

**FORM 51-102F3**

**MATERIAL CHANGE REPORT**

**ITEM 1. NAME AND ADDRESS OF COMPANY**

**LIONS GATE METALS INC.** (the "**Company**")

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**ITEM 2. DATE OF MATERIAL CHANGE**

March 4, 2011 and March 10, 2011

**ITEM 3. NEWS RELEASE**

Issued March 4, 2011 and March 10, 2011 and distributed through the facilities of Marketwire.

**ITEM 4. SUMMARY OF MATERIAL CHANGE**

The Company has closed its non-brokered private placement (the "**Private Placement**") raising aggregate gross proceeds of \$6,031,200.40.

**ITEM 5 FULL DESCRIPTION OF MATERIAL CHANGE**

**5.1 Full Description of Material Change**

Further to its news releases dated February 9, 2011 and February 23, 2011, the Company has closed, in two tranches, its non-brokered private placement raising gross proceeds of \$6,031,200.40.

On March 4, 2011, the Company issued a total of 1,052,632 flow-through shares (the "**FT Shares**") at \$0.95 per FT Share to raise gross proceeds of \$1,000,000.40 and 4,414,000 units (the "**Units**") at a price of \$0.80 per Unit to raise gross proceeds of \$3,531,200.00. On March 10, 2011, the Company issued an additional 1,875,000 Units at a price of \$0.80 per Unit to raise additional gross proceeds of \$1,500,000.00.

Each Unit consists of one common share and one-half of one non-transferable common share purchase warrant, each whole warrant (a "**Warrant**") entitling the holder to purchase an additional common share for a period of two years from the date of closing of the Private Placement, at a price of \$1.20 per share for the first year and a price of \$1.50 per share for the second year.

The Company has paid a total cash fee of \$226,008.02 to certain arm's length finders, equal to 6% of the total proceeds raised by qualified subscribers introduced to the Company by the finders, and issued a total of 270,668 non-transferable finders' warrants, equal to 6% of the number of Units and FT Shares purchased by such subscribers. Each finder's warrant entitles the finder to purchase one common share of the Company at a price of \$0.82 for a period of eighteen (18) months from the date of closing of the Private Placement.

The gross proceeds from the sale of the Units and FT Shares will be used for exploration at the Company's Canadian exploration properties and for working capital.

All securities issued pursuant to the Private Placement, including common shares issued on exercise of the Warrants or finders' warrants, are subject to a hold period of 4 months and one day from the date of issuance.

Resinco Capital Partners Inc. ("**Resinco**"), an insider of the Company, participated in the Private Placement by purchasing 625,000 Units. Accordingly, the Private Placement is, to the extent of the participation by Resinco, a "related party transaction" pursuant to Multilateral Instrument 61-101 (the "**MI 61-101**") of the Canadian Securities Administrators. However, the directors of the Company (excluding John Icke who abstained from voting as he is also a director of Resinco) have determined that the participation in the Private Placement by Resinco is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 on the basis that the common shares of the Company are listed only on the TSX Venture Exchange, Resinco subscribed for Units having a fair market value of less than \$2,500,000, and the Private Placement was approved by the independent directors of the Company who are not officers or employees of the Company.

Prior to the completion of the Private Placement, Resinco held 3,172,437 common shares of the Company, and common share purchase warrants entitling it to acquire an additional 1,255,387 common shares of the Company, representing approximately 25.25% of the Company's then issued and outstanding common shares on a partially-diluted basis. Pursuant to the Private Placement, Resinco acquired 625,000 Units, consisting of 625,000 common shares of the Company and 312,500 Warrants. Accordingly, on completion of the Private Placement, Resinco would hold 5,365,324 common shares of the Company, representing approximately 21.30% of the Company's issued and outstanding common shares on a partially-diluted basis, assuming the full exercise of all warrants (including the Warrants acquired in the Private Placement) held by Resinco.

In connection with the Offering, Resinco entered into a subscription agreement with the Company on the same terms as the arm's length investors in the Private Placement.

The Company did not file a material change report more than 21 days before the expected closing of the Private Placement as the details of the Offering and the participation therein by Resinco were not settled until shortly prior to closing and the Company wished to close the Private Placement on an expedited basis for sound business reasons.

**5.2 Disclosure for Restructuring Transactions**

Not applicable.

**ITEM 6. RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102**

Not applicable.

**ITEM 7. OMITTED INFORMATION**

No information has been omitted on the basis that it is confidential information.

**ITEM 8. EXECUTIVE OFFICER**

Contact: Michael Sweatman, Chief Financial Officer  
Telephone: 604-683-7588

**ITEM 9. DATE OF REPORT**

DATED at Vancouver, British Columbia, this 10<sup>th</sup> day of March, 2011.