SKEENA
RESOURCES LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

Nine months ended September 30, 2018 and 2017

MANAGEMENT DISCUSSION AND ANALYSIS

QUARTER ENDED September 30, 2018

INTRODUCTION

The Management Discussion & Analysis has been prepared by management and reviewed and approved by the Board of Directors on November 27, 2018. The following discussion of performance, financial condition and future prospects should be read in conjunction with the unaudited quarterly condensed interim consolidated financial statements and the related notes thereto for the quarters ended September 30, 2018 and September 30, 2017, and in conjunction with the audited annual consolidated financial statements and the related notes thereto for the years ended December 31, 2017 and December 31, 2016. The information provided herein supplements but does not form part of the consolidated financial statements. This discussion covers the nine months ended September 30, 2018 and the subsequent period up to November 27, 2018, the date of preparation of this MD&A. Monetary amounts in the following discussion are in Canadian dollars unless otherwise noted.

Additional information, including annual audited consolidated financial statements and more detail on specific mineral exploration properties discussed in this MD&A can be found on the Company's page at www.sedar.com or on the Company's website: www.skeenaresources.com

The technical information presented herein has been reviewed by Paul Geddes, P.Geo, the Company's Vice-President of Exploration and Resource Development, and a qualified person as defined by National Instrument 43-101.

This MD&A contains Forward Looking Information.
Please read the Cautionary Statements on page 3 carefully.

FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking statements or forward-looking information within the meaning of applicable Canadian securities laws. All statements and information, other than statements of historical fact, included in or incorporated by reference into this MD&A are forward-looking statements and forward-looking information, including, without limitation, statements regarding activities, events or developments that we expect or anticipate may occur in the future. Such forward-looking statements and information can be identified by the use of forward-looking words such as "will", "expect", "intend", "plan", "estimate", "anticipate", "believe" or "continue" or similar words and expressions or the negative thereof. There can be no assurance that the plans, intentions or expectations upon which such forward-looking statements and information are based will occur or, even if they do occur, will result in the performance, events or results expected.

The forward-looking statements and forward-looking information reflect the current beliefs of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors which could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed in or implied by the forward-looking statements. This forward-looking information includes estimates, forecasts, plans, priorities, strategies and statements as to the Company's current expectations and assumptions concerning, among other things, ability to access sufficient funds to carry on operations, financial and operational performance and prospects, anticipated outcomes of lawsuits and other legal issues, particularly in relation to potential receipt or retention of regulatory approvals, permits and licenses, treatment under governmental regulatory regimes, stability of various governments including those who consider themselves self-governing, continuation of rights to explore and mine, collection of receivables, the success of exploration programs, the estimation of mineral resources, anticipated conclusions of economic assessments of projects, our ability to attract and retain skilled staff, expectations of market prices and costs, exploration, development and expansion plans and objectives, requirements for additional capital, the availability of financing, and the future development and costs and outcomes of the Company's exploration projects. The foregoing list of assumptions is not exhaustive. Events or circumstances could cause actual results to vary materially.

We caution readers of this MD&A not to place undue reliance on forward-looking statements and information contained herein, which are not a guarantee of performance, events or results and are subject to a number of risks, uncertainties and other factors that could cause actual performance, events or results to differ materially from those expressed or implied by such forward-looking statements and information. These factors include: the ability to obtain permits or approvals required to conduct planned exploration programs; the results of exploration; inaccurate geological and engineering assumptions; unanticipated future operational difficulties (including cost escalation, unavailability of materials and equipment, industrial disturbances or other job action and unanticipated events related to health, safety and environmental matters); social unrest; failure of counterparties to perform their contractual obligations; changes in priorities, plans, strategies and prospects; general economic, industry, business and market conditions; disruptions or changes in the credit or securities markets; changes in law, regulation, or application and interpretation of the same; the ability to implement business plans and strategies, and to pursue business opportunities; rulings by courts or arbitrators, proceedings and investigations; inflationary pressures; and various other events, conditions or circumstances that could disrupt Skeena's priorities, plans, strategies and prospects including those detailed from time to time in the Company's reports and public filings with the Canadian securities administrators, filed on SEDAR.

This information speaks only as of the date of this MD&A. The Company undertakes no obligation to revise or update forward-looking information after the date of this document, nor to make revisions to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws or the policies of the TSX-V exchange.

THE COMPANY

The principle business of Skeena Resources Limited ("Skeena" or "the Company") is the exploration and development of mineral properties in the Golden Triangle of northwest British Columbia, Canada. The Company owns or controls several exploration-stage properties including the past-producing Snip gold mine ("Snip"), and an option to acquire a 100% interest in the past-producing Eskay Creek gold mine ("Eskay"). Skeena also announced the results of a Preliminary Economic Assessment for the GJ copper-gold porphyry project ("GJ"). The Company holds a 100% interest in the Spectrum property (part of GJ) and an option to acquire a 100% interest in the adjoining GJ property.

The Company is a reporting issuer in British Columbia, Alberta and Saskatchewan. The Company trades on the TSX Venture Exchange under the symbol SKE.

EXPLORATION PROPERTIES

Snip Project, Northwest British Columbia:

On July 31, 2017, Skeena acquired a 100% interest in the Snip project from Barrick Gold Inc. ("Barrick"). The property consists of one mining lease and four mineral tenures totaling approximately 1,932 hectares. Under the terms of the acquisition agreement with Barrick, Barrick retains certain rights, principally:

- 1% Net Smelter Returns royalty interest ("NSR") retained by Barrick on the Snip property, or
- Subject to Skeena delineating in excess of 2 million ounces of gold, Barrick may exercise a back-in right to purchase a 51% interest in the property in return for a payment of three times Skeena's cumulative exploration expenditures on the property, following which the parties will 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.

The Snip project includes the past-producing Snip gold mine. The former mine produced approximately 1.1 million ounces of gold from 1991 to 1999 at an average grade of 27.5 g/t. Skeena initially reviewed and modelled over 280,000 metres of historical drill data and completed an initial 7,200 metre surface drill program in 2016 with encouraging results. A winterized exploration camp has been established, and in 2017 the team re-opened and rehabilitated the underground workings, re-established ventilation and electric services prior to completing an initial 8,652 metre underground drill-program in December of 2017. A Phase II drill program was completed in August 2018 with an additional 9,583 metres drilled.

Subsequent to September 30 , 2018, on October 19, 2018, Skeena entered into an agreement with Hochschild Mining Holdings Limited ("Hochschild"). The agreement included a property option agreement on Skeena's Snip Property, as well as a private placement financing through the sale of flow-through common shares.

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") by spending twice the amount Skeena has spent since it optioned Snip from Barrick. 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. (As of September 30 2018, Skeena had incurred C$18.2 million of expenditures at Snip);
- 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 the Hochschild agreement, Skeena raised 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.

Eskay Creek Project, Northwest British Columbia

On December 18, 2017, Skeena announced that it had entered into an option agreement with Barrick Gold Inc. (“Barrick”) under which Skeena may acquire a 100% interest in the past producing Eskay Creek property (“Eskay”), located in the Golden Triangle region of northwest British Columbia. Eskay produced 3.3 million ounces of gold and 160 million ounces of silver from 2.2 million tonnes of ore from 1994 until closure in 2008. Eskay Creek has excellent infrastructure including all-weather road access and proximity to the new 287-kilovolt Northwest Transmission Line. The Project consists of eight mineral leases, two surface leases and several unpatented mining claims which total 6,151 hectares.

In order to acquire the 100% interest in Eskay, Skeena must first:

- Incur $3,500,000 in exploration expenditures on the Property prior to December 18, 2020 of which $1,500,000 must be incurred prior to December 18, 2019 (“Exploration Requirement”);
- Pay to Barrick $10,000,000 (“Purchase Price”) once (i) the Exploration Requirement has been met (ii) all regulatory approvals have been received and (iii) all permit transfers and underlying agreement consents have been obtained; and
- Reimburse Barrick for (i) reclamation expenditures incurred during the Option period and (ii) assuming the bond amount on the Property, collectively up to a maximum amount of $7,700,000, provided that the Purchase Price will be reduced if those amounts, in aggregate, exceed $7,700,000.

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. The back-in right may only be exercised by Barrick for a 12-month period following notification that Skeena has published a NI 43-101 resource on the Property of at least 1,500,000 ounces of contained gold (or equivalent). To exercise the back-in right, Barrick will pay Skeena up to three times its cumulative expense on the property. As part of the back-in Barrick would also reimburse to Skeena the Purchase Price and assume any bonding requirement for its proportionate interest, following which the parties will form a joint venture.

In August 2018 Skeena commenced a surface drill program at Eskay. The Company also completed a maiden resource estimate on mineralization at Eskay. Further information is provided in the section below labelled “Recent Progress.”

GJ Project, Northwest British Columbia

The 43,410-hectare GJ copper-gold property consists of 93 contiguous mineral claims situated approximately 30 km west of Imperial Metals' Red Chris Mine in the Golden Triangle of northwest British Columbia. The property consists of the Spectrum gold project, which contains high-grade sulphide-gold (>4 g/t Au) and bulk tonnage porphyry-style gold-copper, and the GJ project, which contains copper-gold porphyry mineralization.

In April 2017, Skeena announced the results of a Canadian National Instrument 43-101 Preliminary Economic Assessment ("PEA") and a Mineral Resource update for GJ. The detailed technical report is available both on SEDAR and on the Company's website. The project has a greater than 25-year mine life with a low initial capex of $216 million, a base case pre-tax 8% NPV of $546 million and a 27% IRR. Skeena is seeking a partner or financing to advance the project.

Porter Idaho Project, Northwest British Columbia

The 100% owned Porter Idaho high-grade silver asset consists of 46 Crown-granted mineral claims and three mineral cells covering the past-producing, underground Prosperity–Porter Idaho–Silverado property located immediately east of the town of Stewart in the Golden Triangle of northwest British Columbia. Skeena acquired the asset in September 2016 by acquiring Mount Rainey Silver Inc. by way of a plan of arrangement. In addition to Porter Idaho, the Company also obtained the Glacier Creek Claims, 45 crown-granted claims covering approximately 1,630 acres located approximately 2.5 km to the north, in the Bear River Valley in British Columbia, together with 12 municipal lots located in Stewart, British Columbia.

Porter Idaho produced 2.2 million ounces of silver between 1929 and 1931 at an average grade of 73.8 oz/ton. The property currently contains an historical Indicated Resource of 394,700 tonnes grading 868 g/t silver, 3.37% lead and 1.41% zinc (435,000 tons @ 27.9 oz/ton silver or a contained 11 million ounces silver) and an historical Inferred Resource of 88,900 tonnes grading 595 g/t silver (97,900 tons @ 17.3 oz/ton silver or a contained 1.7 million ounces silver). Caution: The historical Indicated and Inferred Resources are historical in nature, have not been verified by Skeena's qualified person, and should not be relied upon.

On August 15, 2018, the Company sold Mount Rainey Silver Inc. to Strikepoint Gold Inc. ("Strikepoint"). Skeena has received 9,500,000 Strikepoint common shares (including 2,400,000 special warrants convertible to shares for no additional consideration), and will receive cash payments totalling $1.5M ($250,000 received) in a series of payments culminating on December 31, 2019. Skeena has also retained a 1% NSR, half of which may be repurchased by Strikepoint for $750,000.

Blackdome & Elizabeth Properties, South Central British Columbia

On September 15, 2016, the Company acquired all of the issued and outstanding common shares of Sona Resources Corporation ("Sona"), in exchange for 1,493,642 common shares of the Company and other additional consideration. Sona's primary assets are the past-producing Blackdome gold mine ("Blackdome") and related infrastructure, and an option to earn a 100% interest in the adjoining Elizabeth gold property ("Elizabeth"), which is considered prospective for gold. A legal dispute against Sona by the two vendors of the Elizabeth and surrounding Blue mineral claims, alleging non-performance under the option agreements, was adjudicated before the Supreme Court who dismissed the claims with costs awarded to Sona, Skeena's wholly owned subsidiary; however, the vendors of the Elizabeth property filed an appeal on November 16, 2017 requesting that the court cancel the option agreement covering the Elizabeth property. On September 28, 2018, the BC Court of Appeal rendered its reasons for judgment in the appeal of the trial decision. The BC Court of Appeal agreed with the majority of the factual findings and legal conclusions of the trial decision, including that the option agreements remain in full force and effect. The BC Court of Appeal directed the parties to make further submissions on the length of time that remains for Skeena to exercise its options rights under the Option Agreements. It is not yet known when the BC Court of Appeal will issue a decision on this issue.

RECENT PROGRESS

Snip Project Progress, Northwest British Columbia

On July 31, 2017, Skeena announced that it had satisfied the terms of the option agreement and has acquired a 100% interest in the Snip Project from Barrick.

Underground drilling in late 2017 focused on confirming and expanding upon the modelled remnant mineralization proximal to the underground development. The program also targeted the numerous mineralized footwall structures that were not included in the historical Snip mineral resource. The data collected from this initial Phase I, 8,652 metre program was used to inform a 9,583 metre Phase II drill program initiated in March 2018 and completed in August 2018.

Both drill programs at the Snip Project have been successful in not only confirming the spatial and grade continuity of remnant mineralization but also defining new extensions to zones that were not drill delineated by previous operators. Geological and grade modelling of the extensive historical database resulted in the generation of numerous targets including the 200 Footwall Corridor and Eastern Twin Zone.

Situated 200 metres below the Twin Zone, which produced 709,601 ounces averaging 28.95 g/t Au, the newly interpreted 200 Footwall is a parallel structure geologically and structurally analogous to the mineralization hosted in the Twin Zone. The current interpretation based upon the Phase II drilling information, is that the gold mineralization occurs within a shallowly plunging zone contained within the larger 200 Footwall structure in the relatively small area currently drilled. A significant exploration target, the 200 Footwall remains open for expansion both down-dip and down-plunge. The 200 Footwall received limited underground drilling from previous operators and was tested by 2016 Skeena drill hole S16-006 which intersected 16.24 g/t Au over 13.50 metres in a previously undrilled area. The lack of drilling and geological similarities to the Twin Zone make the 200 Footwall a substantial exploration target and a large portion of the 2018 program was designed to expand upon this newly modelled and largely untested area.

Along its strike extension beyond the eastern portion of the former Snip mine, the Eastern Twin Zone was less densely drill-defined by the former operators and was never developed. During the 2017 Phase I program, Skeena targeted this area and intersected 91.56 g/t Au over 3.82 metres in UG17-062 at a vertical depth of 50 metres below surface. The depth potential of the Eastern Twin Zone was also tested by drill hole UG17-035 which intersected two broad intervals grading 19.26 g/t Au over 11.85 metres followed by 11.21 g/t Au over 5.95 metres at a vertical depth of 370 metres below surface.

The recently completed Phase II drilling on the Eastern Twin Zone encountered gold grades and mineralization thicknesses which are significantly above those from historical drilling programs. These results are in part due to a more comprehensive sampling protocol which does not rely on selective sampling but instead samples the entirety of the drillhole. This protocol is intended to provide a complete database to support economic analyses using current gold prices and cut-off grades.

Phase II drillhole UG18-110, which intersected 13.80 g/t Au over 18.00 m including 42.84 g/t Au over 2.90 m in the Eastern Twin Zone, is located on section between previously reported 2018 drillholes UG18-096 and UG18-097 which averaged 11.81 g/t Au over 12.20 m and 16.02 g/t Au over 12.25 m respectively.

The UG18-110 intercept occurs 12 m up-dip of historic drill hole UG-1706 which intercepted 36.80 g/t Au over only 0.40 m from within a selectively sampled interval of 7 m. The inconsistency in zone thickness and gold grade is either related to incomplete historical sampling practices or geological and grade variability within the same mineralized zone of interest, or both.

Since mineralization in areas such as the Eastern Twin Zone did not meet the required grade cut-off and mining widths when the mine was in operation, these areas were never drilled at spacings necessary for advancing future resource development and mine planning. Furthermore, the high cut-off grades used during operation meant that drillholes were not sampled in their entirety as only high-grade mineralization was relevant and hence drillholes were selectively assayed.

Prior to the implementation of National Instrument 43-101 standards, reclamation of the mine in 1999 included disposal of all historical drill core, resulting in the inability to fully validate any prior operators' databases to modern standards. The lack of historic drill core and supporting drilling documentation, paired with the wide spacing of historical drilling in undeveloped areas necessitates that Skeena devote a percentage of its drilling campaign to validate the historical data. This will allow for high confidence underground resources to be reported.

The kilometer scale structures which are host to the Twin Zone and the 200 Footwall are well defined but only sporadically tested by drilling. As the results of the Phase II drilling program are incorporated into the geological and grade models, the Company plans to assess the property-scale potential by performing regional surface-based drilling to test new targets.

Eskay Creek Project, Northwest British Columbia

In December 2017, Skeena secured an option to acquire 100% interest in the Eskay Creek property from Barrick. From 1994 until 2008 the Eskay Creek mine produced approximately 3.3 million ounces of gold and 160 million ounces of silver at average grades of 45 g/t gold and 2,224 g/t silver and was once the world's highest-grade gold mine and the fifth-largest silver mine by volume.

A precious and base metal-rich volcanogenic massive sulphide (VMS) deposit, Eskay-style mineralization has been the focus of considerable exploration activity in the Golden Triangle dating back to 1932. Exploration programs in 1988 led to the discovery of the 21A and 21B Zones, followed by underground development of the 21B Zone starting in 1990, with the official opening of the Eskay Creek mine in 1994. Over the 14-year life of the mine, approximately 2.2 million tonnes of ore were mined with cut-off grades ranging from 12 to 15 g/t gold equivalent for mill ore and 30 g/t gold equivalent for direct shipping smelter ore. Eskay Creek has excellent infrastructure including all-weather road access and proximity to the new 287-kilovolt Northwest Transmission Line. The Project consists of eight mineral leases, two surface leases and several unpatented mining claims which total 6,151 hectares.

Since announcing the option agreement to acquire Eskay Creek from Barrick in December 2017, Skeena has completed an extensive review of the historical database provided by Barrick.

Mineral Resource Estimate - Eskay Creek Project

On 17 September 2018, the Company released a maiden resource estimate (MRE), for the Eskay Creek Project. The MRE was derived from 7,583 historical surface and underground diamond drill holes totaling 651,332 metres. Drilling data from the Company's recently initiated and ongoing Phase I metallurgical and infill drilling program was not included in this resource estimate. The effective date of this MRE is September 18, 2018 and a technical report was filed on the Company's website and SEDAR on 1 November 2018.

Pit Constrained Resource Estimate
The pit constrained *Indicated* resource includes 207,000 gold equivalent ounces within 1.09 million tonnes at an average gold equivalent grade of 5.9 g/t. The pit constrained *Inferred* resource includes 589,000 ounces within 4.26 million tonnes at an average gold equivalent grade of 4.3 g/t.

Table 1: Indicated and Inferred pit constrained resources reported at a 1.0 g/t AuEQ cut-off grade.

			GRADE			AUEQ	CONTAINED OUNCES	
		TONNES	AUEQ	AU	AG	OUNCES	AU	AG
	ZONE	(000)	G/T	G/T	G/T	OZ (000)	OZ (000)	OZ (000)
INDICATED	21A	1,088	5.9	4.9	72	207	173	2,533
INFERRED	21A	2,809	4.6	3.8	63	418	342	5,653
	22	1,452	3.7	2.5	89	171	116	4,151
TOTAL INDICATED		**1,088**	**5.9**	**4.9**	**72**	**207**	**173**	**2,533**
TOTAL INFERRED		**4,261**	**4.3**	**3.3**	**72**	**589**	**458**	**9,805**

Underground Resource Estimate
The underground *Indicated* resource estimate includes 814,000 gold equivalent ounces within 2.51 million tonnes at an average gold equivalent grade of 10.1 g/t. The underground *Inferred* resource estimate includes 261,000 ounces within 0.81 million tonnes at an average gold equivalent grade of 10.0 g/t.

Table 2: Indicated and Inferred underground resources reported at a 5.5 g/t AuEQ cut-off grade.

			GRADE			AUEQ	CONTAINED OUNCES	
		TONNES	AUEQ	AU	AG	OUNCES	AU	AG
	ZONE	(000)	G/T	G/T	G/T	OZ (000)	OZ (000)	OZ (000)
INDICATED	21C	674	9.6	7.5	154	207	163	3,335
	21B	338	12.1	8.6	263	132	94	2,855
	21BE	246	10.1	6.8	247	80	53	1,954

			GRADE			AUEQ	CONTAINED OUNCES	
		TONNES	AUEQ	AU	AG	OUNCES	AU	AG
	ZONE	(000)	G/T	G/T	G/T	OZ (000)	OZ (000)	OZ (000)
	21E	41	10.8	6.3	337	14	8	441
	HW	522	10.2	6.2	295	171	105	4,957
	NEX	510	9.6	6.8	209	158	112	3,432
	PUMPHOUSE	72	7.9	6.1	140	18	14	323
	109	111	9.5	9.4	12	34	34	42
TOTAL INDICATED		**2,513**	**10.1**	**7.2**	**215**	**814**	**582**	**17,340**
INFERRED	21C	44	7.2	6.7	38	10	10	55
	21B	262	10.5	7.8	206	89	66	1,738
	21BE	114	15.3	9.5	431	56	35	1,573
	21E	53	8.5	4.6	292	14	8	495
	HW	87	8.4	5.0	256	24	14	718
	NEX	220	8.5	6.8	130	61	48	922
	PUMPHOUSE	30	7.8	6.6	92	8	6	88
	109	2	7.4	7.3	8	0.4	0.4	0.4
TOTAL INFERRED		**812**	**10.0**	**7.2**	**214**	**261**	**187**	**5,590**

Table 3: Pit constrained and underground sensitivities to AuEQ (g/t) cut-off grade.

	AUEQ COG (G/T)	TONNES (000)	AUEQ (G/T)	AU (G/T)	AG (G/T)	AUEQ OUNCES (000)	AU OUNCES (000)	AG OUNCES (000)
INDICATED CATEGORY								
PIT CONSTRAINED	> 0.75	1,167	5.6	4.7	68	209	175	2,568
	> 1.00	**1,088**	**5.9**	**4.9**	**72**	**207**	**173**	**2,533**
	> 1.25	1,005	6.3	5.3	77	204	171	2,482
UNDERGROUND	> 4.00	4,008	8.1	5.9	162	1,038	758	20,878
	> 4.50	3,414	8.7	6.3	181	957	693	19,872
	> 5.00	2,923	9.4	6.8	198	883	635	18,576
	> 5.50	**2,513**	**10.1**	**7.2**	**215**	**814**	**582**	**17,339**
	> 6.00	2,171	10.7	7.7	232	750	534	16,192

	AUEQ COG (G/T)	TONNES (000)	AUEQ (G/T)	AU (G/T)	AG (G/T)	AUEQ OUNCES (000)	AU OUNCES (000)	AG OUNCES (000)
INFERRED CATEGORY								
PIT CONSTRAINED	> 0.75	4,866	3.9	3.0	64	606	473	10,026
	> 1.00	**4,261**	**4.3**	**3.3**	**72**	**589**	**458**	**9,805**
	> 1.25	3,731	4.8	3.7	79	570	443	9,519
UNDERGROUND	> 4.00	1,682	7.4	5.4	142	398	291	7,702
	> 4.50	1,262	8.2	6.0	166	333	243	6,736
	> 5.00	1,004	9.1	6.6	189	294	212	6,115
	> 5.50	**812**	**10.0**	**7.2**	**214**	**261**	**187**	**5,590**
	> 6.00	661	11.0	7.8	242	233	165	5,133

Eskay Creek Deposit Mineral Resource Estimate Notes:
The mineral resources disclosed in this press release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) standards on mineral resources and reserves definitions, and guidelines prepared by the CIM standing committee on reserve definitions and adopted by the CIM council.

- Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources estimated will be converted into mineral reserves.
- As defined by NI 43‑101, the Independent and Qualified Person for the Eskay Creek MRE is Sheila Ulansky P.Geo., of SRK Consulting (Canada) Inc. who has reviewed and validated the Eskay Creek MRE. The effective date of the MRE is September 18, 2018.
- Resources are reported in-situ and undiluted for both pit constrained and underground scenarios and are considered to have reasonable prospects for economic extraction.
- In accordance with NI 43-101 recommendations, the number of metric tonnes was rounded to the nearest thousand. Any discrepancies in the totals are due to rounding effects.
- Mineralization occurring within three metres of historical underground workings is not included in this MRE.
- Metal prices used for the AuEQ calculation are US$1,275 per ounce of gold, and US$17.00 per ounce of silver. AuEQ = Au (g/t) + [Ag (g/t)/75].
- Metallurgical recoveries of 80% AuEQ were utilized in the determination of cut-off grades for underground resources.
- The calculated pit constrained cut-off grade was determined to be 0.7 g/t AuEQ and the underground cut-off grade was determined to be 4.1 g/t AuEQ. Cut-off grades must be re-evaluated considering prevailing market conditions (including gold prices, exchange rates and costs).
- At the request of the Company, the pit constrained resources are reported at a higher cut-off grade of 1.0 g/t AuEQ and underground resources are reported at a cut-off grade of 5.5 g/t AuEQ.
- Block tonnage was estimated from volumes using a bulk density formula that was applied using interpolated lead, zinc, copper and antimony grades. This density formula was derived from the historic operator based on comparisons between actual measurements and analysis at the Eskay Creek Mine. SG = (Pb + Zn + Cu + Sb) x 0.03491 + 2.67 (where all metals are reported in percent).
- Ten mineralization domains were created to constrain the estimate - two pit constrained domains and eight underground domains.
- Each stratiform massive sulphide domain was defined by individual wireframes created in Leapfrog Geo^{TM} (Seequent) software using geologically realistic numeric interpolants within major fault blocks. Mineralization domains were created using a 40-50% probability of a nominal combined precious and base metal cut-off grade being greater than 0.9 to 1.0 g/t AuEQ depending on the domain. Each domain was modified or reassessed individually to consider presiding mineralization features.
- Although domaining was initially constrained using a combination of Au, Ag, Cu, Pb, and Zn, the primary metals considered for this resource estimate are Au and Ag.

- High grade capping was performed on each domain using raw assay data before applying 1 metre composites within hard-domain boundaries and using equally distributed composite tails. Gold capping values ranged from 30 to 350 g/t and silver capping values ranged from 200 to 15,000 g/t.
- Gold and silver variograms were used to determine the spatial relationship of the variables over distance.
- Search orientations were created using the dynamic anisotropy function in Vulcan software using a single surface which mimicked the local lithological units.
- Ordinary Kriging (OK) was used for the estimation of gold and silver in all domains, except for the 22 and 21E Zones where an Inverse Distance Squared (ID^2) interpolation was selected because too few samples to were available to derive meaningful variograms.
- Resources were estimated using Maptek Vulcan 10.1.5 software from drill hole sampling in a model using a parent block size of 3 x 3 x 2 metres and sub-block size of 1 x 1 x 1 metres.
- The mineral resources were estimated using three passes with increasing search radii based on variogram ranges.
- Estimation ranges varied between 35 to 60 metres and 30 to 60 metres for gold and silver respectively, depending on the domain.
- *Indicated* and *Inferred* resources were categorized during gold interpolation Passes 1 and 2 respectively.
    - The *Indicated* category (Pass 1) is defined by blocks interpolated using a minimum of 5 holes and a maximum distance of 30 metres to a drill hole showing reasonable geological and grade continuity. In areas where blocks were interpolated during Pass 1 but continuity is insufficient or blocks were isolated, the blocks were reclassified to *Inferred* on a visual basis.
    - *Inferred* resources (Pass 2) were interpolated using a minimum of 3 holes and a maximum distance to a drill hole composite of 60 metres. Due to the lower drill hole density in the 22 and 21E Zones, a minimum of 2 holes were required.
    - A final third pass using three times the variogram range was used to infill any un-estimated blocks. These blocks are uncategorized and are neither *Inferred* nor *Indicated* resources.
- Estimates use metric units (metres, tonnes and g/t). Metal contents are presented in troy ounces (metric tonne x grade / 31.10348).
- Neither the Company, nor SRK, is aware of any known environmental, permitting, legal, title-related, taxation, socio-political, marketing or other relevant issue that could materially affect this mineral resource estimate.
- The abundance and significance of As, Hg and Sb are unknown but currently under evaluation.
- The quantity and grade of reported *Inferred* mineral resources in this estimation are uncertain in nature and there has been insufficient exploration to re-define these *Inferred* mineral resources as *Indicated* mineral resources. It is uncertain if further exploration will result in upgrading them to the *Indicated* mineral resources category.

Table 4: Pit constrained scenario assumptions for determining cut-off grades with reasonable prospects of economic extraction.

INPUT PARAMETERS	VALUE	UNIT
PIT WALL ANGLES	45	DEGREES
REFERENCE MINING COST	$ 2.00	US DOLLARS PER TONNE MINED
MINING RECOVERY	95	PERCENT
MINING DILUTION	5	PERCENT
PROCESSING COST	$15.00	US DOLLARS PER TONNE PROCESSED
GENERAL AND ADMINISTRATION	$ 5.75	US DOLLARS PER TONNE PROCESSED
PROCESS RECOVERY AU	80%	PERCENT
PROCESS RECOVERY AG	90%	PERCENT
SELL PRICE AU	$ 1,250	US DOLLARS PER OUNCE
SELL PRICE AG	$ 17.00	US DOLLARS PER OUNCE
SELL COST	$ 30.00	US DOLLARS PER OUNCE
COMBINED STRIP RATIO	2.9 : 1	UNITLESS

Table 5: Underground scenario assumptions for determining cut-off grades with reasonable prospects of economic extraction.

INPUT PARAMETERS	VALUE	UNIT
REFERENCE MINING COST	$ 79.25	US DOLLARS PER TONNE MINED
PROCESSING COST	$ 15.00	US DOLLARS PER TONNE MILLED
GENERAL AND ADMINISTRATION	$ 5.75	US DOLLARS PER TONNE MILLED
PROCESS RECOVERY AU	80%	PERCENT
PROCESS RECOVERY AG	90%	PERCENT
SELL PRICE AU	$ 1,275.00	US DOLLARS PER OUNCE
SELL PRICE AG	$ 17.00	US DOLLARS PER OUNCE
SELL COST AU	$ 30.00	US DOLLARS PER OUNCE

Eskay Creek Mineralization

The Eskay Creek deposits represent a precious and base metal-rich volcanogenic massive sulphide (VMS) deposit, hosted in volcanic and sedimentary rocks of the Lower to Middle Jurassic Hazelton Group. Mineralization is contained in several stratiform, disseminated and stock work vein zones that display a variety of textural and mineralogical characteristics. The bulk of the mineralization is hosted in the 21B zone, a tabular stratiform lens that consists of well-bedded, clastically reworked sulfides and sulfosalts interbedded with unmineralized, carbonaceous argillite. In addition to extremely high precious metal grades, Eskay Creek is distinguished from conventional VMS deposits by its association with elements of the 'epithermal suite' (Sb-Hg-As), sulfosalt-rich mineralogy, and the dominance of clastic sulfides and sulfosalts.

Appendix: Eskay Creek Deposit Total Indicated and Inferred Resources.

			GRADE			AUEQ OUNCES (000)	CONTAINED OUNCES	
	ZONE	TONNES (000)	AUEQ (G/T)	AU (G/T)	AG (G/T)		AU OUNCES (000)	AG OUNCES (000)
INDICATED MINERAL RESOURCES								
PIT CONSTRAINED	21A	1,088	5.9	4.9	72	207	173	2,533
UNDERGROUND	21C	674	9.6	7.5	154	207	163	3,335
	21B	338	12.1	8.6	263	132	94	2,855
	21BE	246	10.1	6.8	247	80	53	1,954
	21E	41	10.8	6.3	337	14	8	441
	HW	522	10.2	6.2	295	171	105	4,957
	NEX	510	9.6	6.8	209	158	112	3,432
	PUMPHOUSE	72	7.9	6.1	140	18	14	323
	109	111	9.5	9.4	12	34	34	42
TOTAL UNDERGROUND		**2,513**	**10.1**	**7.2**	**215**	**814**	**582**	**17,340**
TOTAL INDICATED		**3,601**	**8.8**	**6.5**	**172**	**1,020**	**755**	**19,873**
INFERRED MINERAL RESOURCES								
PIT CONSTRAINED	21A	2,809	4.6	3.8	63	418	342	5,653
	22	1,452	3.7	2.5	89	171	116	4,151
TOTAL PIT CONSTRAINED		**4,261**	**4.3**	**3.3**	**72**	**589**	**458**	**9,805**
UNDERGROUND	21C	44	7.2	6.7	38	10	10	55
	21B	262	10.5	7.8	206	89	66	1,738
	21BE	114	15.3	9.5	431	56	35	1,573
	21E	53	8.5	4.6	292	14	8	495
	HW	87	8.4	5.0	256	24	14	718
	NEX	220	8.5	6.8	130	61	48	922
	PUMPHOUSE	30	7.8	6.6	92	8	6	88
	109	2	7.4	7.3	8	0.4	0.4	0.4
TOTAL UNDERGROUND		**812**	**10.0**	**7.2**	**214**	**261**	**187**	**5,590**
TOTAL INFERRED		**5,073**	**5.2**	**4.0**	**94**	**850**	**645**	**15,395**

In August 2018 Skeena commenced an initial surface drill program at Eskay Creek. This first phase of exploratory and definition drilling was focused on the unmined 21A, 21C and 22 Zones. These near-surface targets are located proximal to the historical mine footprint and hold high potential for expansion of mineralization which may be suitable for open-pit mining. The goal of the Phase I program was to increase drill density in select areas of mineralization to allow for future mine planning, collect fresh material for preliminary metallurgical testing and expand known mineralization into areas that have not previously been drill tested.

GJ Project Progress, Northwest British Columbia

GJ Preliminary Economic Analysis

On April 20, 2017, Skeena announced the results of a Canadian National Instrument 43-101 Preliminary Economic Assessment (“PEA”) and Mineral Resource update for the Company’s GJ copper-gold project (“GJ”). The PEA and Mineral Resource update focus on two deposits that are approximately 14 km apart: the porphyry copper-gold Donnelly Deposit at GJ (“Donnelly”) and the porphyry gold-copper Spectrum Central Zone (“Spectrum”).

Conventional truck and shovel open pit mining is planned with a staged approach to production output, starting at 10,000 tonnes per day (“tpd”) at Donnelly, ramping up to 20,000 tpd in year 6 when Spectrum comes on-line, and reaching 30,000 tpd in year 12. The staged approach was adopted to limit operational, technical and capital risks that are typical of new mine start-ups. Using base case parameters, copper would generate approximately two-thirds of project revenue during the initial five years of production and approximately 58% over the life of the mine.

The overall planned mine life is 25 years with upside potential to increase this beyond 30 years. A centrally located flotation processing plant and a single life-of-mine tailings storage facility are planned, with a conventional Carbon-in-Leach (“CIL”) plant added at year 6 for improved gold recovery.

The project has an initial capital cost of $216 million and benefits from the presence of existing infrastructure on or adjacent to the project area, including grid hydro-power, paved Highway No. 37 and an industrial road that extends to within 10 km of the planned processing plant site. The proximity of the deep-water Port of Stewart, B.C., is a further significant project benefit.

Preliminary Economic Analysis:

Parameter	Base Case	Upside Case 1	Upside Case 2
Copper price (US$/lb)	2.75	3.00	3.25
Gold (US$/oz)	1,250	1,300	1,350
Silver (US$/oz)	17.75	20.00	22.50
Economic Results (Pre-Tax)			
NPV 8% (millions)	C$ 546.18	C$ 699.62	C$ 853.86
IRR	26.6%	31.0%	35.3%
Payback (years)	3.81	3.19	2.71
Economic Results (After-Tax)			
NPV 8% (millions)	C$ 314.09	C$ 412.99	C$ 512.35
IRR	20.6%	23.9%	27.1%
Payback (years)	4.21	3.68	3.26

The PEA indicates an initial capex of less than US$200 million, combined with a 25-year mine life and an after-tax, base case IRR of better than 20%. These key characteristics are coupled with average strip ratios of 0.52 at the Spectrum pit and 0.86 at the Donnelly pit, good metallurgical recoveries and opportunities for project expansion and exploration. The base case after-tax net present value (using an 8% discount rate) for the GJ project alone vastly exceeds Skeena's current market capitalization.

Relations with Indigenous Communities

Skeena's Board of Directors has established the following principles to guide the Company and its management, workers and contractors in responsible exploration:

- Foster cooperation and understanding through frequent communication with our neighbours
- Encourage and support exploration and development activities that limit impacts to wildlife and the environment
- Communicate our proposed project plans and activities openly, and work to address concerns
- Hire workers locally and provide training
- Offer local businesses the opportunity to supply materials and services
- Align our exploration and development activities with local social, environmental and economic considerations
- Use local knowledge and build capacity to support cooperative approaches to resource management, and promote long term sustainability
- Continue to improve our health and safety, environmental and social programs

One of the founding principles of our company is to work closely with Indigenous Communities to achieve the responsible development of our projects, and to make a positive difference in the places we work. We believe in building and sustaining mutually beneficial and supportive relationships with Indigenous Communities by creating a foundation of trust and respect, through open, honest and timely communication.

Skeena has established both a Communications Agreement and an Exploration Agreement with the Tahltan Central Government. The Communications Agreement provides a protocol and framework for communication activities with the Nation; establishing a system and schedule for ongoing community engagement, and discussions with community leadership. The Exploration Agreement addresses employment and contracting opportunities, permit application reviews, environmental monitoring, protection of cultural resources, and capacity funding support to the Tahltan Central Government related to Skeena's exploration work in Tahltan traditional territory. Collectively, these agreements support the ongoing development of the strong collaborative relationship between Skeena and Tahltan.

RECENT TRANSACTIONS

Financing Transactions

On March 29, 2018, the Company closed a brokered private placement financing, raising gross proceeds of $8,462,664. The Company issued 9,176,940 Units at a price of $0.60 per Unit for gross proceeds of $5,506,164, and 4,223,571 flow through common shares at a price of $0.70 per flow through share for gross proceeds of $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 $0.90 until March 29, 2020. In addition, 750,179 broker warrants were issued, exercisable at $0.70 per share until March 29, 2019.

SUBSEQUENT EVENT

On October 16, 2018, concurrent with the Hochschild agreement, Skeena raised 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. See 'Exploration Properties' section for further details.

DISCUSSION OF OPERATIONS

Being in the exploration stage, the Company does not have revenue from operations, and has historically relied on equity funding and non-arm's length loans for its continuing financial liquidity.

EXPLORATION AND EVALUATION EXPENSES

2018	Snip	GJ	Eskay	Porter Idaho	Blackdome	Total
Claim renewals and permits	$ 164,191	$ 8,461	$ 43,109	$ 22,931	$ 97,302	$ 335,994
Fieldwork, camp support and local office	1,782,739	5,975	358,896	236	8,332	2,156,178
Assays and analysis/storage	295,158	119	74,512	-	-	369,789
Community relations	45,994	2,250	2,250	-	-	50,494
Drilling	814,390	-	486,923	-	-	1,301,313
Environmental studies	11,342	19,690	44,528	-	537	76,097
Geology, geophysics, and geochemical	1,246,786	71,895	240,578	15,927	42,718	1,617,904
Fuel	166,501	-	19,018	-	-	185,519
Helicopter	381,590	-	360,866	-	5,371	747,827
Electrical	147,962	-	2,160	-	-	150,122
Share based payments	476,000	-	-	-	-	476,000
Total for the nine months ended Sept. 30, 2018	$ 5,532,653	$ 108,390	$ 1,632,840	$ 39,094	$ 154,260	$ 7,467,237

2017	Snip	GJ	Eskay	Porter Idaho	Blackdome	Total
Claim renewals and permits	$ 37,727	$ 130	$ -	$ 14,705	$ 10,287	$ 62,849
Fieldwork & camp support	1,435,578	25,516	-	12,806	2,878	1,476,778
Assays and analysis/storage	3,478	23,366	-	161	-	27,005
Community relations	32,393	58,171	-	-	788	91,352
Environmental studies	117,238	58,085	-	-	32,709	208,032
Fuel	108,779	-	-	-	-	108,779
Geology, geophysics, and geochemical	692,107	594,233	-	42,051	173,759	1,502,150
Government relations	3,231	-	-	-	-	3,231
Helicopter	526,476	-	-	10,585	-	537,061
Metallurgy	-	152,350	-	-	-	152,350
Mine infrastructure	275,875	-	-	-	-	275,875
Share based payments	27,666	55,332	-	-	-	82,998
Cost recovery	(16,906)	(23,414)	-	(352)	(4,187)	(44,859)
Reduction of Asset Reclamation Obligation	-	-	-	-	(63,774)	(63,774)
Total for the nine months ended Sept. 30, 2017	$ 3,243,642	$ 943,769	$ -	$ 79,956	$ 152,460	$4,419,827

SUMMARY OF QUARTERLY RESULTS

The following tables report selected financial information of the Company for the past eight quarters.

Quarter ended		30-Sept-18		30-Jun-18		31-Mar-18		30-Sep-17
Revenue [1]		-		-		-		-
Loss for the quarter	$	[2] (2,930,849)	$	[3] (4,715,984)	$	[4] (3,233,653)	$	[5] (3,493,429)
Loss per share	$	(0.03)	$	(0.05)	$	(0.04)	$	(0.01)

Quarter ended		30-Sep-17		30-Jun-17		31-Mar-17		30-Sep-16
Revenue [1]		-		-		-		-
Loss for the quarter	$	[6] (3,061,682)	$	[7] (1,617,460)	$	[8] (1,829,096)	$	[9] (1,882,666)
Loss per share	$	(0.05)	$	(0.03)	$	(0.03)	$	(0.01)

(1) this being an exploration stage company, there are no revenues from operations;
(2) includes exploration expenditures of $2,935,231
(3) includes exploration expenditures of $3,026,330 and impairment of mineral property interests of $1,325,759
(4) includes exploration expenditures of $1,505,676, and share-based payments of $1,166,000
(5) includes exploration expenditures of $3,547,455, and flow-through premium recovery of $1,350,078
(6) includes exploration expenditures of $2,617,241
(7) includes exploration expenditures of $956,803
(8) includes exploration expenditures of $815,783
(9) includes exploration expenditures of $1,562,486

Loss for the quarter ended September 30, 2018

Losses of $2,930,849 in the three months ended September 30, 2018 (“Q3-18”) were comparable to the losses for the quarter ended September 30, 2017 (“Q3-17”).

Exploration and evaluation costs increased by $318K in Q3-18 but a related increase in the flow-through share premium recovery of $236K reduced the impact on the bottom line. Exploration activity levels were higher in Q3-18 than in Q3-17 due to an earlier start to the costly diamond drill portion of the exploration program in 2018. The increased exploration activity was partly responsible for an increased flow-through share premium recovery in Q3-18 as compared with Q3-17. However, the timing of qualifying expenditures, relative to the timing of flow-through private placements was a more significant factor influencing the increase in flow-through share premium recovery in Q3-18.

Skeena recognized a $332K unrealized gain on marketable securities as a result of holding shares and warrants in StrikePoint Gold Inc. (“StrikePoint”) during a period where StrikePoint’s share price increased. Skeena’s investment in StrikePoint is a result of Skeena’s sale of Mount Rainey Silver Inc. on August 15, 2018.

$165K higher wages in Q3-18 were largely offset by $101K lower consulting costs as the company moved to build closer ties with key members of its team.

Loss for the nine months ended September 30, 2018

Losses of $10,880,486 in the nine months ended September 30, 2018 (“YTD-18”) were higher than the losses of $6,508,238 recorded for the nine months ended September 30, 2017 (“YTD-17”), primarily due to the significantly higher exploration expenditures in YTD-18. Exploration expenses increased by over $3 million in YTD-18 as exploration activity was higher –Skeena drilled two separate properties in YTD-18 as compared with no diamond drilling in YTD-17. Offsetting the increase in exploration expenses, a related flow-through share premium recovery of $676,353 in YTD-18 was $524,480 higher than in YTD-17. The timing of qualifying expenditures, relative to the timing of flow-through private placements was the most significant factor influencing the increase in flow-through share premium recovery in YTD-18 as compared with YTD-17.

An increase in share-based payments expense was the result of a grant of options in January 2018, which carried a higher overall Black-Scholes calculated value than the options granted in January 2017. This impacted both the share-based payments expense shown on the income statement (increase of $560K), as well as the share-based payments expense which forms a component of exploration expenses (increase of $393K).

Increased wages in YTD-18 were largely offset by decreases in consulting costs, as key team-members transitioned from consulting roles to permanent staff in YTD-18.

An impairment of mineral property interests of $1,325,759 was recorded in YTD-18 in relation to the sale of the Porter Idaho project to StrikePoint. No such impairment was recorded in YTD-17. Partially offsetting this impairment, Skeena recognized a related $332K unrealized gain on marketable securities as a result of holding shares and warrants in StrikePoint Gold Inc. ("StrikePoint") during a period where StrikePoint's share price increased. Skeena's investment in StrikePoint is a result of Skeena's sale of Mount Rainey Silver Inc. on August 15, 2018.

Cash flows for the nine months ended September 30, 2018

The Company's operating activities consumed net cash of $8,121,215 (2017 – $4,729,185) during the nine months ended September 30, 2018. The higher 2018 operating cash consumption occurred due to the larger net loss in YTD-18, offset by increased share-based payments expense and the impairment of mineral property in YTD 18 that did not occur in YTD-17.

The Company closed a private placement financing on March 29, 2018 which resulted in a net financing cash inflow to the Company of $7,698,715, as compared with the private placement netting $5,234,133 in YTD-17.

Investing activities show significantly less equipment was purchased in YTD-18 than in YTD17-. In addition, just $24,000 was required in YTD-18 for the placement of deposits as security for exploration properties, as compared with $1,563,000 in YTD-17, due to the acquisition of the Snip project from Barrick in 2017.

LIQUIDITY AND CAPITAL RESOURCES

The Company had working capital[1] of $483,450 as of September 30, 2018 (Dec 31, 2017 – deficit of- $50,768). The increase in receivables since the 2017 year-end is the primary driver of the increase in liquidity. Being in the exploration stage, the Company does not have revenues from operations, and relies on equity funding and non-arm's length loans for its continuing financial liquidity.

The Company's most recent private placement was completed subsequent to September 30, on October 19, 2018, raising gross proceeds of $6,767,398. This transaction is more fully described in the "Subseqent Event" portion of the section above labelled "Recent Transactions."

[1] Working capital, a non-GAAP-measure is defined as current assets net of current liabilities.

While funds were raised during the current fiscal period, management cautions that the Company's ability to raise further funding is not certain. Additional funds will be required in order to pursue the Company's current exploration plans. An inability to raise additional funds would adversely impact the future assessment of the Company as a going concern.

CHANGES IN ACCOUNTING POLICIES

Accounting policies used in the quarter are as set out in the audited annual financial statements for the year ended December 31, 2017, with the adoption of updated policies to comply with evolving International Financial Reporting Standards, which are described below.

Several amendments to existing accounting standards have been adopted effective January 1, 2018, including:

IAS 12 Income Taxes- Recognition of Deferred Tax Assets for Unrealized Losses

The amendments clarify how to account for deferred tax assets related to debt instruments measured at fair value. The addition of these amendments has not had a material impact on the financial statements.

IFRS 9 Financial Instruments

A finalized version of IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement. The standard contains requirements for classification and measurement of financial assets and liabilities; impairment of financial assets; hedge accounting; and derecognition of financial assets and liabilities carried forward from IAS 39. This new standard has not had a material impact on the financial statements.

New accounting standards expected to be adopted in future years:

The following new standards, and amendments to standards and interpretations, were not yet effective and have not been applied in preparing these consolidated financial statements.

IFRS 16 Leases

A finalized version of IFRS 16 *Leases* replaces IAS 17 *Leases*. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. The Company expects the new standard to result in some leases that are currently accounted for under the operating lease method being added to the balance sheet. Such adjustments, however, are not yet quantifiable as the Company's assets under lease may be different at the time of standard implementation.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables, deposits, and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest risk arising from the financial instruments. The Company is exposed to credit risk in relation to the receivables balances, however, most receivables are in relation to sales tax due from the Canadian government. Interest risk and credit risk are managed for cash by maintaining deposits in redeemable GIC's or savings accounts belonging to a major Canadian bank or credit union. Credit risk is managed for receivables by seeking prompt payment, monitoring the age of receivables, and making follow up inquiries when receivables are not paid in a timely manner. The Company manages its currency risk by periodically adjusting the principal foreign currency cash balances to approximately match foreign currency liabilities. This helps to reduce the Company's gains and losses as a result of fluctuations in foreign exchange rates. Interest on short-term deposits is classified as interest income on the Consolidated Statement of Comprehensive Loss. There are no gains, losses or expenses associated with this financial instrument. The Company does not engage in any hedging activities. Other financial instruments do not generally expose the Company to risk that is significant enough to warrant reducing via purchasing specific insurance or offsetting financial instruments. Further discussion of these risks is presented in Note 4 of the audited consolidated financial statements for the year ended December 31, 2017.

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 nine months ended September 30, 2018 and 2017 is as follows:

		Nine months ended September 30, 2018		Nine months ended September 30, 2017
Director remuneration[1]	$	142,125	$	58,500
Officer remuneration[1]		393,000		472,886
Share-based payments	$	1,352,477	$	611,353

1 Short-term benefits consist exclusively of salaries, bonuses, health benefits if applicable and consulting fees for key management personnel.

In accordance with Item 1.9 of Part 2 of Form 51-102.F1 the Company has no ongoing contractual commitments with related parties, apart from those established under the employee-employer relationship. Short term benefits were paid or are payable to Walter Coles and Virginia Uranium Inc. for services of the Chief Executive Officer, to Andrew MacRitchie for services of the Chief Financial Officer, to Cold Stream Exploration Ltd. for services of the former Vice-President of Exploration and to Cathro Resources for services of the former Vice-President of Operations. In addition, each of the non-executive directors received director's fees. Other than the amounts disclosed above, there were no short-term employee benefits or share-based payments granted to key management personnel during the periods ended September 30, 2018 and 2017.

Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities at September 30, 2018 is $37,000 (December 31, 2017 - $155,000) due to directors or officers or companies with common directors or officers. These amounts are owed in relation to key management compensation noted above.

RISK FACTORS AND MANAGEMENT'S RESPONSIBILITY OVER FINANCIAL REPORTING

Risk Factors

Development-stage mineral exploration companies face a variety of risks and, while unable to eliminate all of them, the Company aims to manage and reduce such risks as much as possible.

Few exploration projects successfully achieve development due to factors that cannot be predicted or anticipated, and even a single such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed. The Company closely monitors its activities and those factors that could impact them, and retains experienced consultants to assist in its risk management and to make timely adequate decisions.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties.

The price of the commodities being explored is also a significant risk factor, as a substantial decline in their price could result in a decision to abandon a specific project.

Environmental laws and regulation could also impact the viability of a project. The Company has ensured that it has complied with these regulations, but there can be changes in legislation outside the Company's control that could also add a risk factor to a project.

Finally, operating in a specific country has legal, political and currency risks that must be carefully considered to ensure their level is commensurate to the Company's assessment of the project.

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 for such items when a liability is probable, 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 Exploration Ltd., and related parties, have on a number of occasions asserted certain claims against the Company pertaining to an asset purchase agreement ("APA") dated April 14, 2014 and April 27, 2015 governing Skeena's acquisition 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, but these matters are not currently 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 the relevant subsidiary companies. There may be amounts owed by those subsidiary companies, 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.

OFF BALANCE SHEET ARRANGEMENTS

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

OUTSTANDING SHARE DATA

The following section updates the Outstanding Share Data provided in the unaudited consolidated financial statements for the quarter ended September 30, 2018.

Common Shares:		
	Shares outstanding at September 30, 2018	90,328,548
	Private placement at $0.90 on October 16, 2018	7,519,331
	Shares outstanding at November 27, 2018	97,847,879
Stock Options:		
	Options outstanding at September 30, 2018 and November 27, 2018	7,452,444
Warrants:		
	Warrants outstanding at September 30, 2018 and November 27, 2018	19,058,703