Lions Gate Metals Inc.
Management Discussion and Analysis
For the year ended December 31, 2013

Report dated April 17, 2014

INTRODUCTION

This Management Discussion and Analysis of the Financial Position and Results of Operations for Lions Gate Metals Inc. (the "Company" or "Lions Gate"), dated April 17, 2014 ("MD&A"), should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2013 and 2012. This MD&A is the responsibility of management and has been reviewed and approved by the Board of Directors of Lions Gate Metals Inc. Except as otherwise noted all dollar figures in this report are stated in Canadian dollars, which is the Company's reporting currency.

The Company's financial statements have been prepared in accordance 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").

On November 11, 2013 the common shares of the Company were consolidated on the basis of four pre-consolidation common shares for one post-consolidation common share. The Company's options and warrants were also consolidated on the same 4 for 1 basis. In the following discussion the number of options, warrants and common shares issued by the Company is reflected on a post-consolidation basis unless otherwise noted.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

The following discussion and analysis may contain forward-looking statements which are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth in the following discussion.

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 other risks that are set out 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 Filings including 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 currently a Tier 1 TSX Venture Exchange ("TSX-V") public company with common shares listed for trading under the symbol "LGM" but intends to apply to list its shares on the Canadian Securities Exchange ("CSE") in the near future. Lions Gate was incorporated under the Canada Business Corporations Act, and is a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating natural resource property interests in Canada.

CHANGE IN MANAGEMENT AND DIRECTORS

Effective January 2, 2013 Sharon Muzzin CA was appointed as CFO replacing Mr. David McAdam. In addition on January 30, 2013, Mr. Richard Schroeder resigned as a director and on January 31, 2013, Mr. Paul Sarjeant stepped down as COO. At the Company's Annual General Meeting held on July 11, 2013, Mr. William Filtness and Mr. Murray Oliver were elected as directors of the Company replacing Mr. Michael Sweatman and Mr. John Tapics. On October 21, 2013, Mr. John Icke resigned as a director and was replaced on December 5, 2013 by Dr. Peter Born. On February 7, 2014 Mr. Alexander Helmel was appointed as a director of the Company replacing Mr. Oliver.

OVERALL PERFORMANCE

The European financial crisis has had a major impact on the capital markets and continues to affect Lions Gate by making it difficult to raise funds for exploration operations. As a result, during 2012, the Company released the Kelly Creek and Hudson Bay Mountain mineral properties, withdrew from the ROK Coyote option agreement and optioned off its Poplar copper, gold and silver project which resulted in a non-refundable cash receipt of $1,000,000.

The Company continues to focus on maintaining its capital structure, conserving cash, managing expenditures, and looking for additional opportunities for expansion featuring geographical and commodity diversification. Accordingly in March, 2013, the Company finalized an option agreement whereby it could earn a 100% interest in the Whitford Lake Uranium Project.

Management continues to believe that the uranium sector will see renewed interest as the market realizes that the supply and demand delta is widening and that projects such as Whitford Lake represent excellent value. However, in September, 2013, the Company took advantage of an opportunity to assign the option in this property to a third party. Pursuant to the terms of this assignment the Company hopes to facilitate further exploration of the

Whitford Lake Project while continuing to maintain a significant upside for its shareholders through its ownership of shares received as partial consideration on assignment of the mineral property.

On October 24, 2013 the Company announced that it had formally ended its option agreement with respect to the Poplar property and it is currently determining other options to advance this project.

MINERAL PROPERTIES

Whitford Lake Mineral Property

The Whitford Lake Project covers an area of 67ha, some 21km SE of the Cigar Mine on the eastern edge of the Athabasca Basin, the most productive uranium region in the world. Other claimholders in the area include Fission Energy, Purepoint Uranium, Denison Mines and Cameco Corporation. The primary target at Whitford Lake is two northeast, parallel magnetic contacts, between which lies a zone of subsurface resistivity, with a strike of roughly 750m. Drilling at Whitford Lake by Cameco in 1995 identified a zone of altered sandstone, beginning ~30m above the unconformity, enriched with chlorite and illite, which is indicative of hydrothermal activity. In addition, elevated lead levels below the unconformity have also been identified. All of these enrichments are key exploration indicators for uranium exploration in the Athabasca basin.

Pursuant to the terms of an Option Agreement dated February 18, 2013, and amended on August 26, 2013, with St. Jacques Mineral Corp., the Company agreed to acquire an undivided 100% interest in the Whitford Lake Property in exchange for a series of non-refundable cash payments amounting to a total of $400,000 due by December 31, 2013 and an additional $750,000 due by February 18, 2017. In settlement of this obligation, during 2013 the Company paid cash of $300,000 and also issued 625,000 common shares to the Vendor. 125,000 of these shares remain in escrow until September 22, 2014. The additional obligation to pay $100,000 to the Vendor by December 31, 2013 was transferred to Canadian Uranium Corp. ("CanU") pursuant to the terms of an Option Assignment Agreement as described below.

The Company is also required to incur a total of $3,000,000 of qualifying exploration expenditures on the property before February 18, 2017 or the equivalent amount is to be paid to the Vendor in cash.

This property is subject to a 1% NSR, one half of which can be purchased by the Company for $750,000 less any NSR amounts previously paid.

In July and August 2013 the Company conducted mineral exploration work on the property which consisted of data acquisition, inversion, and composite modeling carried out by Discovery International Geophysics Inc. A total of 8.0 km of DC/IP resistivity data were collected over four survey lines on the Whitford grid. This data was used to produce three separate inversions per line of the different array data and to generate 3D images of anomalously low resistivity zones. Advanced inversion techniques were used to interpret the data in an attempt to refine and explain the response.

On September 13, 2013 the Company announced the receipt of an interpretation report with respect to the work conducted. Mr. Dennis V. Woods, Ph.D., B.Eng. was the geologist responsible for the content of this news release which indicated that the work had identified a moderate low-resistivity feature located at 200 m depth increasing to 340 m depth towards the east and which appeared to form the highest priority target on the project.

While no associated airborne EM conductors have been mapped over the Whitford Lake property, a conductor trend was observed on adjoining claims to the west and northwest, which may indicate a fault zone that appears to cut across the northwest corner of the property, close to the location of the modeled low resistivity zone in the overlying sandstone units. The resulting models show resistivity's ranging from 1700 ohm-m to 2200 ohm-m, which is moderately higher than the typical resistivity's found in alteration zones in the Athabasca Basin. The moderately higher resistivity could be due to increased silica content but further exploration work is required to assess this interpretation. The report recommended that the anomalous low resistivity zone in the northwest corner of the property be drill tested to a depth of 300m to determine if the area has undergone alteration.

In September 2013 Company entered into a Whitford Lake Option Assignment Agreement ("Option Assignment Agreement") with CanU, which was later amended on December 1, 2013, whereby it would transfer its 100% interest in the Whitford Lake Option Agreement to CanU in exchange for 4,500,000 common shares of CanU and a cash aggregate of $520,000 to be received as certain milestones are achieved. As part of its capitalization strategy, CanU intends to list its shares for trading on the CNSX. In November, 2013, the Company received interim cash payments of $85,000 and 4,500,000 CanU shares pursuant to the terms of the Option Assignment Agreement. A $nil value was attributed to these shares on acquisition which is estimated to also approximate fair market value at December 31, 2013. By holding shares in CanU the Company hopes that its shareholders will be able to benefit from any profitable future development of the Whitford Lake mineral property. Although the Company continues to believe in the future recoverable value of its investment in the Whitford Lake mineral property a write down of $119,000 was recorded during the year ended December 31, 2013 in order to reduce the deferred cost of the mineral property to the value of cash payments to be received.

In March and April, 2014 the Company received additional interim cash payments from CanU amounting to $130,000.

Poplar Mineral Property

In 2011 the Company 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 would grant Dehua an option to acquire a one hundred percent (100%) interest in the Poplar Project in exchange for a non-refundable cash payments of $15,000,000, including $1,000,000 received on signing, and exploration work to be completed by Dehua over a two year period. A consultant fee of $58,000 was paid with respect to this LOI.

On October 24, 2013 the Company announced that it had formally ended its agreement with Dehua and is currently determining other options in order to further advance the Poplar project.

Copperline Mineral Property

On July 17, 2010 the Company entered into a purchase agreement to acquire a 60% interest in the Copperline mineral property in British Columbia. The Copperline property surrounds Skutsil Knob at the south end of the Driftwood Range, 25 km northwest of Takla Lake, and approximately 120 km northeast of Smithers, B.C. The Copperline property is subject to an underlying NSR of 1.25% for part of the property and 2.0 % for the remainder. The Company can repurchase 1.25% and 0.5% respectively of these royalties with a $500,000 cash payment.

The Company’s interest in this property is carried at a nominal value based on Management’s assessment of current recoverable value. The Company continues to ensure that all mineral claims are current and remain in good standing.

RESULTS OF OPERATIONS

The Company is in the exploration stage and other than minimal interest revenue did not earn any revenue during the fiscal period under review. For the year ended December 31, 2013, the Company had a total comprehensive loss of $717,210 (loss of $0.10 per share) compared to $3,326,031 (loss of $0.53 per share) for the year ended December 31, 2012. Operating expenditures of $453,811 for the year ended December 31, 2013 have decreased from the $1,390,513 comparative amount recorded for the year ended December 31, 2012.

The decrease in comprehensive loss for the year was due to a Management's efforts to conserve cash by reducing discretionary administrative expenses such as office rent, salaries, promotion and travel, consulting fees and share-based compensation expense. The decrease in administrative expenses reflected for 2013 of $936,702 was offset by an impairment of $124,026 (2012 - $49,576) recorded on available-for-sale investments. In addition a fair value loss of $22,499 (2012 – gain of $10,616) and a write down of mineral property interests in 2013 of $119,000 (2012 - $1,900,310) were recorded in the year ended December 31, 2013.

The Company's cash position at December 31, 2013 was $19,341 (December 31, 2012 - $1,004,834) and it reported working capital of $100,221 (December 31, 2012 – $1,131,500). The decrease in cash and working capital during the 2013 fiscal year is due to the payment of Whitford Lake acquisition costs and exploration work, and for general operating expenditures.

SELECTED ANNUAL FINANCIAL INFORMATION

The table below reflects selected financial data for the company's most recently completed fiscal periods as presented in the audited financial statements.

	Year ended December 31, 2013 $	Year ended December 31, 2012 $	Year ended December 31, 2011 $
Comprehensive loss	717,210	3,326,031	3,421,028
Basic and diluted loss per share	0.10	0.53	0.60
Total Assets	5,855,010	6,532,142	9,062,076
Exploration and evaluation assets	5,621,180	5,144,328	7,226,250

The decrease in comprehensive loss during the year ended December 31, 2013 is attributed to the Company's efforts to conserve working capital by reducing the level of services required and relocating to new office premises. The most significant decreases were noted in the following expense categories:

1) Consulting fees decreased to $17,654 (2012: $270,876)
2) Office, rent and administration decreased to $74,957 (2012: $198,079)
3) Salaries and benefits decreased to $185,756 (2012: $374,679)
4) Travel, advertising and promotion decreased to $24,706 (2012: $206,203)

FOURTH QUARTER

The Company recorded a comprehensive loss $234,184 during the most recently completed quarter compared to a loss of $2,117,508 for the same period during the year ended December 31, 2012. The decrease in comprehensive loss was primarily due to the write down of mineral properties recorded during the year ended December 31, 2012.

QUARTERLY FINANCIAL REVIEW

The following table is a summary of selected financial data from the Company's unaudited quarterly financial statements. There were no significant revenues, long term liabilities or cash dividends declared in any of the reported periods.

	Dec 31, 2013 $	Sept 30, 2013 $	Jun 30, 2013 $	Mar 31, 2013 $
Total assets	5,855,010	6,082,053	6,172,480	6,317,996
Working capital	100,221	135,440	420,680	732,488
Increase (decrease) to exploration and evaluation assets	(196,756)	414,021	(138)	259,725
Comprehensive Loss for the period	234,184	90,728	124,384	267,914
Loss per share	0.04	0.01	0.02	0.03

	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
Increase (decrease) to exploration and evaluation assets	(2,830,255)	134,144	199,284	414,905
Comprehensive Loss for the period	2,117,508	295,077	495,523	417,923
Loss per share	0.33	0.05	0.08	0.07

Total Assets and Working Capital

Total assets and working capital decreased during all of the quarterly periods reflected above due to the acquisition of mineral properties, mineral exploration work and general and administrative expenditures, except for during the three months ended December 31, 2012 when cash was received from Dehua pursuant to the terms of the Poplar Option Agreement.

Comprehensive Loss

The comprehensive loss incurred during each of the three most recently completed quarterly periods of fiscal 2013 is comparable between quarters and reflects a decrease from fiscal 2012 amounts due to Management's efforts to decrease expenditures and mineral property write-downs recorded in 2012 which were not as material in 2013. An impairment of available-for-sale investments was also recorded during some of the above quarterly periods.

Exploration and evaluation assets

The amount of exploration and evaluation expenditures incurred each quarter will vary depending on the exploration program being conducted during that period. The decrease reflected for the quarter ended December 31, 2013 reflects the cash received pursuant to the terms of the Whitford Lake Option Assignment Agreement and a write down recorded with respect to this mineral property. The decrease reflected for the quarter ended December 31, 2012 reflects the $1,000,000 in cash received pursuant to the terms of the Poplar Option Assignment Agreement and a write-down of mineral properties recorded during that period.

Financing Activities

On November 11, 2013 the common shares of the Company were consolidated on the basis of four pre-consolidation common shares for one post-consolidation common share. The Company's options and warrants were also consolidated on the same 4 for 1 basis.

The Company did not complete any financings during the year ended December 31, 2013. Pursuant to the Whitford Lake Mineral property Option Agreement the Company issued 625,000 common shares.

Capital Expenditures

During the year ended December 31, 2013, the Company paid cash of $300,000 in option payments required under the terms of the Whitford Lake Mineral Property Option Agreement, incurred a small amount of exploration expenditure with respect to transferring data and other miscellaneous work on the Poplar mineral property, and paid cash of $214,000 for mineral exploration work on the Whitford Lake property.

Commitments

Effective January 1, 2013, the Company is committed to a two and one half year office lease. Gross payments required pursuant to the terms of this lease are expected to approximate $40,740 and $20,634 for the 2014 and 2015 fiscal years respectively. Of these amounts the Company expects its share, after deducting amounts receivable from cost sharing arrangements currently in place, to approximate $6,000 and $3,000 for these years.

The Company also has commitments pursuant to its mineral property option agreements as previously outlined above.

Liquidity and Capital Management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and to maintain a flexible capital structure that optimizes the costs of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity. 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.

The Company's aggregate operating, investing and financing activities for the year ended December 31, 2013, resulted in a cash decrease of $985,493. As at December 31, 2013 the Company had a cash balance of $19,341 and working capital of $100,221. In order for the Company to carry out planned exploration and development and pay for administrative costs, the Company will be required to spend its working capital and proceeds from the assignment of its interest in the Whitford Lake mineral property, and also intends to raise additional amounts externally through debt or equity as needed.

To maintain or adjust capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company is dependent on private investors as its primary source of operating working capital and the Company's capital resources are largely determined by the strength of the junior resource markets, by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. The Company is not currently subject to any capital requirements imposed by a regulator.

TRANSACTIONS WITH RELATED PARTIES

Related party transactions for the years ended December 31, 2013 and 2012 are as follows:

	December 31, 2013	December 31, 2012
Professional fees	37,960	55,000
Administrative expense	-	161,103
Consulting fees	-	211,651
Director fees	3,000	22,000
Salaries - Management fees	139,500	240,361
Total	180,460	690,115

Key management of the Company includes the President, CFO and the Directors. For the year ended December 31, 2013, compensation in respect of services provided by key management consists of $97,500 in management fees paid to the President, directors fees of $3,000 paid to former directors and $15,000 in professional fees paid for CFO services to Malaspina Consultants Inc., a Company in which the CFO is an associate.

Compensation paid in the prior year to key management was comprised of $180,000 in management fees paid to the former President, director fees of $22,000 paid to former directors, $55,000 in professional fees paid to the former CFO and consulting fees of $160,651 paid to a company controlled by the former CEO. Included in share-based compensation is $Nil (2012:$81,851) attributed to options issued.

On May 4, 2012, pursuant to a consulting contract, the Company advanced the first $50,000 tranche of a possible $200,000 loan to a company controlled by the former CEO, the proceeds of which were used to purchase shares of the Company. The loan bore interest at the 1% CRA prescribed rate for shareholder loans compounded annually, and had a term of two years. On September 13, 2012, the Company terminated the contract and as part of the negotiated settlement, the loan was forgiven in lieu of severance and expensed to consulting fees.

The payment of director fees ceased effective March 31, 2013. There was no other compensation paid or payable to key management for employee services.

In October 2012, the Company received a bridge loan from a company controlled by the President 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. $2,203 of interest expense was recorded with respect to this loan.

Also included in related party transactions are salaries of $42,000 (2012: $60,361) paid to the VP Operations, consulting fees of $Nil (2012:$51,000) paid to the former VP Operations, accounting fees of $22,960 (2012:$Nil) paid to Malaspina Consultants Inc. and $Nil (2012: $161,103) in administrative expenses related to cost sharing arrangements for office administration personnel, rent, telephone and other office expenses, paid to companies controlled by former directors or officers.

The amounts due to related parties are non-interest bearing and payable on demand and are comprised of $3,000 (December 31, 2012: $Nil) of director fees payable to former directors, $2,197 (December 31, 2012: $Nil) of professional fees payable to Malaspina Consultants Inc. and $Nil (December 31, 2012:$2,203) of interest payable to a former Officer.

FUTURE OUTLOOK

As at December 31, 2013 the Company had working capital of $100,221 which may not be sufficient to finance exploration and operating costs over the next twelve months without additional funding and the ability to complete such financings on terms acceptable to the Company is uncertain.

In November, 2013 the Company received 4,500,000 shares in CanU and cash of $85,000 pursuant to the terms of the Whitford Lake Option Assignment Agreement. An additional $130,000 was received from CanU subsequent to December 31, 2013. Receipt of the remaining cash payments due pursuant to the assignment will be dependent upon the ability of CanU to complete additional equity financings. In order to conserve resources Management is currently in the process of applying to trade its shares on the CSE and will also continue to assess and address the implications of recent events in order to ensure that the Company can continue to achieve its long term objectives.

CAPITALIZATION

Share Capital

As at April 17, 2014, the Company has 7,036,921 common shares issued and outstanding.

Stock Options

Details of stock options outstanding as at April 17, 2014 are as follows:

Number of Options	Exercise Price $	Expiry Date	Vesting Provisions
6,250	4.28	September 18, 2014	Vested
12,500	4.40	January 15, 2015	Vested
84,750	3.20	January 3, 2016	Vested
37,750	2.64	April 5, 2017	Vested
141,250			

Warrants

Details of warrants outstanding as at April 17, 2014 are as follows:

Number of Warrants	Exercise Price	Expiry Date
39,063	$4.00	July 13, 2015

SUBSEQUENT EVENTS

Subsequent to December 31, 2013, 6,250 options exercisable at $2.88, 25,000 options exercisable at $4.40 and 25,000 options exercisable at $3.20 were cancelled. There were no other significant subsequent events.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

The Company's financial statements are impacted by the accounting policies used, and the estimates and assumptions made, by Management during their preparation. Management considers the areas involving a high degree of judgment or complexity where assumptions and estimates are significant to the financial statements are considered to be determination of going concern, the assessment of carrying value, confirmation of title, and recoverability of mineral properties and the financial instrument classification of its investment in Canadian Uranium Corp. ("CanU").

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The assessment of the Company's ability to source future operations and continue as a going concern involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. If the going concern assumption were not appropriate for these financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenue and expenses and the statement of financial position classifications used.

Management has determined the exploration and evaluation costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, the evaluation of permitting and environmental issues and local support for the project, and the ability to find joint venture partners if necessary.

Management reviews the carrying values of its mineral properties on an annual periodic basis to determine whether an impairment of carrying value should be recognized. In addition, it is intended that any capitalized costs relating to abandoned properties will be written off as soon as the abandonment decision is made.

The investment in Canadian Uranium Corp. ("CanU") consists of 4,500,000 common shares received in exchange for the assignment of the Whitford Lake Option (Note 9). Management does not believe that it is able to exert significant influence over the financial and operating policy decisions of CanU and expects its ownership interest to decrease over time as CanU continues to issue more shares. Accordingly the Company has classified the investment as available for sale. If this classification was not appropriate the investment in CanU would be consolidated using the equity method whereby the Company would initially record its investment at cost and record its share of any subsequent profits or losses.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION AND ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Any significant changes in accounting policies and initial adoption of accounting standards have been outlined in the audited annual financial statements for the year ended December 31, 2013.

Continuous monitoring of changes in IFRS in future periods will be required. In particular the International Accounting Standards Board is currently working on an extractive industries project, which could significantly impact the Company's financial statements primarily in the areas of capitalization of exploration costs and disclosures.

FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISK

At December 31, 2013 the Company's financial instruments consist of cash, available-for-sale investments, amounts receivable, reclamation deposit, accounts payable and accrued liabilities and due to related parties. The carrying values of these financial instruments other than available for sale investments approximates their fair value because of their short term nature.

The Company has classified the fair value of the financial assets according to the following fair value hierarchy based on the amount of observable inputs used to value the instruments:

Level 1 – Values based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.

Level 2 – Values based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace. Prices in Level 2 are either directly or indirectly observable as of the reporting date.

Level 3 – Values based on prices or valuation techniques that are not based on observable market data.

The Company uses Level 1 inputs to measure available for sale investments except for the shares held in CanU which are measured using Level 3 inputs.

Management believes that as at December 31, 2013, it is not exposed to significant interest rate, currency or credit risks arising from these financial instruments other than available for sale investments. Management continually monitors these investments which are also managed by a professional investment advisor. The Company continues to hold these investments as it believes that the market value of the investments will eventually recover. However it is the Company's intention to decrease over time the amount of available for sale investments held in order to focus its resources on locating, exploring and developing mineral properties.

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they come due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient cash to meet its liabilities when due, under both normal and stressed conditions. As at December 31, 2013 the Company had cash of $19,341 and working capital of $100,221. In order to execute its business plan the Company expects that, although cash payments are expected to be received from CanU with respect to the Option Assignment Agreement, future financings will likely be required although the ability to complete such on terms acceptable to the Company is uncertain, in particular in view of recent stock market volatility. In an effort to decrease administrative costs the Company also intends to apply to list its shares on the CNSX in the near future.

Disclosure Controls and Procedures

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the audited consolidated financial statements and this accompanying MD&A as at December 31, 2013 (together the "Annual Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR at www.sedar.com.

RISKS AND UNCERTAINTIES

Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks and are outlined in the paragraphs below.

Operational risks include: the Company may not be able to find and develop reserves economically, the Company cannot guarantee title to its properties, the Company may have difficulty in marketing production and services, the Company must manage changing governmental law and regulations, the Company may have difficulty in hiring and retaining skilled employees and contractors, there are significant risks and hazards related to mining that are beyond the Company's control, there is no assurance that the Company will acquire additional mineral properties and any acquisitions may expose the Company to new risks, and the mining industry is intensely competitive for the acquisition of new properties, access to capital and hiring of skilled personnel. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations.

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.

Despite the Company's efforts to follow industry "best practices" in consulting with First Nations there is uncertainty and risk with respect to the Company's Poplar Project Mineral Property which is situated in the First Nations 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. 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.

Financial risks include commodity prices and interest rates, which are beyond the Company's control. Additional financial risks are the Company's ability to raise capital to continue funding its operations.

Regulatory risks include the possible delays in getting regulatory approval to, and permits for, the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings, the introduction of more complex reporting requirements the cost of which the Company must meet in order to maintain its exchange listing.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

As the Company has not had significant revenue from operations in either of its last two financial periods, the following is a breakdown of the material costs incurred:

	Year Ended December 31,	
	2013	2012
	$	$
Deferred exploration expenditures (net of write-downs and cash payments received)	554,000	(2,081,922)
Administrative expense	453,811	1,390,513

Administrative expenses are provided by category of major expense items in the Statements of Comprehensive Loss included in the audited consolidated financial statements for the year ended December 31, 2013.

Other information about the Company and its properties, including the Annual Filings is available at www.sedar.com.