-year period. Lions Gate may exercise the option by paying an aggregate of $496,000 in cash, issuing an aggregate of 650,000 common shares and incurring an aggregate of $2,329,000 in exploration expenditures on the property over the four-year term. Firesteel retains a right at any time to acquire a 5% interest in the property following the exercise of the option, thereby reducing Lions Gate's interest to 70% by paying $200,000 in cash subject to certain terms and conditions as set forth in the option agreement.

As discussed in the 'General' section above, the Company cancelled the Property Option Agreement and returned the ROK-Coyote Property to the Optionor.

Hudson Bay Mountain Property

In May 2005, the Company acquired claims located on Hudson Bay Mountain. Additional claims surrounding the Hudson Bay Mountain Property were obtained in July 2010 and July 2012, giving the Company a total of 83 claims covering 23,030 hectares.

These mineral claims surround the old Yorke/Hardy Molybdenum showing which is adjacent to Thompson Creek Metals Company Inc.'s (TSX, NYSE: TCM) Davidson project. Thompson Creek operates the Endako open-pit molybdenum mine at Fraser Lake. The claims are located approximately 10 km west of the town of Smithers, BC and within sight of the Smithers airport. Access to the site is via a number of public roads on the north side of the mountain and an extensive logging road network accessing the south and west sides of the area. Helicopter access to higher areas is easily made in a few minutes from the airport. These claims are also located within 5 kilometers of the Canadian National Railway lines.

As discussed in the 'General' section above, the Company has released the Hudson Bay Mountain Property and has no further commitments on the Property.

Copperline Property

Pursuant to a sale and purchase agreement entered into on July 17, 2010 between the Company and the two owners (the "**Vendors**"), the Company has acquired a 60% undivided beneficial and recorded interest in the Copperline property, which consists of three Crown grants. The remaining 40% interest in the mineral property interest is held by Max Minerals Ltd. (TSXV: MJM).

Management has elected at this time to concentrate efforts on other properties and interests. As there is no known market for this interest, the recoverable value based upon fair value less costs to sell is considered to be nominal. As such, acquisition costs of $1,630,759 were charged to operations in 2011. No further expenditures have been made on Copperline, and there have been no additional charges to operations in 2012.

Kelly Creek

The Kelly Creek mineral property interest is 100% owned by the Company and all related mineral claims are current and in good standing. The optionor retains a 2% NSR, in respect of these mineral claims, with the Company being granted the right to purchase 50% (a 1% NSR) of this royalty for consideration of $1,000,000.

The property is accessible from Terrace, thirty kilometres westerly via British Columbia Highway 16 and Zymoetz River main logging road. The Property is comprised of six claims covering 2,068 hectares.

In 1981 Cathedral Minerals Ltd. estimated a resource at Upper Kelly Creek prospect comprising an indicated resource of 2.27 million tonnes containing 1.03 per cent copper and 18.5 grams per tonne silver and an inferred resource of similar tonnage and grade as the indicated resource; this estimate was performed prior to the introduction of current resource reporting standards and should not be relied upon.

Expressed in Canadian Dollars

As discussed in the 'General' section above, the Company has released the Kelly Creek Property and has no further commitments on the Property.

SELECTED ANNUAL INFORMATION

	Year Ended December 31, 2012 (audited) $	Year Ended December 31, 2011 (audited) $	Year Ended December 31, 2010 (audited) $
Total Revenue	5,460	17,097	3,305
Assets	6,532,142	9,062,076	6,071,756
Net Loss	(3,336,647)	(3,408,561)	(1,569,724)
Basic and Diluted loss per common share	(0.13)	(0.15)	(0.13)

The audited financial statements for the years ended December 31, 2010, 2011, and 2012 were prepared in accordance with International Financial Reporting Standards (IFRS).

RESULTS OF OPERATIONS & CAPITAL MANAGEMENT

For the year ended December 31, 2012, the Company had a net comprehensive loss of $3,326,031 compared to a net comprehensive loss of $3,421,028 for the same period in 2011. The decrease in comprehensive loss for the year was due primarily to decreased stock-based compensation expense.

Assets

Significant asset variances include:

	2012	2011	Variance
Amounts Receivable	$ 44,124	$ 681,421	$ (637,297)

Amounts receivable consists of 2 primary balances: HST recoverable and the BC Mineral Exploration Tax Credit (METC) receivable. HST recoverable has decreased by $216,768 to a 2012 receivable $6,469. The large outstanding receivable in 2011 was a result of the drill program, which was not repeated in 2012.

Furthermore, the METC receivable has decreased by $432k as the 2011 METC receivable was received in cash in December 2012.

	2012	2011	Variance
Exploration & Evaluation Assets	$ 5,144,328	$ 7,226,250	$ (2,081,922)

Poplar exploration & evaluation assets decreased by $345,710. The decrease was primarily due to the receipt of a $942,000 cash deposit ($1,000,000 net of $58,000 consulting fees) relating to the binding Letter of Intent on the Poplar property. Poplar assets were further decreased by $21,364 of METC accrued in 2012.

Expressed in Canadian Dollars

These decreases were offset by the following exploration and evaluation expenditures:

- $150,000 paid to Standard Exploration Ltd. to fulfill the 'Settlement and Termination Agreement'. All terms of the agreement have now been satisfied.
- $44,000 paid for work filing fees.
- $31,350 of shares issued pursuant to Poplar option agreements
- $208,314 on consulting services (primarily geologists)
- $118,463 on geological and assays/metallurgical
- The remaining balance relates to telecommunications, environmental, and community relations/traditional use studies

The ROK-Coyote property assets decreased by $427,289. As previously discussed, the property was returned to the Optionor, resulting in impairment of $556,454. This is offset by work performed prior to the release of the property, including $36,325 in expenditures on consulting and community relations, a $50,000 cash payment to Firesteel Resources and $16,500 of common shares (50,000 shares at a cost of $0.33 per share) were issued pursuant to the Property Purchase Agreement.

The Hudson Bay Mountain property assets decreased by $1,308,920. As previously discussed, the property was released in 2012, resulting in impairment of $1,343,856. This was offset by work performed prior to the release of the property, including $6,153 in expenditures on consulting.

Shareholders' Equity

Significant shareholders' equity variances include:

	2012	2011	Variance
Share Capital	$ (20,932,337)	$ (20,224,650)	$ (707,687)

Share capital increased as a result of the following transactions:

- $860,000 increase from the Feb 22, 2012 private placement and flow-through share issuance
- $31,350 increase from issuance of 55,000 pursuant to option agreements on the Poplar property
- $16,500 increase due to the 50,000 shares issued pursuant to the ROK agreement
- $10,500 increase due to the issuance of 150,000 bonus shares as part of the bridge loan

These increases were offset by the following:

- $67,196 decrease due to share issuance costs
- $106,207 decrease related to the fair value of share purchase warrants issued
- $37,260 decrease as a result of NCIB repurchases that were returned to treasury

	2012	2011	Variance
Share Purchase Warrants	$ (1,863,972)	$ (3,166,114)	$ 1,302,412

The decrease relates to the expiration of the following warrants:

- 4,393,702 warrants with an expiry of June 25, 2012 with a value of $1,150,087
- 599,999 warrants with an expiry of June 30, 2012 with a value of $140,400
- 275,318 warrants with an expiry of September 4, 2012 with a value of $1187,863

Expressed in Canadian Dollars

This is offset by an increase of $106k which relates to the issuance of warrants pursuant to the private placement on February 22, 2012.

	2012	2011	Variance
Contributed Surplus	$ (3,838,035)	$ (2,297,441)	$ (1,540,594)

The increase in contributed surplus relates primarily to the reclassification of expired warrants valued at $1,408,350. The remaining variance relates to share-based payments.

Expenses & Other

Significant expenses and other variances include:

	2012	2011	Variance
Consulting and management fees	$ 270,876	$ 178,547	$ 92,329
Salaries and benefits	$ 374,679	$ 267,104	$ 107,575

The increase in consulting and management fees is a result of compensation paid to the Former CEO/COO. This account is offset by the fact that the Chairman and former CFO became salaried employees as opposed to consultants in February, 2011. In addition, the accounting function shifted from consulting to salaries in 2012.

	2012	2011	Variance
Stock-based compensation	$ 119,838	$ 619,337	$ (499,500)

The decrease in stock-based compensation expense is a result of the fact that the primary annual stock option issuance was much smaller in 2012. In 2011, the Company issued 804,000 stock options to directors, officers and employees whereas in 2012, the Company issued only 265,000 stock options.

	2012	2011	Variance
Write-down of mineral property interests	$ (1,900,310)	$ (1,648,259)	$ (252,051)

The write-down of interests in mineral properties is property-specific. In 2012, the ROK-Coyote exploration & evaluation assets of $556,454 and the Hudson Bay Mountain exploration & evaluation assets of $1,343,856 were written off as a result of the properties being released. The majority of the 2011 write-down relates to the Copperline property acquisition costs as the property was deemed to be impaired due to a lack of planned work on the property, as the Company focused on exploring its other mineral property interests.

For details of all significant fourth quarter variances, please refer to the 'Summary of Quarterly Results – Fourth Quarter' section.

SUMMARY OF MINERAL PROPERTY EXPENDITURES AND EXPLORATION ACTIVITIES

Title to mineral property interests involve certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristics of many mineral property interests. The Company has investigated title to all of its mineral property interests and, to the best of its knowledge, title to all of them are in good standing. It is management's intention to keep its current mineral property interest in good standing.

Expressed in Canadian Dollars

Mineral Property Interests (Omineca Mining Division, Province of BC) **Acquisition Costs**	**Balance December 31, 2011 $**	**2012 Costs Incurred $**	**Write-Down for Valuation $**	**Balance December 31, 2012 $**
Poplar mineral property - 100% interest	1,036,486	225,206	-	1,261,692
Kelly Creek mineral property - 100% interest	1	-	(1)	-
Hudson Bay Mountain mineral property - 100% interest	1,175,575	-	(1,175,575)	-
Copperline mineral property - 60% interest	1	-	-	1
ROK – Coyote mineral property - 75% interest	234,000	72,012	(306,012)	-
	2,446,063	**297,218**	**(1,481,588)**	**1,261,693**
Deferred Exploration Expenditures				
Poplar				
Airborne survey	334,129	-	-	334,129
Assays/Metallurgy	55,953	18,820	-	74,773
Camp costs	796,727	2,123	-	798,850
Consulting	700,441	207,661	-	908,102
Drilling	1,766,392	-	-	1,766,392
Environmental	122,849	16,279	-	139,128
Field expenditures and personnel	693,082	16,400	-	709,482
Geophysical/I.P. magnetic survey	449,831	100,093	-	549,924
Maps and reports	3,071	4,813	-	7,884
Miscellaneous	65,758	4,723	-	70,481
Telecommunications	11,726	4,035	-	15,761
Community Relations/Traditional use study	67,295	17,500	-	84,795
Travel and accommodation	88,632	-	-	88,632
Mining exploration tax credits claimed	(702,334)	(21,364)	-	(723,698)
Cash deposits received	-	(942,000)	-	(942,000)
	4,453,552	(570,917)		3,882,635
Hudson Bay Mountain				
Consulting	41,816	6,415	(48,231)	-
Camp costs	25,862	-	(25,862)	-
Field expenditures and personnel	62,532	-	(62,532)	-
Geological	27,302	771	(28,073)	-
Miscellaneous	3,479	104	(3,583)	-
Mining exploration tax credits claimed	(27,645)	27,645	-	-
ROK – Coyote				
Consulting & Community Relations	61,248	36,461	(97,709)	-
Camp costs	15,667	-	(15,667)	-
Field expenditures and personnel	95,188	410	(95,598)	-
Geophysical	39,107	2,580	(41,687)	-
Mining exploration tax credits claimed	(17,921)	17,701	220	-
	4,780,187	(478,830)	(418,722)	3,882,635
Total	**7,226,250**	**(181,612)**	**(1,900,310)**	**5,144,328**

Expressed in Canadian Dollars

Mineral Property Interests (Omineca Mining Division, Province of BC) Acquisition Costs	Balance January 1, 2011 $	2011 Costs Incurred $	Write-Down for Valuation $	Balance December 31, 2011 $
Poplar mineral property - 100% interest	787,205	249,281	-	1,036,486
Kelly Creek mineral property - 100% interest	1	17,500	(17,500)	1
Hudson Bay Mountain mineral property - 100% interest	1,160,245	15,330	-	1,175,575
Copperline mineral property - 60% interest	1,630,760	-	(1,630,759)	1
ROK – Coyote mineral property - 75% interest	-	234,000	-	234,000
	3,578,211	**516,111**	**(1,648,259)**	**2,446,063**
Deferred Exploration Expenditures				
Poplar				
Airborne survey	334,129	-	-	334,129
Assays/Metallurgy	32,891	23,062	-	55,953
Camp costs	228,999	567,728	-	796,727
Consulting	416,184	284,257	-	700,441
Drilling	297,579	1,468,813	-	1,766,392
Environmental	94,545	28,304	-	122,849
Field expenditures and personnel	291,257	401,825	-	693,082
Geophysical/I.P. magnetic survey	99,435	350,396	-	449,831
Maps and reports	813	2,258	-	3,071
Miscellaneous	58,113	7,645	-	65,758
Telecommunications	5,460	6,266	-	11,726
Community Relations/Traditional use study	-	67,295	-	67,295
Travel and accommodation	70,382	18,250	-	88,632
Mining exploration tax credits claimed	(286,369)	(415,965)	-	(702,334)
	1,643,418	2,810,134		4,453,552
Hudson Bay Mountain				
Consulting	10,000	31,816	-	41,816
Camp costs	-	25,862	-	25,862
Field expenditures and personnel	-	62,532	-	62,532
Geological	-	27,302	-	27,302
Miscellaneous	-	3,479	-	3,479
Mining exploration tax credits claimed	-	(27,645)	-	(27,645)
ROK - Coyote				
Consulting & Community Relations	-	61,248	-	61,248
Camp costs	-	15,667	-	15,667
Field expenditures and personnel	-	95,188	-	95,188
Geophysical	-	39,107	-	39,107
Mining exploration tax credits claimed	-	(17,921)	-	(17,921)
	1,653,418	3,126,769	-	4,780,187
Total	**5,231,629**	**3,642,880**	**(1,648,259)**	**7,226,250**

Expressed in Canadian Dollars

COMMITMENTS

The following table reflects the Company's known aggregate financial commitments as at December 31, 2012:

	< Year 1	1 - 2 Years	2 - 3 Years	3 - 4 Years	4 - 5 Years	Total
Office Lease	$15,600	$15,600	$7,800	$ -	$ -	$39,000

The Company's flow-through share commitments are as follows:

	$
Balance at December 31, 2011	-
Proceeds from February 22, 2012 issuance	459,000
Qualifying expenditures	(250,461)
Balance at December 31, 2012	**208,539**

SUMMARY OF QUARTERLY RESULTS – FOURTH QUARTER

The following selected quarterly consolidated financial information is derived from the Consolidated Financial Statements of the Company and has been prepared in accordance with IFRS, with a Canadian dollar presentation currency.

Summary of quarterly financial information

	Dec 31, 2012	Sept 30, 2012	Jun 30, 2012	Mar 31, 2012
Total assets	$ 6,532,142	$ 8,783,994	$ 8,944,572	$ 9,390,330
Working capital	1,131,500	434,899	822,412	1,463,794
Shareholders' equity	6,400,865	8,523,216	8,829,951	9,196,833
Loss	2,163,905	302,556	445,860	424,326
Loss per share	$ 0.08	$ 0.01	$ 0.02	$ 0.02

	Dec 31, 2011	Sept 30, 2011	Jun 30, 2011	Mar 31, 2011
Total assets	$ 9,062,076	$ 11,385,266	$ 11,428,033	$ 11,535,595
Working capital	1,459,044	2,919,538	4,248,109	4,228,727
Shareholders' equity	8,780,757	10,854,871	11,178,333	10,806,199
Loss	1,945,526	354,820	421,789	686,426
Loss per share	$ 0.08	$ 0.02	$ 0.02	$ 0.04

For the three months ended December 31, 2012, the Company had a net loss of $2,163,905 as compared to a net loss of $1,945,526 for the same period in 2011. The increase in net loss for the fourth quarter was due to greater mineral property write-downs in 2012. Significant variances over the three month period include:

In 2012, the ROK-Coyote exploration & evaluation assets of $557k and the Hudson Bay Mountain exploration & evaluation assets of $1.344M were written off as a result of the properties being released. The majority of the $1.648M 2011 write-down relates to the Copperline property acquisition costs as the property was deemed to be impaired due to a lack of planned work on the property, as the Company focused on exploring its other mineral property interests.

Stock-based compensation expense in the fourth quarter of 2012 decreased by $15k as a result of the reversal of expense associated with unvested cancelled options. In 2011, stock-based compensation expense increased by $19,151 as previously issued options to consultants continued to vest.

No premium was generated on renunciation of flow-through shares in 2012 as the market value was greater than the price of the flow-through units at the time of issuance. In 2011, due to the accounting for the renunciation of flow-through share issuances, the Company recognized a premium realized on issue of flow-through units of $84,211.

LIQUIDITY AND CAPITAL MANAGEMENT

Liquidity Management

The Company's cash and cash equivalents position at December 31, 2012 totaled $1,004,834 (December 31, 2011 - $784,382). Current market conditions have adversely affected the ability of the Company to raise funds. Should this situation continue, this could affect the ability of the Company to purchase and explore new properties.

The Company does not have any loans or bank debt and there are no restrictions on the use of its cash resources.

To date, the Company has not earned significant revenues and is considered to be in the exploration stage. The recoverability of the costs incurred for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures.

The Company received a $410,916 Mineral Exploration Tax Credit refund from the Canada Revenue Agency ("CRA") for exploration conducted in 2011, which amount has been audited and confirmed by the CRA. In addition, the Company received the first payment of $1,000,000 resulting from the sale of the Poplar property. Such funds will be utilized to meet general working capital needs. As a result, management believes that the Company currently has adequate cash to meet its ongoing liquidity needs.

Normal Course Issuer Bid

On November 1, 2011, the Company commenced a Normal Course Issuer Bid ("NCIB") to acquire up to 600,000 of its common shares, over a one year period. The NCIB concluded on November 1, 2012. The Company repurchased and returned to treasury a total of 268,000 shares at a cost of $100,103 (an average of $0.37 per share) throughout the NCIB period. Purchases were made through the facilities of the TSX Venture Exchange in accordance with TSX-V requirements. The price at which the company purchased its common shares was at the market price of the common shares at the time of acquisition. All common shares purchased by Lions Gate under the bid have been returned to treasury for cancellation.

During the year ended December 31, 2011, 169,000 shares were acquired pending cancellation under the NCIB at a cost of $62,843 (an average of $0.37 per share). On January 5, 2012, these shares were cancelled and returned to treasury. During the quarter ended March 31, 2012, an additional 46,500 common shares were acquired pending cancellation under the NCIB at a cost of $18,460 (an average of $0.39 per share). On April 4, 2012, these shares were cancelled and returned to treasury.

During the quarter ended June 30, 2012, 2,500 common shares were acquired pending cancellation under the NCIB at a cost of $1,150 (an average of $0.45 per share). On July 9, 2012, an additional 50,000 common shares were acquired pending cancellation under the NCIB at a cost of $17,650 (an average of $0.35 per share). On August 8, 2012, the 52,500 shares were cancelled and returned to treasury.

Expressed in Canadian Dollars

The Company had appointed Mackie Research Capital Corporation, located at Suite 564, 1055 Dunsmuir Street, Vancouver, B.C., V7X 1L4 as its broker to conduct the Bid transactions.

Management of Capital

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and further development of its mineral property interest and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its cash and cash equivalents, available-for-sale investments, share capital, and share purchase warrants. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, and acquire or dispose of assets, while managing the amount of cash and cash equivalents.

TRANSACTIONS WITH RELATED PARTIES

During the year ended December 31, 2012, the Company entered into related-party transactions with the following individuals:

Arni Johannson	Chairman & Interim CEO
Paul Sarjeant	Former CEO (Became COO on September 13, 2012, and resigned on January 31, 2013)
Michael Sweatman	Director
Blair McIntyre	VP Operations
Andrew Gourlay	Former VP of Exploration

Canadian Nexus Ventures Ltd. ("CNV")	Corporation controlled by Chairman & Interim CEO
MDS Management Ltd. ("MDS")	Director exercises significant influence over MDS
Doublewood Consulting Inc. ("Doublewood")	Corporation controlled by Former CEO/COO

All related party transactions were within the normal course of business and have been recorded at amounts agreed to by the transacting parties. The following is a summary of the Company's related party transactions during the year that are not discussed elsewhere:

a) **Consulting Fees**

For the year ended December 31, 2012, the Company paid or accrued consulting fees totaling $211,651 plus HST (2011: $216,644) to officers, and companies subject to their influence. The consulting fees consisted of $160,651 to Doublewood, and $51,000 to the VP of Exploration. Consulting fees incurred related to the Company's mineral properties are capitalized.

As at December 31, 2012, $nil (2011: $15,610) of these amounts are disclosed on the Company's consolidated statement of financial position as due to related parties.

b) **Administrative Expenses**

For the year ended December 31, 2012, the Company paid or accrued administrative expenses totaling $161,103 (2011: $183,837) which are disclosed as office, rent and telephone, and legal fees in the Company's consolidated statement of operations, to related companies. These costs were reimbursements for various administrative and overhead expenses which consisted of the following: $31,876 for office rent (2011: $50,200), $65,321 related to shared office consultants (2011: $64,642), $17,216 related to telephone, website and copier expenses (2011: $27,158), $2,807 for parking and meals & entertainment expenses (2011: $8,902) and $43,883 (2011: $32,935) related to general office and administration expenses. $160,147 of the administrative expenses were reimbursed to CNV, and $956 were reimbursed to MDS.

Expressed in Canadian Dollars

c) **Key Management Compensation**

Key management personnel compensation comprised:

	Year ended December 31	
	2012	**2011**
	$	**$**
Short-term employee benefits and director fees	529,012	441,062
Share-based payments	81,851	406,731
	610,863	**847,793**

As at December 31, 2012, $nil of director fees and short-term employee benefits (December 31, 2011: $5,750) are disclosed on the Company's consolidated statement of financial position as due to related parties.

d) **Substantial Shareholder**

John Icke, a director of the Company, is also the President and CEO of Resinco Capital Partners Inc. ("Resinco"). Resinco is a greater than 10% shareholder of the Company. In 2012, Resinco began providing corporate secretarial and accounting services for the Company. For the year ended December 31, 2012, these services resulted in an expense of $23,779 (2011: $nil). The services with Resinco were terminated on October 1, 2012.

As at December 31, 2012, $nil (December 31, 2011: $7,645) of expenses owed to Resinco are disclosed on the Company's consolidated statement of financial position as due to related parties.

e) **Loan to Officer**

On May 4, 2012, the Company advanced the first tranche of a loan to Doublewood, which funds have been utilized to purchase shares of the Company in accordance with the Doublewood consulting contract. The first tranche totaled $50,000 and the loan could be extended to a maximum of $200,000. The loan bore interest at the CRA prescribed rate for shareholder loans (currently 1%), compounded annually, and had a term of two years.

On September 13, 2012, the Company terminated the contract with Doublewood. As part of the termination negotiation process, the loan is to be forgiven in lieu of termination notice payments required under the terms of the consulting agreement with Doublewood. The loan to be forgiven has therefore been expensed to the 'Consulting and management fees' account.

f) **Bridge Loan Financing**

In October 2012, the Company received a bridge loan from BC in the amount of $100,000. Terms of the loan included an interest rate of prime + 9% and the issuance of 150,000 bonus shares to the lender. The loan was repaid in full on December 7, 2012, and the shares were issued on December 18, 2012. As at December 31, 2012, $2,203 (December 31, 2011: $nil) of interest expense owed to BC is disclosed on the Company's consolidated statement of financial position as due to related parties.

PROPOSED TRANSACTIONS AND EVENTS AFTER THE REPORTING DATE

Cancellation of Option Agreement

On January 2, 2013, the Company announced that it is returning the ROK-Coyote project to Firesteel. The Company feels that the significant multi-year work payments in addition to cash and share payments to the Vendor did not make fiscal sense with the current market conditions in the junior resource sector. As such, the Company tried to modify our Option Agreement to better reflect the prevailing economic realities but was unable to secure new terms.

Change in Management

On January 2, 2013, Sharon Muzzin was appointed as Chief Financial Officer, replacing David McAdam who resigned from the position. On January 30, 2013, Richard Schroeder resigned from the Company's Board of Directors, and Paul Sarjeant resigned from the position of Chief Operating Officer.

Option Agreement

On February 18, 2013, the Company entered into an option agreement (the "Agreement") with an arm's-length vendor, by which the Company can earn a 100% interest in the Whitford Lake uranium project, which covers 67 hectares in the Athabasca Basin, in Saskatchewan (the "Property").

Under the terms of the Agreement, the Company can earn a 100% interest in the Property by paying cash of $100,000 initially and issuing 2,500,000 common shares to the vendor. 1,000,000 shares will be issued within 5 days of regulatory approval with the balance being distributed under an escrow agreement over the next 18 months (500,000 share increments every six months). The Company must make additional cash payments of $1,150,000 and complete $3,000,000 in exploration expenditures on the Property within the next 4 years. A 1% net smelter royalty has been granted to the vendor, of which 0.5% may be purchased by the Company for cash of $750,000.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Consolidated Financial Statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of any contingent assets and liabilities as at the date of the Consolidated Financial Statements, as well as the reported amounts of revenues earned and expenses incurred during the years. Actual results could differ from those estimates.

Significant accounts that require estimates as the basis for determining the stated amounts include mineral property interest and their related deferred exploration expenditures, mineral exploration tax credits receivable, and stock-based compensation.

CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted by the December 31, 2012 Consolidated Financial Statements are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2011.

FINANCIAL INSTRUMENTS & MANAGEMENT OF FINANCIAL RISK

Categories of Financial Instruments

	Category	December 31, 2012 $	December 31, 2011 $
Cash and cash equivalents	Held for trading	1,004,834	784,382
Amounts receivable	Loans and receivables	44,124	681,421
Investments	Available-for-sale	151,667	190,627
Loans receivable	Available-for-sale	1	1
Reclamation deposits	Loans and receivables	89,089	44,108
Accounts payable and accrued liabilities	Other financial liabilities	129,074	252,314
Due to related parties	Other financial liabilities	2,203	29,005

Reclamation deposits are funds held on deposit pursuant to legislative requirements regarding the possible future establishment of a remediation obligation, and have generated $281 of interest income in 2012 (December 31, 2011 - $106).

The Company's financial instruments are exposed to certain financial risks, including credit, liquidity, and market risk.

Credit risk

Credit risk arises from cash and cash equivalents held with banks and financial institutions, as well as credit exposure on outstanding receivables and reclamation deposits. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

The Company seeks to limit its exposure to this risk by holding its cash and cash equivalents in large Canadian financial institutions and investing the funds in either short-term GICs or savings accounts. In addition, credit risk on receivables is considered low, as the majority of current receivables are due from the federal tax authority. Management believes the risk of loss is remote.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has implemented a budgeting process which is reviewed regularly to help determine the funding requirements of the Company's exploration and overhead requirements. The Company's objective is to ensure that there are sufficient committed financial resources to meet its short-term business requirements for the foreseeable future. The Company believes that the current cash reserves will be sufficient to meet its obligations as they become due.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments.

a. Currency risk

   The selling prices of commodities from the Company's mineral properties are expected to be denominated in US dollars. Changes in the exchange rate could therefore impact the Company and the valuation of long-term assets to the extent that valuation is affected by rate changes.

b. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term nature and maturity.

OTHER

Outstanding Share Data

The Company's authorized share capital is an unlimited number of common shares without par value. As at the date of this management discussion and analysis , there are 28,147,826 common shares, 1,611,000 stock options, and 2,356,250 warrants outstanding. The exercise price of options varies from $0.66 to $1.12 and the share purchase warrants have an exercise price ranging from $0.72 to $1.00.

Other Risk Factors

The following risk factors, as well as risks not currently known to Lions Gate, could materially adversely affect Lions Gate's future business, activities and financial condition and could cause them to differ materially from the estimates described in forward-looking statements relating to Lions Gate. Before making an investment decision consideration should be made of the principal risks and uncertainties described below:

Mineral exploration is speculative and uncertain and involves a high degree of risk

The exploration for, and development of, mineral deposits involves a high degree of risk. Few properties which are explored are ultimately developed into producing mines. Resource exploration and development is a speculative business, characterized by a number of significant risks, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits, but also from finding mineral deposits that, although present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors that are beyond the control of the Company and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return on investment capital.

All of the properties in which the Company has an interest are without any mineral reserves. Whether a mineral deposit will be commercially viable depends on a number of factors, which include, without limitation, the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices, which fluctuate widely, and government regulations, including, without limitation, regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The combination of these factors may result in Lions Gate expending significant resources (financial and otherwise) on a property without receiving a return. There is no certainty that expenditures made by Lions Gate towards the search and evaluation of mineral deposits will result in discoveries of an economically viable mineral deposit.

The Company has relied upon and will continue to rely on consultants and others for mineral exploration and exploitation expertise. The Company believes that those consultants and others are competent and that they have carried out their work in accordance with internationally recognized industry standards. However, if the work conducted by those consultants or others is ultimately found to be incorrect or inadequate in any material respect, the Company may experience delays or increased costs in developing its properties.

Mineral exploration is subject to consultation with various stakeholders

The Company's operations are conducted within the traditional territories of various First Nations within British Columbia, including the Poplar Project, which is situated in the Wet'suwet'en traditional territory.

Although by law it is the Crown that has the legal duty to consult with First Nations, the Company has proactively endeavored to engage with these First Nations in an effort to build sound relationships and accommodate their rights and interests asserted within their traditional territories. To this end, the Company has signed a Memorandum Of Understanding ("MoU") with the Office of Wet'suwet'en which is the First Nation authority that is recognized by the Provincial Crown as representing the Wet'suwet'en Clans, their hereditary Chiefs and individual Houses (families) that make up the collective Nation. Under the terms of the MoU, the parties have committed to consultation that includes a mutually respectful, open and meaningful relationship-building environment. The MoU further contemplates that if a commercial mine proves feasible then the parties will act in good faith towards negotiating a definitive Impact and Benefit Agreements intended to address and accommodate the First Nation members' needs for training, employment and related benefit sharing. There can be no guarantee however that such an agreement will be reached with First Nation stakeholders and that the Company will ultimately achieve a social license to operate a mine.

Despite the Company's efforts to follow industry "best practices" in consulting with First Nations there is uncertainty and risk. The 2010 spring exploration program on the Poplar Property was delayed due to ongoing unresolved internal issues between the Wet'suwet'en Heredity Chiefs and a particular House group (family) within the Wet'suwet'en Nation. Issues as to overlapping claims, rights and interests were raised by a number of individuals from one of the families (the Unis'tot'en) who attended the site threatened civil disobedience in the form of a temporary roadblock. Further discussions with the Unis'tot'en have since occurred however, and the Company subsequently paid $10,000 to the Unis'tot'en and funded a $39,608 traditional use study of the Poplar Project area. In addition the Company has negotiated, in good faith, with the Unis'tot'en, a draft form Communication and Engagement Protocol Agreement that is meant to provide a framework for a supported exploration work program.

Although the final form of an Engagement and Protocol Agreement has not been executed as of the date of this document, the Company continues to make extensive and well-documented efforts to pursue meaningful engagement with the Unis'tot'en leadership as well as the Office of the Wet'suwet'en. This includes holding open houses and information sessions for all members to participate.

Notwithstanding best practices, there can be no assurance that formal exploration agreements with all the relevant First Nations will be successfully executed, or if they are successfully executed, there can be no assurance that formal Impact and Benefit Agreements will be executed by the First Nations if a mine proves economically viable. There can be no assurances that a social license to build a mine will be granted by the First Nations.

Lions Gate's mineral resources and any future mineral reserves are estimates and may be recalculated and reduced

Lions Gate's mineral resources (and any future mineral reserves), to the extent they have been prepared, are estimates, and no assurance can be given that the estimated resources and/or reserves are accurate or that the indicated level of mineral will be produced. Such estimates are expressions of judgment based on drilling results, past experience with mining properties, knowledge, experience, industry practice and many other factors. Estimates, which are valid when made, may change substantially when new information becomes available. Mineral resource and reserve estimation is an interpretive process based on available data and interpretations and thus estimations may prove to be inaccurate.

The actual quality and characteristics of mineral deposits cannot be known with certainty until mining takes place, and will almost always differ from the assumptions used to develop resources. Further, mineral reserves are valued based on future costs and future prices and consequently, the actual mineral reserves and mineral resources may differ from those estimated, which may result in either a positive or negative effect on operations.

Results of studies are uncertain

Subject to the results of the exploration and testing programs to be undertaken, the Company intends to progressively undertake a number of studies with respect to its mineral property interests (the "Properties"). These studies will be completed within certain parameters designed to determine the technical and economic feasibility of the exploration and evaluation work to be undertaken on the Properties within certain limits. There can be no guarantee that any of the studies will confirm the technical and economic viability of such projects or the results of studies previously undertaken by the Company. Further, even if a study determines the economics of the projects, there can be no guarantee that the projects will be successfully brought into production. In addition, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.

Lions Gate may be adversely affected by fluctuations in mineral prices

The market price of any mineral fluctuates widely and is affected by numerous factors beyond the control of Lions Gate, such as industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales by producers and speculators as well as other global or regional political, social or economic events. The supply of any mineral consists of a combination of new mine production and existing stocks held by governments, producers, speculators and consumers. Future production, if any, from Lions Gate's mineral properties will be dependent upon the prices of copper and other metals being adequate to make these properties economic. Future serious price declines in the market value of copper and other metals could cause development of, and any commercial production from, the Properties to be rendered uneconomic. Depending on the mineral market price, Lions Gate could be forced to discontinue any production or development and may lose its interest in, or may be forced to sell, some of its properties. There is no assurance that, even if commercial quantities of copper and other metals are produced, a profitable market will exist for them.

In addition to adversely affecting future reserve estimates, if any, of Lions Gate and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if a project 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.

The Company currently does not engage in any hedging or derivative transactions to manage commodity price risk. As the Company's operations change, the directors of the Company will review this policy periodically going forward. There can be no assurance that fluctuations in commodity prices will not have a material adverse effect upon the Company's financial performance and results of operations.

Lions Gate's title to its properties could be challenged

There can be no assurances that Lions Gate's interest in its properties is free from defects. The Company has investigated its rights and believes that these rights are in good standing. There is no assurance, however, that such rights and title interests will not be revoked or significantly altered to the detriment of the Company. There can be no assurances that the Company's rights and title interests will not be challenged or impugned by third parties.

All of the leases in which the Company has or may earn an interest will be subject to applications for renewal or grant (as the case may be). The renewal or grant of the term of each lease is usually at the discretion of the relevant government authority. If a lease is not renewed or granted, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that area.

Lions Gate depends on key management personnel and may not be able to attract and retain qualified personnel

Lions Gate is dependent on a number of key management personnel, including the services of certain key employees. Lions Gate's ability to manage its exploration, appraisal and potential development and mining activities will depend in large part on the ability to retain current personnel and attract and retain new personnel, including management, technical and a skilled workforce. The loss of the services of one or more key management personnel could have a material adverse effect on Lions Gate's ability to manage and expand the business.

General economic conditions may adversely affect Lions Gate's growth and profitability

The events in global financial markets recently have had a profound impact on the global economy. Many industries, including the mineral resource industry, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect Lions Gate's growth.

Global financial conditions have been subject to increased volatility and may impact Lions Gate's ability to finance its activities

Current global financial conditions have been subject to increased volatility and numerous financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to public financing has been negatively impacted by the broad lack of investor confidence and by both sub-prime mortgages and the liquidity crisis affecting the asset-backed commercial paper market. These factors may impact the ability of Lions Gate to obtain equity or debt financing in the future and, if obtained, on terms favourable to Lions Gate. If these increased levels of volatility and market turmoil continue, Lions Gate's activities could be adversely impacted and the trading price of Lions Gate's Shares could be adversely affected.

Lions Gate may enter into various contracts

In order to secure debt funding, if deemed appropriate by the Company, the Company may be required to enter into various forward contracts for the physical delivery of some or all of its expected copper and other metals from the Properties. These contracts are designed to provide protection against the fluctuations in the mineral price. If Lions Gate fails to meet its obligations in terms of product quantity, quality or timing of supply, the Company faces a risk that it will have to purchase the physical copper and other metals shortfall on-market to meet its obligations under the forward contracts. This could have a material adverse effect upon the Company's financial performance and results of operations, especially if the mineral price has increased since the date of entering into such forward contracts.

If Lions Gate is able to determine through future exploration and studies that the Properties are capable of economic development and Lions Gate decides to proceed with the development of the Properties, Lions Gate will need to enter into off-take agreements for the product of mining operations. Lions Gate may have difficulty in finding off-take partners who are prepared to enter into long term off-take agreements with a party that does not have a proven production profile. Long term off-take agreements may be required in order for Lions Gate to obtain financing for the development of the Properties. If Lions Gate is not able to negotiate such long term agreements then the development of the Properties may be delayed or prevented.

If Lions Gate enters into any take-or-pay contracts for the off-take of its expected copper and other metals from the Properties, these contracts may provide Lions Gate with market prices subject to escalating floor and ceiling prices while allowing Lions Gate to benefit from some upside should the spot price for copper and other metals out-perform the ceiling prices. However, Lions Gate faces a risk of non-performance on these contracts as well as potential penalties if it fails to meet its obligations in terms of product quantity, quality or timing of supply. In addition, if Lions Gate fails to meet its obligations in terms of product quantity, quality or timing of supply, the Company faces a risk that it will have to purchase the physical copper and other metals shortfall on-market to meet its obligations under the take-or-pay contracts. This could have a material adverse effect upon the Company's financial performance and results of operations, especially if the mineral price has increased.

Lions Gate may acquire businesses and assets which are not successfully integrated

Lions Gate undertakes evaluations of opportunities to acquire additional properties and businesses. Any acquisitions may change the scale of Lions Gate's business and may expose Lions Gate to new geographic, political, operating, financial and geological risks. Lions Gate's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, acquire them on acceptable terms, and integrate their operations successfully. Any acquisitions would be accompanied by risks, such as a significant decline in the relevant mineral price after Lions Gate commits to complete an acquisition on certain terms; the quality of the mineral deposit acquired proving to be lower than expected; the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of Lions Gate's ongoing business; the inability of management to realize anticipated synergies and maximize the financial and strategic position of Lions Gate; the failure to maintain uniform standards, controls, procedures and policies; the impairment of relationships with employees and contractors as a result of any integration of new management personnel, and the potential unknown liabilities associated with acquired assets and businesses. There can be no assurance that any assets or business acquired will prove to be beneficial or that Lions Gate will be able to integrate the required businesses successfully, which could slow Lions Gate's rate of expansion and Lions Gate's business and financial condition could suffer.

Lions Gate may need additional capital to finance acquisitions (whether completed or not) which may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence and prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies already advanced may not be recoverable, which may have a material adverse effect on the Company. If Lions Gate obtains debt financing, it will be exposed to the risk of leverage and its operations could become subject to restrictive loan and lease covenants and undertakings. If Lions Gate obtains equity financing, existing shareholders may suffer dilution. There can be no assurance that Lions Gate would be successful in overcoming these risks or any other problems encountered in connection with such financings.

The mineral resource industry is competitive

The mineral resource industry is competitive in all of its phases. The Company competes with other companies, some of which have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. The Company competes with other exploration and mining companies for the acquisition of leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. There can be no assurance that the Company can compete effectively with these companies.

Lions Gate's activities are subject to government regulation

Lions Gate's activities are subject to various laws governing exploration, taxes, labour standards and occupational health, safety, toxic substances, land use, water use, land claims of local people and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner, which could limit or curtail Lions Gate's activities.

Amendments to current laws, regulations and permits governing activities of exploration and mining companies, or more stringent implementation thereof, could have a material adverse impact on Lions Gate and cause increases in expenses or require abandonment or delays in activities.

Failure to comply with any applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing activities to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Lions Gate's minimum Canadian Exploration Expenses

The Company has, and may continue to, pursue equity financings with tax flow-through shares. Such issuances impose a requirement on the Company to spend specified amounts on Canadian Exploration Expenses (as defined in the Income Tax Act (Canada)) within a specified period of time, thereby creating contractual restrictions on the Company's use of cash until such expenditure requirements are met.

Lions Gate's activities are subject to environmental laws and regulations

The industry has become subject to increasing environmental responsibility and liability. The potential for liability is an ever present risk. Currently, the Company is required to make reclamation deposits in respect of its expected rehabilitation obligations. The reclamation bonds represent collateral for possible reclamation activities necessary on mineral properties in connection with the permits required for exploration activities by the Company. Such reclamation requirements will continue to be levied upon the Company throughout the performance of exploration activities on the properties in the future, which present a financial challenge to Lions Gate as it pursues further expansion and exploration.

Lions Gate relies on licenses, permits and approvals from various governmental authorities

Lions Gate's activities require licenses, permits and approvals from various governmental authorities. Lions Gate believes that it holds all necessary licenses and permits under applicable laws and regulations to conduct its current activities and believes that it is presently complying in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change in various circumstances and certain permits and approvals are required to be renewed from time to time. Additional permits and permit renewals will need to be obtained in the future and the granting, renewal and continued effectiveness of these permits and approvals are, in most cases, subject to some level of discretion by applicable regulatory authorities. Certain governmental approval and permitting processes are subject to aboriginal and public consultation requirements and can be appealed by project opponents, which may result in significant delays or in approvals being withheld or withdrawn. There can be no guarantee Lions Gate will be able to obtain or maintain all necessary licenses and permits as are required to explore or develop its properties.

Lions Gate has uninsured risks

The business of Lions Gate is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions and floods. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to properties of Lions Gate or others, delays in mining, monetary losses and possible legal liability.

Although Lions Gate maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. It is not always possible to obtain insurance against all such risks and Lions Gate may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to Lions Gate or to other companies in the mining industry on acceptable terms. Losses from these events may cause Lions Gate to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Lions Gate may be adversely affected by fluctuations in foreign exchange rates

International prices of various commodities are denominated in United States Dollars and a portion of the Company's future capital expenditure and ongoing expenditure may be denominated in United States Dollars, whereas the income and expenditure of the Company are and will be taken into account in Canadian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States Dollar and the Canadian Dollar as determined in international markets. The Company currently does not engage in any hedging or derivative transactions to manage foreign exchange risk. As the Company's operations change, its directors will review this policy periodically going forward. There can be no assurance that fluctuations in foreign exchange rates will not have a material adverse effect upon the Company's financial performance and results of operations.

Lions Gate may be subject to litigation

Lions Gate may be involved in disputes with other parties in the future, which may result in litigation. If Lions Gate is unable to resolve these disputes favourably, it may have a material adverse impact on Lions Gate's financial condition.

Lions Gate's directors and officers may have conflicts of interest

Certain of the directors and officers of Lions Gate also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. These conflicts may not be resolved in a fashion favourable to Lions Gate.

Lions Gate has a limited operating history

The Company has limited operating history on which it can base an evaluation of its prospects.

The prospects of the Company must be considered in the light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly in the mineral exploration sector, which has a high level of inherent uncertainty.

Lions Gate does not have a dividend history

No dividends have been paid by Lions Gate to date. Lions Gate anticipates that for the foreseeable future it will retain future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of Lions Gate's board of directors' after taking into account many factors, including Lions Gate's financial condition and current and anticipated cash needs.

Short term investment risks

The Company may from time to time invest excess cash balances in short term commercial paper or similar securities. Recent market conditions affecting certain types of short term investments of some North American and European issuers have resulted in restricted liquidity for these investments. Although the Company has invested in these affected issuers in the past, the Company does not intend to invest excess cash balances in securities issued by these affected issuers in the future. However, there can be no guarantee that further market disruptions affecting various short term investments will not have a negative effect on the liquidity of similar investments made by the Company.

Securities investment risks

Potential investors and shareholders should be aware that there are risks associated with any securities investment. The prices at which the Lions Gate Shares trade may be above or below the issue price, and may fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for mining and exploration companies, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. There can be no guarantee that trading prices and volumes will be sustained. These factors may materially affect the market price of the Shares, regardless of the Company's operational performance.

Closing Details

Other information about the Company and our properties, including the annual information form, is available at www.sedar.com or on the Company website www.lionsgatemetals.com.

"Arni Johannson"

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Arni Johannson, Chairman & CEO

Vancouver, Canada
March 28, 2013