LIONS GATE METALS INC.

SUITE 313 - 515 WEST PENDER STREET
VANCOUVER, BRITISH COLUMBIA
V6B 6H5

MANAGEMENT'S DISCUSSION AND ANALYSIS

August 21, 2015

The following discussion is management's assessment and analysis of the results and financial condition of Lions Gate Metals Inc. (the "Company"), and should be read in conjunction with the accompanying audited condensed annual financial statements and related notes. The preparation of financial data is in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") and all figures are reported in Canadian dollars unless otherwise indicated.

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different from those expressed or implied. The effective date of this report is August 21, 2015.

1. Description of Business

Lions Gate Metals Inc. (the "Company") was incorporated in the Province of British Columbia, Canada on March 11, 2009. The Company is in the business of the acquisition and exploration of its exploration and evaluation assets in Canada. The Company is currently in the exploration stage of developing its exploration and evaluation assets and has not yet determined whether the properties contain mineral reserves that are economically recoverable. On June 20, 2014, the Company delisted from the TSX Venture Exchange ("TSX-V") and commenced trading on the Canadian Securities Exchange ("CSE") on June 23, 2014 under the symbol "LGM". The address of the Company's registered office is 313-515 West Pender Street, Vancouver, British Columbia, Canada, V6B 6H5.

2. Selected Annual Information

The following selected financial information is extracted from the audited annual financial statements of the Company prepared in accordance with Canadian GAAP and IFRS where applicable.

	31Dec14	31Dec13	31Dec12
Interest Income	$Nil	$Nil	$Nil
Net Gain/Loss for the year	$(2,585,127)	$(717,210)	$(3,326,031)
Loss per Share	$(0.37)	$(0.10)	$(0.13)
Total Assets	$3,375,044	$5,855,010	$6,532,142
Total Liabilities	$127,228	$46,335	$131,277
Working Capital	$(89,804)	$100,221	$1,131,500

The referenced annual financial statements of the Company above have been prepared in accordance with IFRS. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates, which have been made using careful judgment. Actual results may differ from these estimates.

Quarterly Information

The following tables summarize the Company's financial information for the last eight quarters:

	30Jun15	31Mar15	31Dec14	31Sep14	30Jun14	31Mar14	31Dec13	30Sep13
Interest Income	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Net Income (Loss)	$(17,295)	$(26,445)	$(198,647)	$50,020	$(85,721)	$(131,814)	$(234,184)	$(124,384)
Total Assets	$3,343,780	$3,351,919	$3,375,044	$5,794,394	$5,725,889	$5,749,048	$5,855,010	$6,082,053
Total Liabilities	$191,274	$175,548	$172,228	$153,255	$134,769	$72,207	$46,355	$39,214
Working Capital	$(153,188)	$(126,260)	$(34,502)	$(37,565)	$12,398	$70,347	$100,221	$135,440

Since the Company generates immaterial income, losses reflect exploration activity on the Company's exploration properties, write-off of exploration and evaluation assets and administrative expenses.

Second Quarter Results

In the second quarter ended June 30, 2015, the Company completed the following equity financings:

The Company did not complete any financings during the quarter ended.

In addition, the Company entered and/or amended the following property agreements in the quarter ended June 30, 2015:

Poplar Option Agreement

On April 28, 2015, the Company amended its original agreement, dated December 1, 2014 with Aldever Resources Inc. (formerly Glenmark Capital Corp.) ("Aldever") to acquire a 100% interest in the Poplar Copper-Moly property in central British Columbia. Under the amended terms of the agreement, Aldever can acquire 100% interest by paying to the Company an aggregate of $2,900,000 (of which $50,000 has already been paid) at various times over four years and issuing 1,500,000 common shares immediately upon TSX Venture Exchange approval, which will be subject to statutory hold of four months plus a day from the respective date of issuance, in accordance with applicable securities legislation. In addition, Aldever has committed to completing $3,000,000 in exploration expenditures over four years. Certain claims within the project area are subject to legacy 1% and 2% NSR interests, which can be purchased by Aldever for $100,000 and $1,000,000 respectively. TSX Venture Exchange approval was received on May 11, 2015.

Stock option grants within the second quarter were as follows;

There were no options granted during the quarter.

Other:

N/A

The financial statements have in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements have been prepared on a historical cost basis, except for financial instruments. In addition, these

financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Critical accounting judgments and key sources of estimation uncertainty
The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

The following are critical judgments and areas involving estimates, that management have made in the process of applying the Company's accounting policies that have the most significant effect on the amount recognized in the financial statements.

a) Critical judgments in applying accounting policies

<u>Going concern evaluation</u>

As discussed in note 1, these financial statements have been prepared under the assumptions applicable to a going concern. If the going concern assumption were not appropriate for these financial statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used and such adjustments could be material.

The Company reviews the going concern assessment at the end of each reporting period. There were no material changes to the assessment as at June 30, 2015.

<u>Review of asset carrying value and impairment assessment</u>

In accordance with our policy, each asset or cash-generating unit is evaluated every reporting period to determine whether there are any indications of impairment. If such an indication exists, which is often judgmental, a formal estimate of recoverable amount is performed and an impairment loss is recognized to the extent that the carrying value exceeds the recoverable amount. The recoverable amount of an asset or cash-generating unit is measured at the higher of fair value less costs to sell or value in use.

b) Key sources of estimation uncertainty

<u>Income taxes</u>

Deferred tax assets are recognized for all deductable temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that probable that future taxable profit will be available against which the deductable temporary differences and carry-forward of unused tax assets and unused tax losses can be utilized. In addition, the valuation of tax credits receivable requires management to make judgments on the amount and timing of recovery.

Share-based payments
Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of options is determined using the Black Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Equipment
Equipment is stated at historical cost less accumulated amortization and accumulated impairment losses. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is

probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of loss and comprehensive loss during the financial period in which they are incurred. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Depreciation and amortization are calculated on the declining balance method to write off the cost of the assets to their residual values over their estimated useful lives. Computer equipment is amortized at 30% per annum.

Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in comprehensive loss.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

Changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Company’s estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company’s estimates of reclamation costs, are charged to profit and loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of restoration projects included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company’s accounting policy for exploration and evaluation assets.

Impairment of assets

The carrying amount of the Company’s assets (which include equipment and exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Loss per share
Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

Cash and Cash equivalents
Cash and cash equivalents consist of cash on hand, deposits in banks and highly liquid investments with an original maturity of three months or less.

Financial instruments
The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition. All financial instruments must be recognized, initially, at fair value on the statement of financial position. Subsequent measurement of the financial instruments is based on their respective classification.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets.

Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses.

Non-derivative financial liabilities are subsequently measured at amortized cost.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial asset has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether impairment has arisen.

Financial assets or liabilities	Measurement category under IAS 39
Cash	Held for trading
Accounts receivables	Loans and receivables
Available for sale investments	Available for sale
Reclamation deposit	Loans and receivables
Trade and other payables	Other liabilities
Due to related parties	Other liabilities

Financial instruments measures at fair value are classified into one of the three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The Company's cash has been assessed on the fair value hierarchy described above and classified as Level 1.

Share purchase warrants
The Company may enter into a financing arrangement requiring the issuance of warrants to holders as part of the transaction. Warrants may also be issued to brokers or finders as consideration for services provided. Warrants issued for services provided are measured at the fair value of services received. Only if the fair value of the services cannot be measured reliably would the fair value of the equity instruments granted be used. Warrants not issued in exchange for goods or services can be classified as a derivative financial liability or an equity instrument depending on the terms and conditions of the warrants. Consideration received on the sale of a share and share purchase warrant classified as equity is allocated, within equity, to their respective equity accounts on a reasonable basis. The allocation method the Company uses is residual method.

Income taxes
Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting

date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Flow through shares
The Company will, from time to time, issue flow-through common shares to finance a portion of its exploration and development program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through proceeds into i) share capital, and ii) a flow-through liability, equal to the estimated premium, if any, investors pay for the flow-through feature. Once related expenditures are incurred or on filing of the “renouncement”, the premium is recognized as other income. At this time, the Company also recognizes a deferred tax liability and tax provision at the enacted or substantively enacted tax rate, for the tax pool reduction renounced to the shareholders.

Proceeds received from the flow-through issue are restricted to be used only for Canadian resource property exploration expenditures within a two year period. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable this tax is accrued as a financial liability until paid.

4. Recently adopted accounting standards and accounting standards issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning after April 1, 2013 or later periods. The following new standards, amendments and interpretations that have not been early adopted in these financial statements, are not expected to have a material effect on the Company’s future results and financial position:

New Standards that are effective

Adoption of amendments to IAS 1 Presentation of items of Other Comprehensive Income

The amendments to IAS 1 require entities to group items presented in other comprehensive income into those that, in accordance with other IFRS, will not be reclassified subsequently to profit or loss and those that will be reclassified subsequently to profit or loss when specific conditions are met. The existing option to present items of other comprehensive income either before tax or net of tax remain unchanged; however, if the items are presented before tax, the amendments to IAS 1 required the tax related to each of the two groups of other comprehensive income to be shown separately. The application of the amendments did not result in any impact to the Company.

IFRS 10 Consolidated Financial Statements

IFRS 10 supersedes IAS 27 Consolidated and Separate Financial Statements (IAS 27) and SIC 12 Consolidation - Special Purpose Entities. IFRS 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of the Company's investees are considered to be subsidiaries and therefore to change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary are unchanged. Adoption of this standard did not result in any impact to the Company.

IFRS 11 Joint Arrangements

IFRS 11 supersedes IAS 31 Interest in Joint Ventures (IAS 31) and SIC 13 Jointly Controller Entities- Non-Monetary Contributions to Venturers. IFRS 11 revises the categories of joint arrangement and the criteria for

classification into the categories (joint ventures or joint operations), with the objective of more closely aligning the accounting with the investors rights and obligations relating to the arrangement.

In addition, IAS 31's option of using proportionate consolidation for arrangements classified as jointly controller entities under that standard has been eliminated. IFRS 11 now requires the use of the equity method for arrangements classified as joint ventures (as for investments in associates).

Adoption of this standard did not result in any impact to the Company.

IFRS 12 Disclosure of Interests in other Entities

IFRS 12 integrates and makes consistent the disclosure requirements for various types of investments, including unconsolidated structured entities. It introduces new disclosure requirements about the risks to which an entity is exposed from its involvement with structured entities. The adoption of the amendments did not result in any changes to the financial statements.

IFRS 13 Fair Value Measurement

IFRS 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect the items that are required to be fair-valued.

The scope of IFRS 13 is broad and applies for both financial and non-financial items for which IFRS's require of permit fair value measurements except in certain circumstances. IFRS 13 applies prospectively for annual periods beginning on or after January 1, 2103. Its disclosure requirements need not be applied to comparative information in the first year of application.

Management reviewed its valuation methodologies and the application of the new standard did not have any effect on the fair value measurement.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the Company.

Management anticipates that all of the pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of each pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have an impact on the Company's financial statements.

IFRS 9 Financial Instruments

The International Accounting Standards Board (IASB) aims to replace IAS 39 Financial Instruments: Recognition and Measurement in its entirety with IFRS 9. To date, the chapters dealing with recognition, classification, measurement and de-recognition of financial assets and liabilities as well as the chapter dealing with hedge accounting have been published. The chapter dealing with impairment methodology is still being developed. In November 2011, the IASB decided to consider making limited modifications to IFRS 9 financial asset classification model to address to application issues. In addition, in February 2014, the IASB decided to defer to January 1st, 2018, the implementation of IFRS 9. The Company's management has yet to assess the impact of this new standard on the Company's financial statements. Management does not expect to implement IFRS 9 until it has been issued and its overall impact can be assessed.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial

statements.

5. RESULTS OF OPERATIONS

At June 30, 2015 total assets were $3,343,780 compared to $3,375,044 as at December 31, 2014. This decrease is the result of decreases in cash and equipment during the six month period ended.

The Company has no operating revenues. During the period ended June 30, 2015, the Company earned $Nil in interest income compared to $Nil during the last year.

During the period ended June 30, 2015, the Company had comprehensive losses of $17,295 compared to a loss of $$85,676 for the period ended June 30, 2014. This decrease was primarily the result of decreases in travel, consulting, salaries and benefits, advertising and promotion as well as decrease in professional filing and transfer agent fees.

6. FINANCIAL CONDITION / LIQUIDITY

At June 30, 2015, the Company had cash of $2,216 compared to cash of $30,135 as at June 30, 2014. Cash used in investing activities decreased from $125,600 during the period ended June 30, 2014 to $(16,209) during the period June 30, 2015. This was the result of a lack of cash received for optioning Company properties, a reduction in exploration and evaluation assets and a lack of activity pertaining to marketable securities. Cash flows used in operating activities for the period ended June 30, 2015 was $(32,369) as compared to cash of $(115,706) for the period ended June 30, 2015. This reduction was a result of a decrease in payments owing to related parties, accounts payable and accrued liabilities. Operating activities were also significantly reduced by a notable reduction in the net loss for the year and a gain on sale of available-for-sale investments. The Company has no off-balance sheet financing. The Company has no long-term debt. Share capital remained static.

At this time, the Company has no operating revenues, and does not anticipate any operating revenues until the Company is able to find, acquire, place in production, and operate a resource property. Historically, the Company has raised funds through equity financing to fund its operations.

The Company may need to raise additional cash for working capital or other expenses. In addition, as a result of the Company's activities, unanticipated problems or expenses could result and require additional capital requirements, subject to Canadian Securities Exchange policies and approvals.

The Company has no assets other than cash deposits and has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants. Management does not believe the Company has sufficient working capital at this time to meet its current financial obligations.

7. CAPITAL RESOURCES

2015

No share transactions have occurred during the year.

2014

On September 18, 2014, the Company transferred 4,500,000 common share of Canadian Uranium Corp. with a fair value of a $1 pursuant to the Howard Lake Option Agreement.

2013

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

were also consolidated on the same 4 for 1 basis. All shares are reflected on a post-consolidated basis unless otherwise noted.

8. OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

9. OUTSTANDING SHARE DATA

a) Authorized:

Unlimited number of voting common shares without nominal or par value

b) Issued voting common shares:

	Share capital	
	Number of shares	Amount
As at December 31, 2013	7,036,921	$774,061
Shares issued for exploration and evaluation assets	-	-
Shares issued for cash	-	-
Share issue costs	-	-
Balance at December 31, 2014	7,036,921	$70,369
Shares issued for exploration and evaluation assets	-	-
Shares issued for cash	-	-
Share Issuance Cost	-	-
Balance at June 30, 2015	7,036,921	$387,030

c) Shares held in escrow

No shares are currently held in escrow.

d) Stock Options

The Company has a Rolling Incentive Stock Option Plan (“the Plan”) under which non-transferable options to purchase common shares of the Company may be granted to directors, officers, employees or consultants of the Company. A maximum of 10% of the issued and outstanding common shares of the Company may be reserved for issuance pursuant to the exercise of stock options. Terms of the plan, considered to be the most significant, provided that the Directors have the right to grant options to acquire common share of the Company at a price not less than the closing market price of the shares on the date the Company grants the option, less any discount permitted by the CSE, at terms of up to ten years. The majority of stock options vest immediately on the date of grant unless otherwise required by the CSE or the board of Directors.

At June 30, 2015, the details of options outstanding and exercisable are as follows:

Expiry date	Number of options outstanding
Balance, December 31, 2013	197,500
Cancelled	(50,000)
Options exchanged on a 4:1 basis	(12,500)
Balance, December 31, 2014	135,000
Cancelled	-
Expired	(12,500)

Balance, June 30, 2015	122,500

The weighted average contractual life and weighted average exercise price of the options outstanding are 0.90 years and $3.03, respectively.

e) Warrants

At June 30, 2015, the details of warrants outstanding are as follows:

	Number of warrants outstanding
Balance, December 31, 2012	5,500,750
Expired	(5,344,500)
Warrants exchanged on a 4:1 basis	(117,187)
Balance, December 31, 2014 and June 30, 2015	39,063

The weighted average contractual life and weighted average exercise price of the warrants outstanding are 0.03 years and $4.00, respectively.

10. TRANSACTIONS WITH RELATED PARTIES

Related party transactions for the period ended June 30, 2015 and 2014 are as follows:

	June 30 2015	**June 30 2014**
	$	**$**
Professional fees – accounting fees	-	13,534
Geological Consulting Fees	6,000	-
Office services	12,000	-
Salaries - Management fees	-	40,557
	18,000	45,392

Key management of the Company includes the President, CFO and the Directors. For the six month period ended June 30, 2015, compensation in respect of services provided by key management consists of $Nil (June 30, 2014: $50,207) in management and employment termination fees paid to the former President and $Nil (June 30, 2014: $11,900) in professional fees paid for CFO services to Malaspina Consultants Inc., a Company in which the former CFO was an associate.

Also included in related party transactions during the six month period ended June 30, 2015 are salaries and employment termination fees of $Nil (June 30, 2014: $23,350) paid to the Exploration Manager (formerly VP Exploration) and accounting fees of $Nil (June 30, 2014: $14,026) paid to Malaspina Consultants Inc. The Company also paid $10,000 (June 30, 2014 - $Nil) in office services to a company controlled by an officer of the Company. An amount of $2,000 (June 30, 2014 - $Nil) is owing to a company controlled by an office of the Company. The Company also paid $2,000 (June 30, 2014 - $Nil) in geological consulting fees to a company controlled by the President of the Company. An amount of $4,000 (June 30, 2014 - $Nil) is owing to a company controlled by the President of the Company for geological fees.

The amounts due to related parties are non-interest bearing and payable on demand and are comprised of $3,000 (June 30, 2014: $3,000) for director fees payable to former directors, $Nil (June 30, 2014- $1,321) payable to a director for travel expenses incurred on behalf of the Company, $40,107 (June 30, 2014-$nil) for salaries payable to the President and $38,274 (June 30, 2014: $23,053) for professional fees payable to Malaspina Consultants

Inc.

The Company has entered into the Howard Lake option agreement with a current officer of the Company. The Company also entered into an option assignment agreement for the Whitford Lake Property with a former officer of the Company became a director of Uranium Standard Resources Ltd. (formerly Canadian Uranium Corp.).

These transactions were in the normal course of operations and were measured at the exchange amount which is the amount established and agreed to by the related parties.

11. PROPOSED TRANSACTIONS

The Company is continually exploring new acquisitions; however, the Company has the following proposed business or financing transactions to report at this time:

N/A

12. FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments include cash and cash equivalents, receivables and trade payables. The carrying value of these financial instruments approximates their fair market value because of the short maturity of these instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency, or credit risks arising from these financial instruments.

13. LEGAL PROCEEDINGS

The Company is not involved in any legal proceedings.

14. DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's President & Chief Executive Officer (CEO) and Chief Financial Officer (CFO) are responsible for establishing and maintaining disclosure controls and procedures as well as internal controls over financial reporting for the Company.

In contrast to the certificate required under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109, in particular, the certifying officers filing the certificates are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificates.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

15. OTHER MD&A REQUIREMENTS

Subsequent Events

No subsequent events to report.

Risks and Uncertainties

The Company has a limited history of operations. There can be no assurance that the Company will be able to obtain adequate financing or that the terms of such financing will be favorable.

Cautionary Statement

This MD&A may contain "forward looking statements" that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "estimate", "intend", "expect", "anticipate" and similar expressions are intended to identify forward looking statements, which, by their very nature, are not guarantees of the Company's future, operational or financial performance, and are subject to risk and uncertainties and other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward looking statements.

Readers are cautioned not to place undue reliance on these forward looking statements which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risk and uncertainties, including the risk and uncertainties identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward looking statements whether as a result of new information, future events or otherwise.

For further information about Lions Gate Metals Inc. please visit Sedar at www.sedar.com.