SKEENA
RESOURCES LTD.

(an exploration stage enterprise)

Condensed Interim Consolidated Financial Statements

Three months ended March 31, 2019 and 2018

(Unaudited - expressed in Canadian Dollars)

Notice of No Auditor Review

These unaudited condensed interim financial statements have not been reviewed by the auditors of the Corporation. This notice is being provided in accordance with Section 4.3 (3) (a) of National Instrument 51-102 - Continuous Disclosure Obligations.

NOTICE OF NO AUDITOR REVIEW

NOTICE TO READERS

Under National Instrument 51-102, Part 4.3 (3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The condensed interim consolidated financial statements of Skeena Resources Limited (an exploration stage company) are the responsibility of the Company's management. The condensed interim consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles and reflect management's best estimates and judgment based on information currently available.

Management has developed and maintains a system of internal controls to ensure that the Company's assets are safeguarded, transactions are authorized and properly recorded, and financial information is reliable.

The Board of Directors is responsible for ensuring management fulfills its responsibilities for financial reporting and internal controls through an audit committee, which is comprised primarily of non-management directors.

The Company's independent auditors have not performed an audit or review of these condensed interim consolidated financial statements.

"Walter Coles, Jr."	*"Andrew MacRitchie"*
Walter Coles, Jr. CEO	Andrew MacRitchie Chief Financial Officer

Vancouver, British Columbia
May 29, 2019

SKEENA RESOURCES LIMITED
(an exploration stage enterprise)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited - expressed in Canadian dollars)

	Note	March 31, 2019	December 31, 2018
ASSETS			
Current			
Cash and cash equivalents		$ 273,431	$ 1,092,291
Receivables	5	3,178,032	3,503,595
Prepaid expenses		210,699	223,748
		3,662,162	4,819,634
Deposits	6	1,366,041	1,366,041
Exploration and evaluation interests	7	16,301,315	16,309,685
Marketable Securities	8	1,282,500	1,425,000
Capital assets	9	2,204,292	634,026
		$ 24,816,310	$ 24,554,386
LIABILITIES			
Current			
Accounts payable and accrued liabilities	10	$ 1,856,662	$ 1,373,503
Flow-through share premium liability	11	1,314,112	1,363,495
		3,170,774	2,736,998
Long term lease	12	1,302,149	-
Provision for closure and reclamation	13	3,251,021	3,251,021
		7,723,944	5,988,019
SHAREHOLDERS' EQUITY			
Capital stock	14	81,566,790	81,566,790
Reserves	14	11,080,018	11,080,018
Deficit		(75,554,442)	(74,080,441)
		17,092,366	18,566,367
		$ 24,816,310	$ 24,554,386

GOING CONCERN (NOTE 1)
SUBSEQUENT EVENTS (NOTE 16)

ON BEHALF OF THE BOARD OF DIRECTORS:

signed "Donald Siemens"
Director

signed "Craig Parry"
Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

SKEENA RESOURCES LIMITED
(an exploration stage enterprise)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(expressed in Canadian dollars)

		For the three months ended March 31	
	Note	**2019**	2018
ADMINISTRATIVE EXPENSES			
Exploration and evaluation	7	$ 703,947	$ 1,505,676
Share-based payments	10, 14	-	1,166,000
Consulting	10	98,423	1,248
Investor relations		111,904	197,549
Professional fees		46,477	55,950
Travel		16,357	21,626
Transfer agent and listing fees		6,988	15,310
Office and administration		28,293	81,647
Rent and other		-	81,005
Property research		17,197	50,364
Shareholder communications		26,792	29,541
Wages	10	200,378	194,317
Foreign exchange (gain) loss		5,487	(1,116)
Rent recovery		(29,410)	(28,050)
Flow-through share premium recovery	11	(49,383)	(184,778)
Interest (income) expense		12,403	(29)
Accretion of provision for closure and reclamation	13	13,131	8,836
Accretion of office lease liability	12	29,007	-
Amortization	9	93,510	38,557
Unrealized loss on marketable securities	8	142,500	-
Net loss and comprehensive loss for the period		$ (1,474,001)	$ (3,233,653)
Loss per share		$ (0.02)	$ (0.04)
Weighted average number of common shares outstanding		97,847,879	90,328,548

Certain of the prior periods' figures have been reclassified to conform with the current periods' presentation.

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

SKEENA RESOURCES LIMITED

(an exploration stage enterprise)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited - expressed in Canadian dollars)

	Capital Stock		Reserves				Total Shareholders' Equity
	Shares	Amount	Options	Warrants	Total Reserves	Deficit	
Balance at December 31, 2017	76,928,037	$ 71,362,300	$ 6,564,228	$ 2,735,214	$ 9,299,442	$ (58,560,419)	$ 22,101,323
Issue of shares, net of cost	13,400,511	7,388,175	-	-	-	-	7,388,175
Share issue costs	-	-	1,642,000	-	1,642,000	-	1,642,000
Loss for the three months	-	-	-	-	-	(3,233,653)	(3,233,653)
Balance at March 31, 2018	90,328,548	$ 78,750,475	$ 8,206,228	$ 2,735,214	$ 10,941,442	$ (61,794,072)	$ 27,897,845
Balance at December 31, 2018	97,847,879	$ 81,566,790	$ 8,206,228	$ 2,873,790	$ 11,080,018	$ (74,080,141)	$ 18,566,367
Loss for the three months	-	-	-	-	-	(1,474,001)	(1,474,001)
Balance at March 31, 2019	97,847,879	$ 81,566,790	$ 8,206,228	$ 2,873,790	$ 11,080,018	$ (75,554,442)	$17,092,366.0(

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

SKEENA RESOURCES LIMITED
(an exploration stage enterprise)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited - expressed in Canadian dollars)

	For the three months ended March 31	
	2019	**2018**
OPERATING ACTIVITIES		
Loss for the period	$ (1,474,001)	$ (3,233,653)
Items not effecting cash		
Amortization	93,510	38,557
Accretion of provision for closure and reclamation, net of recovery	8,370	8,836
Accretion of office lease liability	29,007	-
Share-based payments	-	1,642,000
Flow-through recovery	(49,383)	(184,778)
Unrealized loss on marketable securities	142,500	-
Changes in non-cash working capital		
Receivables	275,563	(68,228)
Prepaid expenses	13,049	(10,139)
Accounts payable and accrued liabilities	175,659	893,302
Net cash used in operating activities	(785,726)	(914,103)
FINANCING ACTIVITIES		
Net proceeds from share issuance	-	7,810,532
Net cash provided by financing activities	-	7,810,532
INVESTING ACTIVITIES		
Proceeds from sale of mineral property	50,000	-
Lease liability	(76,876)	
Purchase of equipment	(6,258)	(35,705)
Net cash provided by (used in) investing activities	(33,134)	(35,705)
Change in cash and cash equivalents during the period	(818,860)	6,860,724
Cash, beginning of the period	1,092,291	1,017,391
Cash and cash equivalents, end of the period	$ 273,431	$ 7,878,115

Supplemental non-cash information:

As a result of the adoption of IFRS 16 (Note 3), on Jan 1, 2019 a new lease asset and lease liability were recognized. The lease asset recognized is presented in Note 9. The current portion of the lease liability is split between accounts payable and accrued liabilities ($307,500 at March 31, 2019) and long term lease liability ($1,302,149 at March 31, 2019).

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

(Unaudited - expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Skeena Resources Limited ("Skeena" or the "Company") is incorporated under the laws of the province of British Columbia, Canada, and its principal business activity is the exploration of mineral properties. The Company's corporate office is located at Suite 650, 1021 West Hastings Street, Vancouver, British Columbia V6E 0C3. The Company is in the exploration stage with respect to its mineral property interests and has not, as yet, achieved commercial production.

The condensed interim consolidated financial statements were prepared on a going concern basis with the assumption that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company has limited cash resources, has incurred significant operating losses and negative cash flows from operations in the past, and will require additional funding in order to continue operations. While the Company has been successful in obtaining funding in the past, through the issuance of additional equity, there is no assurance that such funding will be available in the future. An inability to raise additional funds would adversely impact the future assessment of the Company as a going concern. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company is dependent upon its ability to finance its operations and exploration programs through financing activities that may include issuances of additional debt or equity securities. The recoverability of the carrying value of exploration projects and, ultimately, the Company's ability to continue as a going concern, is dependent upon the existence and economic recovery of reserves, the ability to raise financing to complete the exploration and development of the properties, and upon future profitable production or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis, all of which are uncertain. The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

	March 31, 2019	December 31, 2018
Working capital (deficiency)	**$ 491,388**	$ 2,082,636
Deficit	**$ (75,554,442)**	$ (74,080,441)

2. BASIS OF PRESENTATION

Statement of Compliance and Accounting Policies

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting,* are in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and are consistent with interpretations by the International Financial Reporting Interpretations Committee ("IFRIC").

These condensed interim financial statements have been prepared using the accounting policies as set out in the audited annual financial statements for the year ended December 31, 2018, with the adoption of updated policies described in Note 3. The disclosures which follow do not include all disclosures required for the annual financial statements. These unaudited condensed interim consolidated financial statements should be read in conjunction with the audited financial statements and notes thereon for the year ended December 31, 2018.

The Board of Directors approved these condensed interim consolidated financial statements on May 29, 2019

2. BASIS OF PRESENTATION (continued)

Basis of measurement

These condensed interim consolidated financial statements have been prepared on an historical cost basis, except for marketable securities which are valued at fair value on the reporting date. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Principles of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, listed below.

Subsidiaries are those entities which the Company controls by having the power to govern the financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are de-consolidated from the date that control ceases.

Subsidiary	Location
Sona Resources Corp.	Canada
No. 75 Corporate Ventures Ltd.	Canada
Mount Rainey Silver Inc. until sold on August 15, 2018 (Note 7)	Canada

Each of the above companies was 100% owned by the Company and fully consolidated.

Significant accounting estimates and judgments

The preparation of these condensed interim consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting periods. Actual outcomes could differ from these estimates and judgments, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

3. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

The IASB has issued a number of amendments to standards and interpretations, and one new standard, which were not yet effective in 2019, and have not been applied in preparing these condensed interim consolidated financial statements. It is anticipated that these amendments and the one new standard will have no impact on the Company's financial statements when they are adopted in future years.

The IASB has also issued several new standards which are effective January 1, 2019 and were first adopted by the Trust in the three-month period ended March 31, 2019. Pronouncements that are not applicable to the Company have been excluded from this note.

(Unaudited - expressed in Canadian dollars)

3. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS (continued)

IFRS 16 Leases

IFRS 16 establishes a comprehensive framework for recognition, measurement and classification of leases and requires lessees to recognize assets and liabilities for most leases. It has replaced International Accounting Standard (“IAS”) 17 Leases and related interpretations. The Company has adopted IFRS 16 retrospectively from January 1, 2019 and has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and adjustments arising from the new leasing rules are recognized on the opening statement of financial position on January 1, 2019 to the extent they arise; however, no adjustments were necessary to the Company’s opening retained earnings as a result of the adoption of this standard. With respect to the Company’s office leases, a $1.7 million right-of-use asset and a corresponding liability for the same amount was recognized as at January 1, 2019 (Notes 9 and 12). Adoption of the new standard did not give rise to any material changes to the Company’s processes or IT controls.

On adoption of IFRS 16, the Company recognized lease liabilities in relation to leases which had previously been classified as operating leases under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Company’s incremental borrowing rate as of January 1, 2019. The associated right-of-use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position as at December 31, 2018. The lease asset recognized is presented in Note 9. The current portion of the lease liability is split between accounts payable and accrued liabilities ($307,500 at March 31, 2019) and long term lease liability ($1,302,149 at March 31, 2019).

The following is the accounting policy that has been amended as a result of adoption of IFRS 16:

Leases

Upon lease commencement, the Company recognizes a right-of-use asset, which is initially measured at the amount of the lease liability plus any direct costs incurred, which is then amortized over the life of the lease on a straight-line basis. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease; if the implicit lease rate cannot be determined, the incremental borrowing rate is used. Payments against the lease are then offset against the lease liability. The lease liability and right-of-use asset are subsequently remeasured to reflect changes to the terms of the lease. Assets and liabilities are recognized for all leases unless the lease term is twelve months or less or the underlying asset has a low value.

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Financial instruments are agreements between two parties that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are classified into one of the following three categories: FVTPL; FVTOCI; and amortized cost. The carrying values of the Company’s financial instruments are classified into the following categories:

Financial Instrument	Category	March 31, 2019	December 31, 2018
Cash	Amortized cost	$ 273,431	$ 1,092,291
Receivables	Amortized cost	3,178,032	1,713,544
Marketable securities	FVTPL	1,282,500	1,425,000
Accounts payable and accrued liabilities	Amortized cost	1,856,662	1,373,503

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit losses are measured using a present value and probability-weighted model that considers all reasonable and supportable information available without undue cost or effort along with information available concerning past defaults, current conditions and forecasts at the reporting date. IFRS 9 requires the recognition of 12 month expected credit losses (the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date) if credit risk has not significantly increased since initial recognition (stage 1), and lifetime expected credit losses for financial instruments for which the credit risk has increased significantly since initial recognition (stage 2) or which are credit impaired (stage 3). There are no material expected credit losses with respect to the Company's financial instruments held at amortized cost.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk consists of interest rate risk, foreign currency risk and other price risk. As at March 31, 2019, the Company is exposed to market risk on its marketable securities. A 10% decrease in the share price of the Company's StrikePoint marketable securities (Note 8) would result in a $128,250 decrease to the Company's marketable securities and an increase of the same amount to the Company's unrealized loss on marketable securities.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient cash to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of March 31, 2019.

(Unaudited - expressed in Canadian dollars)

5. RECEIVABLES

Receivables consist primarily of amounts due from governments in relation to refundable Mineral Exploration Tax Credits, or Goods and Services Tax.

	Mar 31, 2019	Dec 31, 2018
Mineral Exploration Tax Credits	$ 864,131	$ 864,131
Goods and Services Tax	950,357	925,920
Due from StrikePoint (Note 7 – Porter Idaho)	1,221,000	1,271,000
Other	142,544	442,544
Total	$ 3,178,032	$ 3,503,595

6. DEPOSITS

Deposits are amounts placed as security, either in conjunction with a lease for office space, or as deposits with governments or insurance agencies in order to help ensure that reclamation of sites is completed. Deposits relate to the following:

Deposits	Snip	Spectrum-GJ	Porter Idaho	Blackdome	Office	Total
December 31, 2017	$ 1,612,000	$ 216,000	$ 21,000	$ 93,500	$ 100,000	$ 2,042,500
Additions	295,000	-	-	100,000	-	395,000
Disposals	(1,862,000)	(113,000)	(21,000)	(112,959)	-	(2,108,959)
Surety collateral	931,000	56,500	-	50,000	-	1,037,500
December 31, 2018 & March 31, 2019	$ 931,000	$ 159,500	$ -	$ 130,541	$ 100,000	$ 1,366,041

As part of the Mines Act, the reclamation security required over the Snip property is $2,982,000. The Company is currently in discussion with the Ministry of Energy, Mines and Petroleum Resources to assess whether there may be a reduction in reclamation security as a result of building an access road, and to determine the timing of payment of the remaining unfunded portion of the reclamation security. In December of 2018, the Company replaced cash reclamation security deposits totalling $2,075,000 with a surety bond. Half of the surety bond amount is held as collateral by the surety provider.

7. EXPLORATION AND EVALUATION INTERESTS

Snip Property, British Columbia, Canada

On April 7, 2016, the Company completed the first share payment under its option to acquire a 100% interest in the Snip gold mine from Barrick Gold Inc. ("Barrick"). The optioned property consists of one mining lease, holding the former Snip gold mine, and four mineral tenures totalling approximately 1,932 hectares. Pursuant to the option agreement, Skeena completed a work commitment of $2 million, issued 200,000 common shares to the vendor on April 7, 2016, and a further 125,000 shares on July 19, 2017 as the final condition to complete the exercise of the option. As part of the purchase, consideration of $280,280 was allocated between the fair values of assets acquired and liabilities assumed, resulting in recognition of a liability, on acquisition, of $649,534 for closure and reclamation costs and an asset of $924,382 as exploration and evaluation interests. The closure and reclamation cost estimate is reviewed periodically, with any increase in the estimate being added to the amount shown as Exploration and Evaluation Interests asset for Snip.

7. EXPLORATION AND EVALUATION INTERESTS (continued)
Snip Property, British Columbia, Canada (continued)

Barrick has retained a 1% net smelter return royalty ("NSR") on the property. In addition, subject to Skeena delineating in excess of 2 million ounces of gold, Barrick may cancel the NSR and exercise its right to purchase a 51% interest in the property in exchange for paying the Company three times the costs incurred by the Company in exploring and developing the property, following which the parties would form a joint venture and Barrick would relinquish its 1% NSR. In addition, an unrelated historic 3% royalty exists on gold recovered from ore containing at least 0.3 ounces of gold per ton.

On October 16, 2018, Skeena closed an agreement with Hochschild Mining Holdings Limited ("Hochschild"). The agreement included an option to acquire a portion of Skeena's Snip Property, the opportunity to have a representative on the Board of Directors, as well as a private placement financing.

Under the property option agreement, Skeena granted Hochschild an option to earn a 60% undivided interest in Snip located in the Golden Triangle of British Columbia (the "Option"). Hochschild will have three years to provide notice to Skeena that it wishes to exercise the Option. Once exercised, Hochschild shall then have three years (the "Option Period") to:

- incur expenditures on Snip that are no less than twice the amount of such expenditures incurred by Skeena from March 23, 2016 up until the time of exercise of the Option by Hochschild;
- incur no less than C$7.5 million in exploration or development expenditures on Snip in each 12-month period of the Option Period; and
- provide 60% of the financial assurance required by governmental authorities for the Snip mining properties.

After completing a minimum spend of $22,500,000, Hochschild may extend the Option Period by a further period of 12 months by making a cash payment to Skeena of $1.0 million.

Concurrent with entering into the agreement with Hochschild, Skeena collected proceeds of $6,767,398 from the sale of 7,519,331 flow-through common shares of the Company at a price of $0.90 per share (Note 13). The Company received proceeds of $3,534,355 above the fair market value of the shares on the date of issuance, of which $1,188,053 was allocated to the flow-through share premium, $1,955,051 was applied to reduce previous Snip acquisition costs to $nil, and the remaining $391,251 was recorded as a gain on option of mineral property.

7. EXPLORATION AND EVALUATION INTERESTS (continued)

GJ Property, British Columbia, Canada

On October 27, 2014, the Company acquired a 100% interest in the Spectrum Property in exchange for 8,000,000 common shares valued at $6,000,000, together with an interest-free promissory note payable to Eilat Exploration Ltd. ("Eilat") in the amount of $700,000. Of these shares, 6,400,000 common shares were issued to Eilat and 1,600,000 common shares were issued to Keewatin Consultants (2002) Inc. ("Keewatin"), a private company held by a former director. The total acquisition cost for the Spectrum Property amounted to $6,862,175.

On November 4, 2015, the Company acquired an option to earn a 100% interest in the GJ Property in exchange for cash consideration of $500,000 and 1,294,753 common shares valued at $1,000,000. Pursuant to the terms of a purchase agreement, the Company committed to issue shares valued at $1,500,000 prior to November 4, 2017 (issued), shares valued at $1,500,000 prior to November 4, 2020, and a cash payment of $4,000,000 before commencement of commercial production from the GJ Property. Legal fees of $21,535 incurred in the acquisition of the GJ Property were capitalized.

The majority of claims that constitute GJ are subject to three different royalties varying from 1% to 3%. In each case the royalty may be halved by making a payment of $500,000, $1,000,000 or $2,000,000. A total of 5 mineral claims at GJ are subject to no royalty whatsoever.

Eskay Creek Property, British Columbia, Canada

On December 18, 2017, Skeena announced that it had secured an option to acquire a 100% interest in the Eskay Creek property from Barrick Gold Inc. In order to earn the 100% interest, under the terms of the option agreement, Skeena must first incur $3,500,000 in exploration expenditures by December 18, 2020 (incurred), of which $1,500,000 must be incurred by December 18, 2019 (incurred). In addition, Skeena has agreed to pay $17.7 million in relation to the Eskay Creek acquisition. These funds will be first directed towards providing the government with security over the reclamation bond amount on the property, with any remaining amount being paid to Barrick as part of the purchase price.

Barrick will retain a 1.0% NSR on all parts of the property which are not already subject to royalties. In addition, Barrick will maintain a back-in right to purchase a 51% interest in the property for a 12-month period following notification by Skeena of a NI 43-101 resource on the Property of at least 1,500,000 ounces of contained gold (or equivalent). Barrick may exercise this right by paying Skeena up to three times Skeena's cumulative expense on the project, reimbursing Skeena for the purchase price, and by assuming any bonding requirement for Barrick's proportionate interest, following which the parties will form a joint venture.

Porter Idaho Property, British Columbia, Canada

On September 22, 2016, the Company announced that it had successfully acquired all of the issued and outstanding common shares of Mount Rainey Silver Inc. ("Mount Rainey"). Mount Rainey's primary asset is a portfolio of 46 Crown-granted mineral claims covering the past-producing, underground Prosperity – Porter Idaho – Silverado silver property located in the Golden Triangle of northwest British Columbia in the Skeena Mining Division.

(Unaudited - expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION INTERESTS (continued)

Porter Idaho Property, British Columbia, Canada (continued)

In addition, the Company obtained the Glacier Creek Claims, an additional 45 Crown-granted claims covering approximately 1,630 acres located in the Glacier Creek / Albany Creek area on the east side of the Bear River Valley in British Columbia, together with 12 municipal lots located in Stewart, British Columbia. The Company determined that Mount Rainey was a group of assets that did not constitute a business, and so treated this transaction as an asset acquisition.

During the second quarter of 2018, the Company received an offer to purchase the Porter Idaho Property for a value which was lower than the property's carrying value. The Company considered this an indicator of impairment and conducted an impairment assessment on the property. As a result of the impairment assessment, the Company recorded an impairment of the mineral property interest of $1,325,759, reducing the carrying value of the property to $2,972,499, the value of consideration receivable on the sale to StrikePoint Gold Inc. ("StrikePoint").

On August 15, 2018, the Company sold the Porter Idaho Property to StrikePoint in exchange for 9,500,000 securities of StrikePoint (Note 8), and a series of cash payments totalling $1,500,000 over a period ending December 31, 2019 (received $300,000 at March 31, 2019, and an additional $450,000 subsequent to period-end), and secured by a first claim over the issued and outstanding shares of Mount Rainey. In addition, Skeena holds a 1% NSR on the Property and StrikePoint has the option to buy back 0.5% at a price of $750,000.

Blackdome Property, British Columbia, Canada

On September 15, 2016, the Company announced that it had successfully acquired all of the issued and outstanding common shares of Sona Resources Corporation ("Sona"). In addition to the Blackdome Property, $12 million in Canadian corporate income tax loss carry forwards were also acquired along with the Elizabeth exploration property, a mill, mobile equipment and a camp. Due to the age and condition of the related infrastructure and equipment, it was assigned zero value as part of the acquisition.

A legal dispute was launched against Sona by the vendors of the Elizabeth exploration property, alleging non-performance under the option agreements. The Supreme Court of British Columbia decided the matter in Skeena's favour, but the vendors appealed the judgement. The BC Court of Appeal gave Sona until December 31, 2020 to produce a bankable feasibility study – the final remaining obligation to satisfy under the option agreements. As a result of the court case, which was pending at the time of acquisition by Skeena, none of the total purchase consideration of $3,428,165 was allocated to the Elizabeth exploration property.

Exploration and evaluation interests assets

Acquisition costs have been capitalised as follows:

	Blackdome	Porter Idaho	GJ	Eskay	Snip	Total
Total at Dec. 31, 2017	4,666,833	4,298,258	10,388,710	250,000	924,382	20,528,183
Impairment	-	(1,325,759)	-	-	-	(1,325,759)
Adjust closure liability	1,104,142	-	-	-	1,030,669	2,134,811
Sale or option	-	(2,972,499)	-	-	(1,955,051)	(4,927,550)
Deposit recovery	(100,000)	-	-	-	-	(100,000)
Total at Dec. 31, 2018	$ 5,670,975	$ -	$ 10,388,710	$ 250,000	$ -	$ 16,309,685
Adjust closure liability	(8,370)	-	-	-	-	(8,370)
Total at Mar. 31, 2019	$ 5,662,605	$ -	$ 10,388,710	$ 250,000	$ -	$ 16,301,315

(Unaudited - expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION INTERESTS (continued)

Exploration and evaluation expenses

Exploration and evaluation costs have been incurred as follows:

2019	Blackdome	Porter Idaho	GJ	Eskay	Snip	Total
Claim renewals and permits	$ 31,327	$ -	$ 13,500	$ 35,253	$ 36,734	$ 116,814
Fieldwork, camp support and local office	-	-	412	23,031	3,510	26,953
Assays and analysis/storage	-	-	60	7,018	15,571	22,649
Community relations	-	-	9,299	12,280	57,595	79,174
Environmental studies	24,944	-	-	3,283	1,463	29,690
Geology, geophysics, and geochemical	13,996	-	2,913	362,485	25,552	404,946
Fuel	-	-	-	814	-	814
Metallurgy	-	-	-	22,907	-	22,907
Total for the three months ended March 31, 2019	$ 70,267	$ -	$ 26,184	$ 467,071	$ 140,425	$ 703,947

2018	Blackdome	Porter Idaho	GJ	Eskay	Snip	Total
Claim renewals and permits	$ 24,944	$ -	$ -	$ 31,876	$ 41,513	$ 110,851
Fieldwork, camp support and local office	3,200	-	3,258	-	345,533	351,991
Assays and analysis/storage	-	-	-	-	102,115	102,115
Community relations	-	-	-	-	34,206	34,206
Drilling	-	-	-	-	17,703	17,703
Environmental studies	535	-	-	-	4,824	5,359
Geology, geophysics, and geochemical	1,725	5,513	53,946	11,112	191,520	263,816
Fuel	-	-	-	-	35,748	35,748
Helicopter	-	-	-	-	61,112	61,112
Electrical	-	-	-	-	46,775	46,775
Share based payments	-	-	-	-	476,000	476,000
Total for the three months ended March 31, 2018	$ 30,404	$ 18,031	$ 57,204	$ 11,112	$ 1,357,049	$ 1,505,676

(Unaudited - expressed in Canadian dollars)

8. MARKETABLE SECURITIES

On August 15, 2018, the Company sold Mount Rainey to StrikePoint in exchange for 9,500,000 securities of StrikePoint (the "StrikePoint Securities"), and a series of cash payments totalling $1,500,000 (Note 7). The StrikePoint Securities consist of 7,100,000 common shares in the capital of StrikePoint, and 2,400,000 special warrants, that are convertible to common shares in the capital of StrikePoint for no additional consideration, provided that the conversion will not result in Skeena becoming an insider of StrikePoint. The StrikePoint special warrants received are valued on par with StrikePoint common shares given that they are convertible to common shares for a $nil exercise price.

On August 15, 2018 the fair value of the StrikePoint Securities received was $1,472,500, and decreased to $1,282,500 at March 31, 2019 (December 31, 2018 - $1,425,000) due to a decrease in StrikePoint's share price, resulting in an unrealized loss on marketable securities of $142,500 for the period ended March 31, 2019 (March 31, 2018 - $nil).

9. CAPITAL ASSETS

Cost	Computer Software	Computer Equipment	Field Equipment	Office Equipment	Office Lease	Total
Balance, December 31, 2017	47,364	27,039	642,143	95,616	-	812,162
Additions	10,488	55,883	70,952	-	-	137,323
Balance, December 31, 2018	57,852	82,922	713,095	95,616	-	949,485
Additions	4,366	1,892	-	-	1,657,518	1,663,776
Balance, March 31, 2019	**$ 62,218**	**$ 84,814**	**$ 713,095**	**$ 95,616**	**$1,657,518**	**$ 2,613,261**
Accumulated Amortization						
Balance, December 31, 2017	35,173	12,133	56,284	35,766	-	139,356
Amortization	18,807	17,081	128,245	11,970	-	176,103
Balance, December 31, 2018	53,980	29,214	184,529	47,736	-	315,459
Amortization	1,338	4,151	26,430	2,394	59,197	93,510
Balance, March 31, 2019	**$ 55,318**	**$ 33,365**	**$ 210,959**	**$ 50,130**	**$ 59,197**	**$ 408,969**
Carrying Value						
Balance, December 31, 2018	$ 3,872	$ 53,708	$ 528,566	$ 47,880	$ -	$ 634,026
Balance, March 31, 2019	**$ 6,900**	**$ 51,449**	**$ 502,136**	**$ 45,486**	**1,598,321**	**$ 2,204,292**

10. RELATED PARTY TRANSACTIONS

Key management compensation

Key management personnel at the Company are the directors and officers of the Company. The remuneration of key management personnel during the periods is as follows:

	Three months ended March 31, 2019	**Three months ended March 31, 2018**
Director remuneration[1]	$ 38,542	$ 41,250
Officer remuneration[1]	$ 177,500	$ 105,250
Share-based payments	$ -	$ 1,352,477

[1] Remuneration consists exclusively of salaries, bonuses, health benefits, if applicable, and consulting fees to officer and key management.

(Unaudited - expressed in Canadian dollars)

10. RELATED PARTY TRANSACTIONS

Key management compensation

Other than the amounts disclosed above, there were no short-term employee benefits or share-based payments granted to key management personnel during the three months ended March 31, 2019 and 2018.

Recoveries

During the period ended March 31, 2019, the Company recovered $24,136 (period ended March 31, 2018 - $7,980) in rent and salary recoveries from related parties, as a result of billing employee time for services provided and charging rent fees to related parties.

Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities at March 31, 2019 is $303,756 (December 31, 2018 - $317,632) due to officers, in relation to key management compensation.

Receivables

Included in receivables at March 31, 2019 is $32,362 (December 31, 2018 - $21,341) due from companies with common directors or officers, in relation to office rent and other recoveries.

11. FLOW-THROUGH SHARE PREMIUM LIABILITY

The following is a continuity schedule of the liability related to flow-through share issuances:

Balance at December 31, 2017		805,551
Creation of flow-through share premium liability on issuance of flow-through shares		1,610,411
Settlement of flow-through share premium liability pursuant to qualified expenditures		(1,052,467)
Balance at December 31, 2018		1,363,495
Settlement of flow-through share premium liability pursuant to qualified expenditures		(49,383)
Balance at March 31, 2019	$	1,314,112

Issued in 2016: As a result of the issuances of flow-through shares in 2016, the Company had a commitment to incur $3,908,964 in qualifying CEE on or before December 31, 2017. As of December 31, 2016, the remaining commitment was $729,700, which was satisfied in 2017.

Issued in 2017: As a result of the issuances of flow-through shares in 2017, the Company had a commitment to incur $8,617,999 in qualifying CEE on or before December 31, 2018. As of December 31, 2017, the remaining commitment was $3,292,972, which was satisfied in 2018.

Issued in 2018: As a result of the issuances of flow-through shares in 2018, the Company had a commitment to incur $9,723,898 in qualifying CEE on or before December 31, 2019. As of March 31, 2019, the remaining commitment was $6,727,241.

(Unaudited - expressed in Canadian dollars)

12. OFFICE LEASE LIABILITY

On January 1, 2019, the Company recognized a lease liability on its office lease, resulting from the adoption of the new accounting standard IFRS 16 (Note 3).

Balance at December 31, 2017 and 2018	$	-
Office Lease Liability recognized on adoption of IFRS 16		1,657,518
Office Lease payments		(76,875)
Accretion		29,007
Balance at March 31, 2019	$	1,609,650

Current lease liability (included in accounts payable and accrued liabilities)	$	307,501
Long-term lease liability		1,302,149
Total office lease liability	$	1,609,650

13. PROVISION FOR CLOSURE AND RECLAMATION

The following is a continuity schedule of the provisions for closure and reclamation:

		Blackdome		Snip		Total
Balance at December 31, 2017	$	442,154		649,244		1,091,398
Revision of estimate		1,104,142		1,030,669		2,134,811
Accretion		10,529		14,283		24,812
Balance at December 31, 2018	$	1,556,825	$	1,694,196	$	3,251,021
Revision of estimate		(8,370)		(4,761)		(13,131)
Accretion		8,370		4,761		13,131
Balance at March 31, 2019	$	1,556,825	$	1,694,196	$	3,251,021

The Company periodically updates information and inputs in order to enable it to refine its estimate of the present value of its future closure and reclamation obligation. Inputs include anticipated costs of required remediation work and mandated safety inspections as well as the pre-tax discount rate used (2019 – 2.15%, 2018 – 2.15%). These inputs are all subject to uncertainty.

At its active above-ground exploration sites, the Company fulfils its drill-site restoration obligations on an on-going basis when a drill site is no longer required, and accordingly no liability has been accrued-for in relation to the Company's other properties.

(Unaudited - expressed in Canadian dollars)

14. CAPITAL STOCK AND RESERVES

Authorized – unlimited number of voting common shares without par value.

Private placements

On March 29, 2018, the Company raised total gross proceeds of $8,462,664. The Company issued 9,176,940 units at a price of C$0.60 per unit for gross non-flow-through proceeds of C$5,506,164, and 4,223,571 flow-through shares at a price of C$0.70 per flow-through share for gross flow-through proceeds of C$2,956,500. Each unit consists of one common share of the Company and one-half of one common share purchase warrant of the Company. Each whole warrant entitles the holder to purchase one common share of the Company at a price of C$0.90 until March 29, 2020. In connection with the financing, the Company issued 750,179 broker warrants, exercisable at $0.70 until March 29, 2019 (Note 14). The Company incurred share issuance costs of $677,609 in association with the financing.

On October 16, 2018, Skeena closed an agreement with Hochschild Mining Holdings Limited ("Hochschild"). The agreement included an option to acquire a portion of Skeena's Snip Property (Note 7), as well as a private placement financing. Concurrent with entering into the agreement with Hochschild, Skeena collected gross proceeds of $6,767,398 from the sale of 7,519,331 flow-through common shares of the Company at a price of $0.90 per share. The Company incurred share issuance costs of $252,942 in association with the Hochschild financing.

Additional shares were issued subsequent to the period end (Note 16).

Stock options and warrants

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock on the date of grant. The options can be granted for a maximum term of five years and vest at the discretion of the Board of Directors.

Share-based payments

On January 15, 2018, the Company granted 2,250,000 stock options to directors, officers, employees and consultants, exercisable at $0.77 per option until January 15, 2023. The options vested immediately, were valued using the Black-Scholes option pricing model and had a fair value of $1,642,000.

Additional options were granted subsequent to period-end (Note 16).

Stock option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate. Inputs used were as follows:

	2019	2018
Expected life	N/A	5.0 yrs
Annualized volatility	N/A	171%
Dividend rate	N/A	0.00%
Fair value of a share at grant date	N/A	$0.77
Risk-free interest rate	N/A	1.99%

(Unaudited - expressed in Canadian dollars)

14. CAPITAL STOCK AND RESERVES (continued)

Share-based payments (continued)

Stock option and share purchase warrant transactions are summarized as follows:

	Warrants		Stock Options	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, December 31, 2017	16,350,859	$ 1.13*	5,235,444	$ 1.25
Expired	(411,019)	$ 1.00	-	-
Cancelled	-	-	(69,000)	$ 0.82
Issued/granted	5,338,649	$ 0.87	2,250,000	$ 0.77
Outstanding, December 31, 2018	21,278,489	$ 1.12	7,416,444	$ 1.11
Expired	(750,179)	$ 0.70	-	-
Outstanding and exercisable, March 31, 2019	20,528,310	$ 1.14	7,416,444	$ 1.11

*The three-year warrants expiring June 29 to July 22, 2019 increased their exercise price by $0.20 each anniversary.

The weighted average remaining contractual life of the stock options is 2.45 years (March 31, 2018 - 3.18 years). The weighted average remaining contractual life of the warrants is 0.74 years (March 31, 2018 - 1.58 years).

As at March 31, 2019, incentive stock options and share purchase warrants were outstanding as follows:

	Number	Exercise Price	Expiry Date
Options	1,360,000	$ 1.00	November 6, 2019
	60,000	$ 1.00	January 29, 2020
	1,950,000	$ 1.00	June 23, 2021
	980,000	$ 1.50	July 25, 2021
	792,500	$ 1.00	January 31, 2022
	77,944	$ 11.74	Various – approx. 1.3 years left.
	2,196,000	$ 0.77	January 15, 2023
	7,416,444	$ 1.11	
Warrants	5,399,135	$ 1.60	June 29 to July 22, 2019
	1,000,000	$ 1.00	September 15, 2019
	4,588,470	$ 0.90	Mar 29, 2020
	5,374,039	$ 1.00	June 13, 2020
	4,166,666	$ 1.00	October 6 to 16th, 2019
	20,528,310	$ 1.14	

15. CONTINGENCY

Due to the nature of the Company's operations, various legal and tax matters arise in the ordinary course of business. The Company accrues such items as liabilities when the amount can be reasonably estimated, and settlement of the matter is probable to require an outflow of future economic benefits from the Company.

Eilat, and related parties, have on a number of occasions asserted certain claims against the Company pertaining to the Asset Purchase Agreement ("APA") dated April 14, 2014 and April 27, 2015 governing the Company's purchase of the Spectrum property. The Company received formal notices of civil claims in relation to the APA, in April of 2016. Notably, no further steps have been taken by the litigant since bringing the claims. In the opinion of management, the outcome of these events is not determinable at this time, and these matters are not expected to have a material effect on the consolidated financial statements of the Company.

The Company has previously had operations in other countries, and has not yet completed the formal process of dissolution of a subsidiary company. There may be amounts owed by that subsidiary company, including mining concession fees unpaid since January 2014, estimated to be $100,000 per year, that are not probable to require an outflow of future economic benefits to satisfy. As a result, the Company has not accrued those amounts as liabilities.

16. SUBSEQUENT EVENTS

On April 10, 2019, the Company raised gross proceeds of $2,000,000 through a private placement financing, issuing 5,194,805 common shares at a price of $0.385. Cash finder's fees of $65,975 were paid in connection with the private placement. No warrants, options, or bonus shares were issued in conjunction with this financing.

On April 15, 2019, the Company granted 3,815,000 incentive stock options to directors, officers, employees and consultants, exercisable at $0.41 per share until April 15, 2024. All of the options granted vested immediately. In addition, 927,944 incentive stock options were forfeited or cancelled in April 2019. The options had a weighted average exercise price of $1.97, and a weighted average remaining life of 1.82 years.

Subsequent to March 31, the Company received a cash payment of $471,000 toward the receivable due from Strikepoint (Note 4).