LIONS GATE METALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the six months ended June 30, 2016

Lions Gate Metals Inc. (the "Company" or "Lions Gate") was incorporated in the Province of British Columbia, Canada on March 11, 2009. The Company is in the business of 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, V6B 6H5.

This management's discussion and analysis ("MD&A") reports on the operating results and financial condition of the Company for the six months ended June 30, 2016 and is prepared as of August 29, 2016. The MD&A should be read in conjunction with the Company's unaudited interim financial statements for the six months ended June 30, 2016 and the notes thereto which were prepared in accordance with International Financial Reporting Standards ("IFRS").

All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

Cautionary Note Regarding Forward-Looking Information

This document may contain "forward-looking information" within the meaning of Canadian securities legislation ("forward-looking statements"). These forward-looking statements are made as of the date of this document and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation.

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, the Company and its operations, its planned exploration activities, the adequacy of its financial resources and statements with respect to the estimation of mineral reserves and mineral resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words 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 statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may", "future", "expected", "intends" and "estimates". By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company's interim and annual consolidated financial statements and management's discussion and analysis of those statements, all of which are filed and available for review under the Company's profile on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Description of Business

Lions Gate Metals Inc. is an exploration stage company engaged in the acquisition, exploration and development of resource properties. The Company's shares trade on the Canadian Securities Exchange ("CSE") under the symbol "LGM". As at June 30, 2016, the Company has interests in the following resource properties:

1. Poplar Property

In prior years, the Company entered into various option agreements to acquire a 100% interest in certain mineral claims, known as the Poplar mineral property interest ("Poplar 1, 2 and 3"), situated in the Omineca Mining District of B.C. The Company has met all required cash payments and share issuances related to these option agreements, and have staked additional adjacent hectares ("Poplar 4") (collectively, "Poplar").

The Poplar 2 and 3 properties are subject to a 1% NSR which can be purchased by the Company for $1,000,000 and $100,000 respectively less any NSR amounts previously paid.

During the year ended December 31, 2014 the Company entered into an agreement with Aldever Resources Inc. (formerly Glenmark Capital Corp.) ("Aldever") to option a 100% interest, subject to existing royalties, in the Poplar property. Under the terms of the agreement, Aldever can acquire a 100% interest by:

- Paying $50,000 on or before December 22, 2014 (paid);
- Paying $100,000 on or before June 1, 2015;
- Paying $200,000 on or before December 22, 2015;
- Paying $500,000 on or before December 22, 2016;
- Paying $500,000 on or before December 22, 2017;
- Paying $1,650,000 on or before December 22, 2018;
- Completing $3,000,000 in exploration expenditures on the mineral claims within four years of signing the agreement.

On January 8, 2016, the Company amended its agreement with Aldever Resources Inc. (formerly Glenmark Capital Corp.). Under the amended agreement, Aldever can acquire 100% interest by:

- Paying $50,000 on or before December 22, 2014 (paid);
- 1,500,000 common shares issued upon TSX Venture Exchange Approval (issued with fair value of $195,000);
- 2,500,000 common shares issued upon TSX Venture Exchange Approval of this amendment (issued with fair value of $500,000);
- Paying $200,000 on or before December 22, 2016;
- Paying $200,000 on or before December 22, 2017;
- Paying $400,000 on or before December 22, 2018;
- Paying $1,500,000 on or before December 22, 2019;
- Completing $3,000,000 in exploration expenditures on the mineral claims within six years of signing the agreement.

TSX Venture Exchange approval was received for this amended agreement on January 14, 2016.

The gross proceeds to the Company resulting from the earn-in agreement with Aldever are $3,000,000 over the next four years. The Company recorded an impairment of $2,252,288 amounting to the difference between the discounted cash flows receivable from the earn-in agreement and the carrying value of the property at December 31, 2014.

2. Whitford Lake

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 has agreed to acquire an undivided 100% interest in the Whitford Lake

Property located in the Athabasca Basin in Saskatchewan. In September 2013, the Company entered into a Whitford Lake Option Assignment Agreement with Canadian Uranium Corp., which was later amended on December 1, 2013 and Palisades Ventures Inc. (formerly Uranium Standard Resources Ltd.) ("Palisades").

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.

During the year ended December 31, 2013 the Company recorded a write down of $119,000 with respect to the Whitford Lake mineral property.

The following share issuances and cash payments are currently required pursuant to the terms of the Option Agreement and Option Assignment Agreement:

Payable or issuable to:	Payable or issuable by Lions Gate Metals Inc.	Payable or issuable by Palisades Ventures Inc.
St. Jacques Mineral Corp.	Issuance of 625,000 common shares (issued).	N/A
St. Jacques Mineral Corp.	$300,000 in non-refundable cash payments (paid)	$100,000 in non-refundable cash payments (paid)
Lions Gate Metals Inc.	N/A	Issuance of 4,500,000 CanU common shares (issued)
Lions Gate Metals Inc.	N/A	$60,000 in non-refundable cash payments (paid)
Lions Gate Metals Inc.	N/A	$200,000 on or before December 31, 2015 ($155,000 paid at September 30, 2014) **(Currently in Default)**
Lions Gate Metals Inc.	N/A	$160,000 due October 29, 2016
St. Jacques Mineral Corp.	Obligation transferred to CanU	$750,000 in non-refundable cash payments due by February 18, 2017.
St. Jacques Mineral Corp.	Obligation transferred to CanU	$3,000,000 of qualifying exploration expenditures to be incurred on the property before February 18, 2017 or the equivalent amount to be paid to the Vendor in cash.

During the year ended December 31, 2014 the former President and former CEO of the Company became a director of Palisades Venture Inc. During the year ended December 31, 2015, the option agreement for Poplar Property went into default, however the Company is currently in negotiations to extend the agreement.

3. Howard Lake

Pursuant to the terms of an Option Agreement dated September 18, 2014 with St. Jacques Mineral Corp. and Urania Resource Corp. (the "Vendors"), the Company can earn a 100% interest in the Howard Lake Project located on the northeast shore of Howard Lake in Saskatchewan. The current CFO of the Company is the principal of Urania Resource Corp. The property is subject to a 1% Gross Overriding Royalty ("GORR") that has been granted to the vendors relating to the claims held by each of them. The Company may purchase half of the GORR (0.5%) from each vendor for $1,000,000.

As per the terms of the Option Agreement, the Company must complete the following requirements:

- Transfer 4,500,000 common shares of CanU shares to the Vendors. (completed)

- Complete no less than $500,000 in qualifying exploration expenditures on the Property within 24 months of signing the agreement.
- Make cash payments of $500,000 to the Vendors on or before the date which is 24 months following the date of signing the agreement.
- Within 5 years of the signing of this Agreement, define a NI143-101 compliant resource of no less than 10,000,000 lbs copper and 25,000,000 lbs nickel on the claims.

On August 20, 2016, the Company amended its option agreement for the vendors for the Howard Lake Option Agreement. The Company can earn 100% interest under the amended terms as follows:

- Transfer 4,500,000 common shares of CanU shares to the Vendors; (completed)
- Complete no less than $500,000 in qualifying exploration expenditures on the Property within 36 months of signing of the agreement;
- Pay 2,000,000 shares of Aldever Resources Inc. to St. Jacques Mineral Corp. on or before the August 31, 2016;
- Make a cash payment of $100,000 to St. Jacques Mineral Corp. on or before the date which is 30 months following the date of signing of the agreement;
- Make a further cash payment of $200,000 to Urania Resource Corp. on or before the date which is 30 months following the date of the signing of the agreement; and
- Within 5 years of the signing of the Agreement, define a NI 43-101 compliant resource of no less than 10,000,000 lbs. copper and 25,000,000 lbs. nickel on the Claims, as per Schedule A of the Agreement.

All other terms and conditions of the Option Agreement dated September 18, 2014 shall remain in full force and effect.

Risk Factors

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties. Mineral property exploration is a speculative business and involves a high degree of risk. There is a probability that the expenditures made by the Company in exploring its properties will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis to further the development of a property. Capital expenditures to support the commercial production state are also very substantial.

Matters related to the principal risks faced by the Company have been disclosed in previous MD&A's filed on SEDAR and continue to apply to the activity and business of the Company.

Results of Operations

At June 30, 2016 total assets were $3,153,359 compared to $3,185,178 as at December 31, 2015. This slight decrease in assets is the result of decreases in cash and exploration and evaluation assets due to write-downs in the Company's property during its last completed audit, offset by an increase in available-for-sale investments.

The Company has no operating revenues.

During the six months ended June 30, 2016, the Company had a net loss from operations of $41,902 compared to a net loss from operations of $52,644 for the same period in the prior year. Expenses decreased slightly as a result of decreases in travel, advertising and promotional fees.

Selected Annual Information

Financial year ended:	December 31, 2015 ($)	December 31, 2014 ($)	December 31, 2013 ($)
Total Revenues	Nil	Nil	Nil
Net Loss			
In total	(264,426)	(2,585,127)	(717,210)
Per share[1]	(0.04)	(0.37)	(0.10)
Comprehensive income/(loss)			
In total	(211,528)	(2,605,840)	(717,210)
Total assets	3,185,178	3,375,044	5,855,010
Total long term financial liabilities	Nil	Nil	Nil

No dividends were declared or paid nor are any contemplated.
Note 1 – Fully diluted per share amounts

Discussion of Operations and Overall Performance

Matters in prior periods related to the ongoing development of the Poplar Property, Whitford Property and Howard Lake Property have been disclosed in previous MD&A's filed on SEDAR.

Summary of Quarterly Results

	30Jun16	31Mar16	31Dec15	30Sep15	30Jun15	31Mar15	31Dec14	31Sep14
Interest Income	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Net Income (Loss)	$(31,158)	$(7,823)	$(208,799)	$(11,887)	$(17,295)	$(26,445)	$(198,647)	$50,020
Total Assets	$3,153,359	$3,176,415	$3,185,178	$3,343,191	$3,343,780	$3,351,919	$3,375,044	$5,794,394
Total Liabilities	$209,754	$193,681	$193,891	$203,304	$191,274	$175,548	$172,228	$153,255
Working Capital	$(130,960)	$(112,887)	$(104,418)	$27,424	$(153,188)	$(126,260)	$(34,502)	$(37,565)

The following discussion outlines the reasons for some of the variations in the quarterly numbers but, as with most junior mineral exploration companies, the results of operations (including interest income and net losses) are not the main factors in establishing the financial health of the Company. Of far greater significance are the resource properties in which the Company has, or may earn an interest, its working capital and how many shares it has outstanding. The variation seen over such quarters is primarily dependent upon the success of the Company's ongoing property evaluation program and the timing and results of the Company's exploration activities on its then current properties, none of which are possible to predict with any accuracy.

There are no general trends regarding the Company's quarterly results and the Company's business of resource exploration is not seasonal, as it can work on its property on a year-round basis (funding and weather permitting). Quarterly results may vary significantly depending mainly on whether the Company has abandoned any properties or granted any stock options and these factors which may account for material variations in the Company's quarterly net income (losses) are not predictable. The major factor which may cause a material variation in net loss on a quarterly basis is the receipt of an option payment related to the Whitford Lake Property earn-in agreement with Palisades Ventures Inc. (formerly Uranium Standard Resources Ltd.) which can be seen in the quarter of September 31, 2014, as well as additionaly amendments to property option agreements for the Company's Poplar and Whitford Lake Options, which can be seen during the June 30, 2015 quarter. General and administrative costs tend to be quite similar from period to period, except in certain cases when there is an increase in corporate activities as may be seen in the quarters ended December 31, 2015 and December 31, 2014 due to the completion of the Company's audit. The Company's ability to continue is dependent upon the success of the Company in raising the required financing for its activities which will vary with overall market conditions, and is therefore difficult to predict.

Liquidity and Capital Resources

The Company has no revenue generating operations from which it can internally generate funds and therefore has been incurring losses since inception. The Company has financed its operations and met its capital requirements primarily through the sale of capital stock by way of private placements and the subsequent exercise of share purchase warrants issued in connection with such private placements and the exercise of stock options. The Company also has raised funds through the sale of interests in its mineral properties. When acquiring interests in resource properties through purchase or option, the Company issues common shares or a combination of cash and shares to the vendors of the property as consideration for the property in order to conserve its cash. The Company expects that it will continue to operate at a loss for the foreseeable future and will require additional financing to fund the exploration of its existing properties and the acquisition of potential resource properties.

At June 30, 2016, the Company had cash of $3,829, compared to cash of $2,216 as at June 30, 2015. The slight increase in cash is due to the partial sales in the Company's available-for-sale investments. The Company has no off-balance sheet financing. The Company has no long-term debt. The Company's cash flow has not fluctuated significantly from the prior year.

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 will 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 believes the Company does not have sufficient working capital at this time to meet its current financial obligations.

Related Party Transactions

During the six months ended June 30, 2016, the Company entered into the following transactions with related parties:

(a) Related party transactions

The Company incurred the following transactions with companies controlled by common officers:

	Six Months Ended June 30,	
	2016	2015
	$	$
Office services	20,000	12,000
Geological Consulting	6,000	6,000
	26,000	18,000

(b) Compensation of key management personnel

	Six Months Ended June 30,	
	2016	2015
	$	$
Short-term benefits - management fees[(1)]	Nil	Nil
Share-based compensation	Nil	Nil
	Nil	Nil

(c) Related party balances

There are no amounts recorded in related party balances.

Critical Accounting Estimates

In the application of the Company's accounting policies, which are described in note 2 to the unaudited interim consolidated financial statements for the six months ended June 30, 2016, management is required to make judgments, apart from those requiring estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include:

- the determination of the element of costs recorded as exploration and evaluation assets and determination of reclamation obligations;
- the classification of financial instruments; and
- the determination of the functional currency of the parent company and its subsidiaries.

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.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets, provisions for restoration and environmental obligations and contingent liabilities.

Accounting Standards Issued but not yet Adopted:

IFRS 9, Financial Instruments

The IASB has issued a new standard, IFRS 9, "Financial Instruments" ("IFRS 9"), which will replace IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). IFRS 9 will replace the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortized cost and fair value. The new standard also requires a single impairment method to be used, provides additional guidance on the classification and measurement of financial liabilities, and provides a new general hedge accounting standard.

The mandatory effective date has tentatively been set for January 1, 2018, however early adoption of the new standard is permitted. The Company currently does not intend to early adopt IFRS 9. The adoption of IFRS 9 is currently not expected to have a material impact on the financial statements as the classification and measurement of the Company's financial instruments is not expected to change given of the nature of the Company's operations and the types of financial instruments that it currently holds.

Fair Value of Financial Instruments

1. Fair value of financial instruments

The carrying values of cash and cash equivalents, amounts receivable and trade payables and accrued liabilities approximate their fair values because of their short term nature. The fair values of marketable securities are based on current bid prices at June 30, 2016.

In evaluating fair value information, considerable judgment is required to interpret the market data used to develop the estimates. The use of different market assumptions and valuation techniques may have a material effect on the estimated fair value amounts. Accordingly, the estimates of fair value presented herein may not be indicative of the amounts that could be realized in a current market exchange.

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of 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 for the asset or liability that are not based on observable market data.

There were no financial assets at fair value as at June 30, 2016.

There were no financial liabilities at fair value as at June 30, 2016, and August 29, 2016.

2. Financial instrument risk

The Company is exposed in varying degrees to a variety of financial instrument related to risks. The Board approves and monitors the risk management processes:

(i) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of advances made to related parties. The Company manages liquidity risk through the management of its capital structure and financial leverage. Management currently does not have any such advances, therefore there is no exposure.

(ii) 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 monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuance when required. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed commercial papers. The Company's functional currency is the Canadian dollar. Therefore, the Company is not exposed to foreign exchange risk.

(iii) Market risk

(a) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. Financial assets and financial liabilities are not exposed to interest rate risk because they are non-interest bearing.

(c) Commodity price risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of palladium, nickel, and gold. The Company closely monitors commodity prices to determine the appropriate course of actions to be taken.

During the six months ended June 30, 2016, there were no changes to the Company's risk exposure or to the Company's policies for risk management.

Capital Management

The Company's objectives when managing capital are to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern and maintain adequate levels of funds to support the acquisition, exploration and development of exploration and evaluation assets such that it can continue to provide returns to shareholders and benefits for other stakeholders.

The Company considers the items included in shareholders' equity as capital. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the Company's underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares or sell assets to settle liabilities. The Company has no long-term debt and is not subject to externally imposed capital requirements.

The properties in which the Company currently has an interest in are in the exploration stage, as such, the Company does not recognize revenue from its exploration properties. The Company's historical sources of capital have consisted of the sale of equity securities, loans, advances from related parties and interest income. In order for the Company to carry out planned exploration and development and pay for administrative costs, the Company will spend its working capital and expects to raise additional amounts externally as needed.

The Company is not subject to any externally imposed capital requirements.

There were no changes in the Company's management of capital during the six months ended June 30, 2016.

Proposed Transactions

The Company is continuously evaluating new opportunities that could include a joint venture, a disposal of the project or a sale of the Company. While various negotiations may be ongoing at any given time, these may or may not be successful. The Company considers opportunities where there is expected to be significant value to the shareholders. At this date, the Board of Directors have not approved any transaction, nor presented any potential transaction to the shareholders.

Outstanding Share Data

As at August 29, 2016, the Company had 7,036,921, common shares outstanding. As at the same date there were no warrants outstanding. In addition, 37,750 stock options were outstanding at an exercise price of $2.02 per share until April 4, 2017.

	Number of shares	Number of options	Exercise price	Expiry date
Issued and outstanding	7,036,921			
		37,750	$2.64	Apr 4, 2017
		37,750	$2.64	
		Number of warrants	Exercise price	Expiry date
		Nil	$Nil	Nil
		Nil	$Nil	

Subsequent Events

None to report at this time.

Additional Information

Additional information about the Company is available under the Company's profile on SEDAR at www.sedar.com.